

# PRULink Asia Property Securities Fund

All data is as of 31 December 2021 unless otherwise stated

## Features of Fund

Investment Objective	<p><b>PRULink Asia Property Securities Fund</b> is an actively managed fund that seeks to maximise income and long-term returns. This is achieved by investing in listed Real Estate Investment Trusts (REITs) and property related securities of companies, which are incorporated, listed or have their area of primary activity in the Asia Pacific region including Japan, Australia and New Zealand. The fund may also invest in depository receipts, debt securities convertible into common shares, preference shares and warrants and through any other <b>PRULink Global Funds</b> that may be become available in the future or indirectly via sub-funds managed by Eastspring Investments (Singapore) Limited or any other fund manager to be determined from time to time.</p>
Investment Strategy & Approach	<p><b>Investment Strategy</b> Invest in listed Real Estate Investment Trusts (REITs), property related securities of companies, depository receipts including American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), debt securities convertible into common shares, preference shares and warrants, which are incorporated, listed or have their area of primary activity in the Asia Pacific region including Japan, Australia and New Zealand through a collective investment scheme primarily the Eastspring Investments – Asian Property Securities Fund.</p> <p><b>Investment Approach for Eastspring Investments – Asian Property Securities Fund</b> The investment process is a valuation, research-driven approach with disciplined portfolio construction at the core. The primary focus is on stock selection, which has consistently proven to be the major source of excess returns. There are two key steps in the process: Stock selection and Portfolio construction. The research and valuation work focuses on understanding the long term drivers of value of the companies followed. Portfolio construction is a distinct activity from stock selection with the explicit objective of maximising returns for a given risk budget. The review and feedback process ensures portfolios stay “true to label” to the beliefs and investment process and also that portfolios are compliant with client mandates, in practice as well as in spirit.</p>
Asset Allocation	<p>The Fund invests up to 100% of the Fund’s NAV in the Sub-Fund(s) determined by the Fund Manager. The balance of the Fund’s NAV will be invested in liquid assets.</p>
Performance Benchmark	<p>GPR - Customized Asia Pac (Ex-Japan) Property Index</p> <p><i>For more information on benchmark kindly refer to <a href="http://www.globalpropertyresearch.com">www.globalpropertyresearch.com</a></i></p>
Fund Manager	<p>Eastspring Investments Berhad (531241-U)</p>

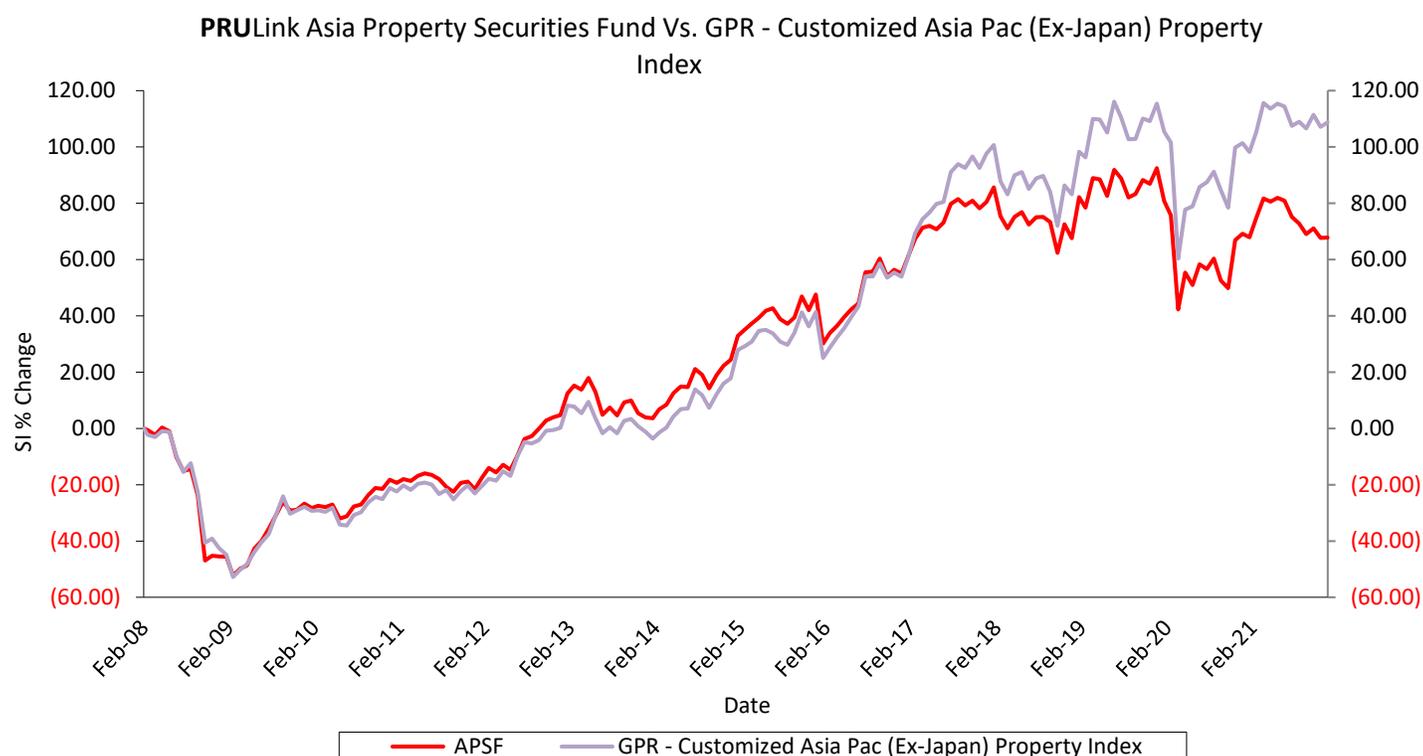
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## Fees & Charges

Fund Management Charge	1.50% p.a.
Other Charge, if any	Nil

## Fund Performance



**Notice: The graphs are included for illustrative purposes only. Past performance of The Fund is not an indication of its future performance.**

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Year	Actual Performance PRULink Asian Property Securities Fund	Benchmark GPR - Customized Asia Pac (Ex-Japan) Property Index
2012	33.59%	30.25%
2013	-0.74%	-1.35%
2014	19.66%	19.25%
2015	18.58%	19.91%
2016	5.03%	8.92%
2017	16.45%	28.44%
2018	-7.13%	-7.33%
2019	14.86%	17.59%
2020	-12.12%	-6.51%
2021	-0.79%	3.61%

Sources: Lipper IM and Bloomberg, 31 December 2021

Notice: Past performance is not an indication of its future performance. This is strictly the performance of the investment/underlying funds, and not the returns earned on the actual premiums paid of the investment-linked insurance product.

Basis of calculation of past performance:

$$= \left( \frac{\text{Net Asset Value for Year } n}{\text{Net Asset Value for Year } n - 1} - 1 \right) \%$$

### Additional disclosure for PRULink Asian Property Securities Fund

PRULink Asia property securities fund invests in the Eastspring Investments - Asian Property Securities Fund.

The fund manager of Eastspring Investments - Asian Property Securities Fund is Eastspring Investments (Singapore) Limited.

Management fees may be charged at the Fund and/or Sub-Fund(s) level. Please note that you will be charged a maximum of 1.50% p.a., being the combined annual fund management charge at the Fund and Sub-Fund(s) levels. Sub-Fund(s) with investment strategies to invest in Exchange Traded Funds ("ETF") or other Collective Investment Schemes may incur additional expenses at the Sub-Fund(s) level which is taken as part of the investment strategy considerations to deliver the fund performance.

Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Performance	-2.69%	-10.03%	18.67%	-7.71%	31.97%	2.25%	-1.13%	16.00%	-6.22%	42.03%

Note: The above return is for Eastspring Investments - Asian Property Securities Fund (Class D)

Source: Eastspring Singapore, 31 December 2021

Returns are based on third party unit price, net of fees with dividends reinvested, if any, and reported in USD

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Basis of calculation of past performance:

$$= \left( \frac{\text{Net Asset Value for Year } n}{\text{Net Asset Value for Year } n - 1} - 1 \right) \%$$

### Investment Risks

The Fund is subjected to investment risks including the possible loss of the principal amount invested. The value of the units may fall as well as rise. In addition, The Fund is subjected to specific risk including and not limiting to:

#### Currency Risk

The Fund is denominated in MYR, while the Sub-Fund(s) may be denominated in other currencies. The performance of the Fund may be affected by movements in the exchange rate between the MYR and the Sub-Fund(s)'s denominated currency. Where applicable, a currency hedge or a currency hedged class of fund may be used to minimise currency risk.

The Sub-Fund(s) or its Target Fund(s)'s underlying investments may be denominated in their local currency, which may differ from the Sub-Fund(s) or its Target Fund(s)'s currency of denomination. The performance of the Sub-Fund(s) or its Target Fund(s) may be affected by movements in the exchange rate between the local currency of its underlying investments and the Sub-Fund(s) or its Target Fund(s)'s denominated currency.

#### Derivatives Risk

Derivatives may potentially be used to hedge against any risk that may be derived from investing in the Sub-Fund(s), such as, but not limited to, currency risk.

The Sub-Fund Manager(s) or its Target Fund Manager(s) may invest in derivatives which will be subject to risks. While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk and leverage risk. Investments in derivatives may require the deposit or initial margin and additional margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely.

The Sub-Fund Manager(s) or its Target Fund Manager(s) has the necessary controls for investments in derivatives and have in place systems to monitor the derivative positions for the Sub-Fund(s) or its Target Fund(s). The Sub-Fund Manager(s) or its Target Fund Manager(s) does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and/or risk management. Currency risk is simply one of the market risks which the fund will be exposed to and can be hedged using derivatives such as FX forwards/futures. Often the underlying currency risk may be taken on as a result of buying an underlying equity or bond. If the Sub-Fund Manager(s) or its Target Fund Manager(s) does not want to also take the currency risk associated with these underlying assets, the Sub-Fund(s) or its Target Fund(s) may use Forward Foreign Exchange contracts to hedge any currency risk derived from holdings of non-

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base currency positions. Essentially this use of currency forwards is to hedge currency risk in the Sub-Fund(s) or its Target Fund(s).

## **Interest Rate & Credit Risk**

Investments in fixed income portfolios will be subject to the usual risks of investing in bonds and other fixed income securities. Bonds and other fixed income securities are subject to interest rate fluctuations and credit risks, such as risk of default by issuers. Investments in fixed income securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal, especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

## **Portfolio Risk**

The Fund is intended for investors who can accept the risks associated with investing primarily in the securities of the type held in the Fund. Investments in equities will be subject to the risks associated with equity and equity-related securities, including fluctuations in market prices, adverse issuer or market information and the fact that equity and equity-related interests are subordinate in the right of payment to other corporate securities, including debt securities. Likewise, investments in fixed income securities will be subjected to the risks associated with debt securities including credit and interest rate risk, and the additional risks associated with high-yield debt securities, loan participations and derivative securities. In addition, investors should be aware of the risks associated with the active management techniques that are expected to be employed by the Fund.

## **Country Risk**

Investments in the Fund may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies and other restrictions and controls which may be imposed by relevant authorities.

## **Emerging Markets Risk**

The Fund invests in emerging markets which may be subject to higher political risks, regulatory risks and liquidity risks than developed markets. Due to many emerging markets undergoing rapid growth, there is less regulation and there may be less public information about companies listed on such markets as compared to other stock markets. Investors would have to take into consideration that trading volume in emerging markets may be substantially less than in the world's leading stock markets and may have to be conducted at unfavourable prices. Investments in emerging markets are also subject to repatriation risks. Many emerging markets have restricted foreign investment policies although liberalisation continues. Emerging markets may not have fully developed custodian and settlement services and therefore investments in such markets are subject to a greater degree of risk.

## **Small Companies Risk**

Investment in securities of smaller companies can involve greater risk than that normally associated with larger, more established companies. In particular, smaller companies have limited product lines, markets or financial resources and may be dependent for their management on a limited number of key individuals.

## **Charges to Capital Risk**

Where the investment objective of a Fund is to treat the generation of income as a higher or equal (in the long term) priority to capital growth, all or part of the fees and charges, net of the attributable tax effect, may be charged against capital instead of against income and may constrain capital growth of the Fund. The above should not be considered to

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be an exhaustive list of the risks which potential investors should consider before investing into any Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time.

*The above should not be considered to be an exhaustive list of the risks which potential policyholders should consider before investing in The Fund. Potential policyholders should be aware that an investment in The Fund may be exposed to other risks of exceptional nature from time to time.*

### Risk Management

The Fund Manager has the following risk management and compliance controls in place to manage the risks:

#### **a) Pre-Trade Compliance**

Where possible, all Financial Derivative Instruments (FDI) activities and exposures are monitored with a pre-trade compliance system across the entire business. Rules and investment guidelines are set up in the system as far as possible allowing potential breaches to be immediately identified before a trade is executed. An escalation process is in place to ensure relevant parties are informed when a potential issue occurs.

#### **b) Portfolio Risk**

The Fund Manager utilises quantitative techniques to determine the suitability of utilising FDIs. The investment team utilises a number of tools to carry out portfolio construction and to conduct risk analysis including risk/return characteristics. The investment team identifies, manages and monitors investment risks with the aim of achieving the objectives of the Sub-Funds.

#### **c) Counterparty Risk**

The Fund Manager has credit risk management and control procedures for assessing, monitoring and limiting credit and counterparty risk across all asset classes and client bases. Reviews of counterparties are performed on a regular basis to assess any changes in credit worthiness and the ability to meet their contractual obligations.

#### **d) Risk Oversight**

In addition, The Fund Manager has an independent investment risk team that works with each investment team to ensure that the necessary risk controls and metrics of the risks are in place. The investment risk team reports to the regional risk committee whose principal role is to ensure that the business units operate within the risk management policies and frameworks laid out.

The Fund Manager will ensure that the risk management and compliance procedures and controls adopted are adequate and that it has the necessary expertise to control and manage the risks relating to the use of FDIs.

The Fund Manager may modify the risk management and compliance procedures and controls adopted from time to time as it deems fit and in the interest of the Sub-Fund.

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## Other Info

- Target Market

- Policyholders who seek high capital appreciation.
- High risk tolerance.
- Long term investment horizon.

- Basis & Frequency of Unit Valuation

- Unit pricing is every business day.
- The Unit Price of a particular **PRULink** Global Fund on any Valuation Date shall be equal to The Fund Value divided by the number of Units in issue on Valuation Date.
- The Fund Value is the value of all the assets of a particular **PRULink** Global Fund after the deduction of expenses for managing, acquiring, maintaining and valuing the assets of that fund, tax (if any) or other statutory levy incurred by the Company on investment income or capital gains on the assets of The Fund and any accrued or anticipated income.
- The Company shall value the various **PRULink** Global Funds at the close of each business day (Valuation Date). However, as the value of the **PRULink** Global Funds' investments in various shares, fixed interest securities and money market instruments at the close of a particular Valuation Date will only be known a business day later, the determination by the Company of the Unit Price of a **PRULink** Global Fund in respect of a particular Valuation Date shall only be conducted and made known to the policyholder 2 business days later (T + 2).
- To recoup the cost of acquiring and disposing of assets, a transaction cost adjustment may be made to The Fund Value to recover any amount which The Fund had already paid or reasonably expects to pay for the creation or cancellation of units.

- Exceptional circumstances

- The Company shall not be bound to redeem and convert on any Valuation Day more than 10% of any **PRULink** Global Fund outstanding on such Valuation Day.
- The Company reserves the right in exceptional circumstances (for example, when there is an unusually high volume of sale of investments within a short period) to defer the switching or withdrawal of Units and the surrender of the Policy for a period not exceeding six (6) months from the date of application.
- The Company may suspend unit pricing and policy transaction if any of the exchanges in which The Fund is invested is temporarily suspended for trading. In such event, notice for suspension may be published and may be communicated to the policyholder upon any request for top-up, switching, redemption or withdrawal to/from any such **PRULink** Global Fund.

The list of exceptional circumstances above are not exhaustive, please refer to your policy document for further details.