

# PRULink Money Market Fund

All data is as of 31 December 2021 unless otherwise stated

Features of Fund	
Investment Objective	<p>Aims to preserve capital value while providing returns which are comparable to short term bank deposits. Apart from minimal risk exposure, the fund also maintains a high degree of liquidity by investing primarily in high quality, low risk, short-term money market instruments and debt securities. Although the fund seeks to preserve the principal value, the ability of the fund to meet this objective is not guaranteed.</p>
Investment Strategy & Approach	<p><b>Investment Strategy</b></p> <p>The Fund aims to achieve its objective by investing in a portfolio of money market and other short term, high quality, debt instruments. Debt instruments are to be high quality so as to minimise, but not necessary eliminate, the risk of reduction in unit price due to drop in market value. The Fund Manager shall review the need to maintain cash or other liquid assets based on liquidity purposes.</p> <p>The minimum credit rating of debt instruments that the Fund shall invest in is at least AAA for long-term instruments or P1 for short-term papers. Should the ratings be downgraded below the stated minimum credit rating, the Fund Manager shall dispose off the papers within the reasonable time frame taking into consideration of market condition and factors at that point of time.</p> <p>The Fund Manager will adopt an active investment strategy in managing the Fund. If and when the Fund Manager considers that market, economical, political or other conditions are adverse to the Fund, the Fund Manager may take a temporary defensive position in attempting to respond to those conditions and defend the long-term investment returns of the Fund. This defensive position may take the form of a temporary reduction in the exposure to the investments affected by the adverse conditions and the replacement thereof with investments which the Fund Manager considers may better preserve the value of the Fund, although not necessarily meeting entirely the objective of the Fund for a period that the Fund Manager considers reasonable. Such defensive position may also include maintaining a maximum 100% in liquid assets/cash and/or cash equivalent assets. When this happens, the declared asset allocation of the Fund will necessarily be altered.</p> <p><b>Investment Approach</b></p> <p>The Fund Manager believes that their disciplined, valuation and credit driven investment style can generate superior returns. They aim to exploit opportunities at both the asset allocation and securities selection levels through active in-house research and portfolio management. The Fund Manager aims for a high degree of consistency in the long term performance for all funds.</p>
Asset Allocation	<p>The Fund invests up to 100% of the Fund's NAV in the Fund's permitted investments, including money market instruments with maturity not exceeding 3 years, debt instruments with maturity not exceeding 2 years, cash or other liquid assets. Permitted investments include money market instruments, debt instruments, and any other form of investments as may be permitted by the relevant authorities from time to time. Debt instruments include government and corporate bonds; short term securities such as</p>

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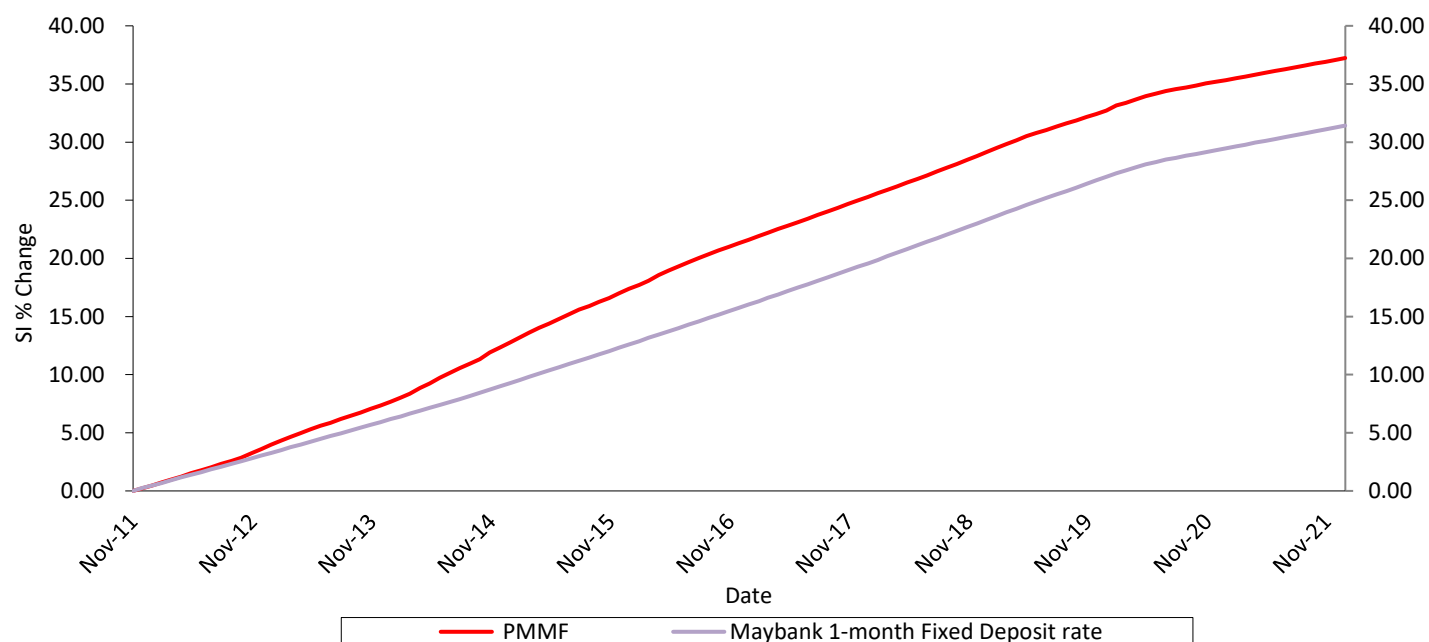
	Malaysian Treasury Bills, Bank Negara Monetary Notes and Cagamas Notes; and Commercial Papers.
Performance Benchmark	Maybank 1-month Fixed Deposit rate <i>For more information on benchmark kindly refer to <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a></i>
Fund Manager	Eastspring Investments Berhad (531241-U)

## Fees & Charges

Fund Management Charge	0.25% p.a.
Other Charge, if any	Nil

## Fund Performance

PRULink Money Market Fund Vs. Maybank 1-month Fixed Deposit rate



**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 Money Market Fund	Benchmark Maybank 1-month Fixed Deposit rate
2012	3.50%	2.80%
2013	3.55%	2.80%
2014	4.73%	2.91%
2015	4.10%	3.05%
2016	3.59%	3.05%
2017	3.03%	3.05%
2018	3.09%	3.15%
2019	2.76%	2.99%
2020	1.97%	1.93%
2021	1.40%	1.51%

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:

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

### 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:

#### Possibility of Loss

The prices of units in a fund and the income from the fund may go down as well as up due to price fluctuations of the securities that the fund invests in. A possible loss of all or part of the principal invested cannot be ruled out. No guarantee is given, express or implied, that investors will receive any income distribution or returns on their investments, or that investors will get back their initial amount invested in full. The Fund Manager endeavours to mitigate this risk by employing a systematic investment process that is incorporated with a risk management process.

#### Market Risk

Market risk refers to potential losses that may arise from changes in the market prices of the investments of a fund. Prices of securities that a fund invests in fluctuate in response to various factors, for example, events or news that relates to securities as well as general market or economic conditions.

A fund with a well-diversified portfolio of securities from different sectors helps mitigate this risk so that the collapse of any one sector would not impact too greatly on the value of the fund.

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## **Liquidity Risk**

Liquidity refers to the ease of liquidating an investment at no loss, or at a minimum loss and is dependent on the volume of the securities traded in the market. A fund holding many securities that are illiquid, or difficult to dispose of, will have its' value depressed when it has to sell these securities at a discount or a loss. This risk is mitigated through a systematic security selection process and portfolio diversification.

## **Inflation Risk**

Purchasing power is reduced by inflation and if the rate of inflation is constantly higher than the rate of returns on investments, the real rate of your investment return (i.e. the returns after adjusting for inflation) could be negative despite the fund showing a positive return. Therefore, investors should consider the potential real rate of returns prior to investing.

## **Risk of Non-Compliance**

This risk arises from non-compliance with laws, rules, regulations, prescribed practices and internal policies and procedures by the Fund Manager. This risk may also occur indirectly due to the imposition and/or amendment to the relevant regulatory frameworks, laws, rules and other prescribed practices affecting the fund. The Fund Manager has put in place internal controls to ensure that comprehensive and timely compliance monitoring is undertaken.

## **Management Company Risk**

This is the risk that the management company may not adhere to the investment mandate of the fund.

The risk is mitigated by the management company, as follows:

- Monitoring by the investment committee;
- Adhering to internal policies and procedures on investment limits and restrictions; and
- Regular reporting to the senior management team.

The performance of any fund depends on the experience, knowledge and expertise of the Fund Manager. Any error in the investment techniques and processes adopted by the Fund Manager may have an adverse impact on the fund's performance. The Fund Manager seeks to mitigate this risk by implementing a consistent and structured investment process, systematic operational procedures and processes along with stringent internal controls.

## **Operational Risk**

The performance of a fund's investment depends upon the proper functioning of both internal and external systems and processes. A market disruption event or system interruption can also impact processes when there is an interruption in the flow of information needed for making qualified decisions in managing the fund. These disruptions may impact the performance and settlement of trades of the fund and may also affect the investor's transactions with the fund. The Fund Manager has put in place internal controls to manage some of these disruptions such as business continuity plans. However, investors should note that not all circumstances can be prepared for nor anticipated.

## **Credit/Default Risk**

This risk refers to an issuer's ability to make timely payments of coupon and principal. Investments in fixed income securities are subject to adverse changes in the financial condition of the issuer and the general economic conditions. These changes may lower the credit quality and reduce or eliminate the ability of the issuer to make payments of interest and the repayment of principal. In the event the issuer defaults in the payment of coupon or principal, the value of the fund will be adversely affected.

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High quality fixed income securities have a relatively lower degree of credit risk. Credit risk of the issuer is managed by the Fund Manager by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of the issuer. In addition, the Fund adopts a minimum rating requirement, by either local and/or foreign rating agencies.

### **Interest Rate Risk**

The value of fixed income securities/bonds may move inversely with interest rate movements. Therefore, the prices of fixed income securities/bonds may fall when interest rates rise and vice versa. Should the Fund hold a bond until its maturity, such price fluctuations would reduce as the bond approaches maturity. To mitigate the effects of interest rate movements, the Fund Manager will manage the duration of the portfolio by diversifying the tenures of the Fund's bond investments based on the Fund Manager's view on the future interest rate trend.

*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**

All investments have an element of risk which could result in losses arising from the price volatility of securities affected by the activities of individual companies as well as general market and economic conditions. The Fund Manager constantly monitors market and economic conditions as well as fund valuations closely to manage risks.

In relation to investment parameters, restrictions and limits, the Fund Manager's Legal and Compliance Department oversees the entire compliance matters, which help to mitigate the risk of non-compliance that could potentially lead to loss of reputation and possibly limited future business opportunities.

The internal audit unit of the Prudential Group conducts all internal audit functions and reports to the Audit & Compliance Committee. You should rely on your own evaluation to assess the merits and risks of an investment. You should read and understand the contents of this fund fact sheet and, if necessary, consult your adviser(s) before making an investment decision.

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## Other Info

- Target Market

Policyholders who

- Seek a low risk fund.
- Have low risk tolerance.
- Adopt a short-term investment horizon.

- Basis & Frequency of Unit Valuation

- Unit pricing is done daily.
- The Unit Price of a particular **PRULink** 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** 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 Valuation Date shall be the date as determined by the Company from time to time, but not less frequently than once every business day, for the purpose of determining Unit Prices.
- 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 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** Fund.

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