

PRULink Asian High Yield Bond Fund

All data is as of 31 December 2020 unless otherwise stated

Features of Fund	
Investment Objective	<p>PRULink Asian High Yield Bond Fund (“The Fund”) aims to maximise total returns by investing in a Sub-Fund called Eastspring Investments Asian High Yield Bond MY Fund (RM Hedged-class), which feeds into Eastspring Investments – Asian High Yield Bond Fund managed by Eastspring Investments (Singapore) Limited.</p> <p>The Fund provides exposure to investments in a diversified portfolio consisting primarily of high yield fixed income/ debt securities issued by Asian entities or their subsidiaries.</p> <p>The Fund may also invest in any other funds with similar objective that may become available in the future.</p>
Investment Strategy & Approach	<p>Investment Strategy</p> <p>The Target Fund in the Sub-Fund is called Eastspring Investments - Asian High Yield Bond Fund (class ADM, currency USD). The Target Fund will invest primarily of high yield fixed income or debt securities issued by Asian entities or their subsidiaries. This Target Fund portfolio primarily consists of securities denominated in US dollars as well as the various Asian currencies and aims to maximise total returns through investing primarily in fixed income or debt securities rated below BBB-.</p> <p>Investment Approach</p> <p>The Investment Manager of the Target Fund, Eastspring Investments (Singapore) Limited applies both the top-down and bottom-up investment management approach in deriving its duration, credit and currency allocation strategies. From a top-down perspective, economic and market analysis are carried out to determine the outlook for interest rate markets, as well as credit and currency trends. This is necessarily combined with a bottom-up credit selection process, which is based on research and analysis of credit issuers, to identify value opportunities and avoid potential default events.</p> <p>The strongest investment ideas from the above analyses then become candidates for inclusion in the portfolio. There is also a strong emphasis on risk management in the portfolio construction process to ensure that active risks are taken in a diversified manner and that potential returns commensurate with the risks taken on each investment.</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>J.P. Morgan Asia Credit Index Non-Investment Grade (RM Hedged)</p> <p><i>For more information on benchmark kindly refer to www.jpmorganindices.com/indices/listing</i></p>
Fund Manager	<p>Eastspring Investments Berhad (531241-U)</p>

PRULink Asian High Yield Bond Fund

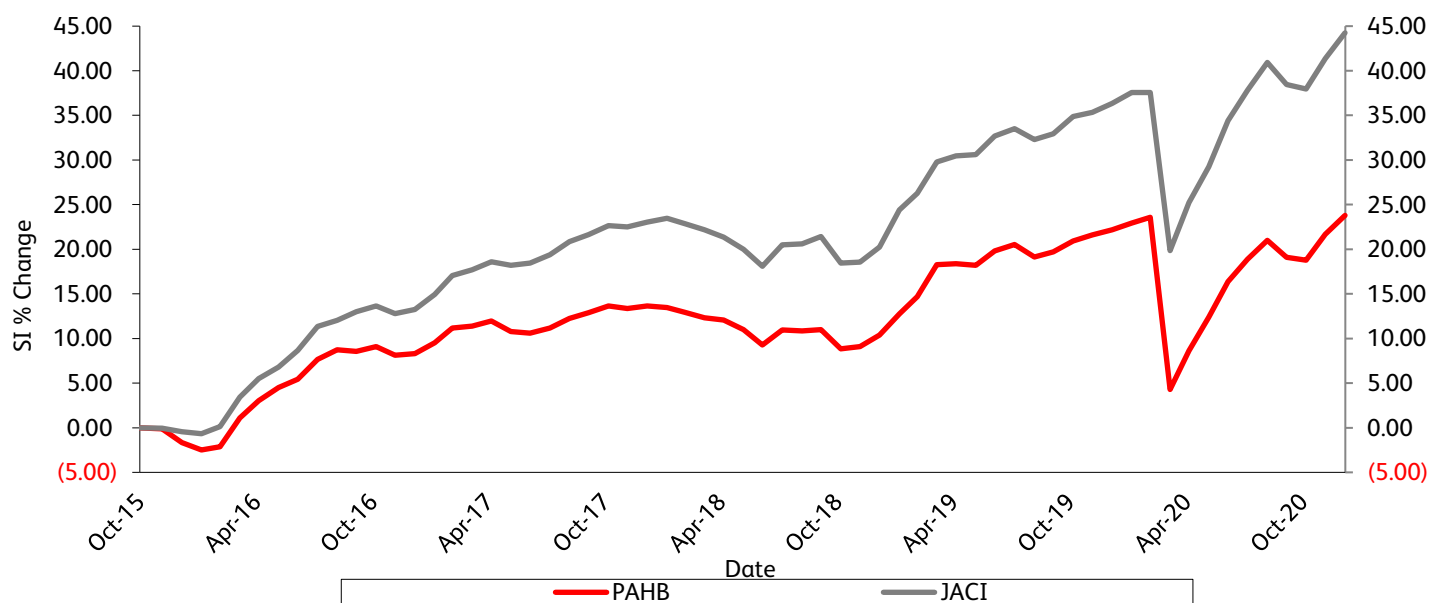
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Fees & Charges

Fund Management Charge	1.00% p.a.
Other Charge, if any	Nil

Fund Performance

PRULink Asian High Yield Bond Fund Vs. J.P. Morgan Asia Credit Index ("JACI") Non-Investment Grade



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

Year	Actual Performance PRULink Asian High Yield Bond Fund	Benchmark J.P. Morgan Asia Credit Index Non-Investment Grade (RM Hedged)
2015	-1.66% *	-0.43% *
2016	10.15%	13.75%
2017	4.90%	8.62%
2018	-2.86%	-2.25%
2019	10.69%	13.38%
2020	1.32%	5.79%

*Fund Performance is from fund launch date until year end of the same year (non-annualised return).

Sources: Lipper IM and Bloomberg, 31 December 2020

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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 High Yield Bond Fund

PRULink Asian High Yield Bond Fund invests in the Eastspring Investments Asian High Yield Bond MY Fund which is feeding into Eastspring Investments – Asian High Yield Bond Fund.

The Fund Manager of Eastspring Investments Asian High Yield Bond MY Fund is Eastspring Investments Berhad while the Investment Manager of the Eastspring Investments – Asian High Yield Bond 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 1.00% 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.

The Fund performance for the Sub-Fund, Eastspring Investments Asian High Yield Bond MY Fund as at 31 December 2020 are as follows:

Year	2020	2019	2018	2017	2016	2015
Net Performance	0.86%	11.07%	-3.98%	4.95%	12.00%	-0.92% *

*Fund Performance is from fund launch date until year end of the same year (non-annualised return).

The Fund performance of the Target Fund, Eastspring Investments – Asian High Yield Bond Fund as at 31 December 2020 is as follows:

Year	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Performance	3.35%	12.44%	-4.01%	4.81%	11.06%	2.27%	4.97%	-0.84%	11.30% *

*Fund Performance is from fund launch date until year end of the same year (non-annualised return).

Note: The above performance is for Target Fund class ADM currency in USD

Source: Bloomberg, 31 December 2020

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:

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

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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:

General Risks when Investing in The Fund

Market Risk

Market risk refers to potential losses that may arise from adverse changes in the market conditions. Market conditions are generally, affected by, amongst others, economic and political stability. If the market which The Fund invests in suffers a downturn or instability due to adverse economic or political conditions, this may adversely impact the market prices of the investments of The Fund.

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.

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.

Risk of Non-Compliance

This risk arises from non-compliance with laws, rules and regulations, prescribed practices and the management company's internal policies and procedures, for example, due to oversight by the management company. Such non-compliance may force the management company to sell down the securities of The Fund at a loss to rectify the non-compliance and in turn affect the value of investors' investment in The Fund. To mitigate this risk, The Fund Manager has put in place internal controls to ensure its continuous compliance with laws, rules and regulations, prescribed practices and The Fund Manager's internal policies and procedures.

Inflation Risk

This risk refers to the likelihood that an investor's investments does not keep pace with inflation, thus resulting in the investor's decreasing purchasing power even though the investment in monetary terms may have increased.

General Risks when Investing in the Sub-Fund

Fund Management of the Target Fund Risk

While the Fund Manager will exercise due skill and care in selecting the Target Fund, it does not have control over the management of the Target Fund and there is no guarantee that the investment objective of The Fund will be met. This may affect the value of the policyholders' investments in The Fund.

The Target Fund may change its objective and become inconsistent with the objective of The Fund. In such instances, The Fund Manager will replace the Target Fund with another collective investment scheme which The Fund Manager considers to be more appropriate in meeting the objective of The Fund. Such change would require the policyholders' approval.

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Country Risk

The Sub-Fund invests in the Target Fund which is domiciled in Luxembourg. Any adverse changes in the Luxembourg's economic fundamentals, social and political stability, currency movements and foreign investments policies in Luxembourg may have an impact on the prices of the securities that the Target Fund invests in and consequently may also affect The Fund's NAV.

Currency Risk

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

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

Specific Risks when Investing in the Target Fund

Credit Risk

Investments in bonds are subject to adverse changes in the financial condition of the issuer, or 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/or principal, especially if the issuer is highly leveraged.

Issuer's ability to meet its debt obligations may also be affected by the adverse changes to business forecasts, or the unavailability of additional financing.

Counterparty Risk

The Target Fund will be exposed to credit risk of the counterparties with whom the Target Fund trades with. The Target Fund may place deposits, invest in bonds and money market instruments, and also enter into derivative contracts for hedging and efficient portfolio management purposes. In the event that the counterparty is not able to fulfil its obligations especially in the event of bankruptcy this may lead to a loss to the Target Fund. Counterparty risk may be mitigated by conducting credit evaluation on the counterparty to ascertain the creditworthiness of the counterparty.

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Interest Rate Risk

Generally, the value of bonds will move inversely with interest rate movements. Therefore, the prices of bonds may fall when interest rates rise and vice versa. Bonds with longer maturity and lower coupon rates are more sensitive to interest rate changes.

Currency Risk

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

Liquidity Risk

The Target Fund could face liquidity risk arising from investments in securities that have low trading volumes, imposed trading restrictions or temporary suspensions from trading. Investments in securities that have high liquidity risk may reduce return or incur substantial losses to the Target Fund if the Target Fund is unable to sell these securities at opportune times or prices. Liquidity could dry up in a very short time especially during a crisis.

High Yield Bonds Risk

The Target Fund invests in high yield fixed income securities or bonds, which are subject to greater credit risk than investment grade bonds. High yield fixed income securities or bonds are normally lower rated fixed income securities. Generally lower rated fixed income securities pay higher yields than higher rated fixed income securities to compensate investors for the reduce creditworthiness or higher risk of default that these fixed income securities carry.

Emerging Markets Risk

Policyholders should be aware that the Target Fund's investments in emerging markets may involve a higher degree of risk than investment in developed markets. The Target Fund's portfolio consequently may experience greater price volatility and significantly lower liquidity than a portfolio invested solely in securities of issuers located in more developed markets. Investments in emerging market securities entail significant risks in addition to those customarily associated with investing in securities of issuers in more developed markets, such as:

- i) low or non-existent trading volume, resulting in a lack of liquidity and increased volatility in prices for such securities, as compared to securities of comparable issuers in more developed markets;
- ii) uncertain national policies and social, political and economic instability, increases the potential for expropriation of assets, confiscatory taxation, high rates of inflation or unfavorable diplomatic development;
- iii) possible fluctuations in exchange rates, differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions, or other laws or restrictions applicable to such investments;
- iv) national policies which may limit a portfolio's investment opportunities such as restrictions on investment in issuers or industries deemed sensitive to national interests; and
- v) the lack or relatively early development of legal structures governing private and foreign investments and private property. Other risks relating to investments in emerging market issuers include: the availability of less public information on issuers of securities; settlement practices that differ from those in more developed markets may result in delays or may not fully protect a portfolio against the loss or theft of assets; the possibility of nationalisation of a company or industry and expropriation or confiscatory taxation; and the imposition of foreign taxes.

Investments in emerging markets securities may also result in generally higher expenses due to: the costs of currency exchange; higher brokerage commissions in certain emerging markets; and the expense of maintaining securities with foreign custodians. Issuers in emerging markets may not be subject to accounting, auditing and financial reporting standards and requirements compare to those issuers in developed markets are subject to. In certain emerging markets,

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reporting standards vary widely. As a result, traditional investment measurements used in developed markets, such as price or earnings ratios, may not be applicable in certain emerging markets.

The above-mentioned risk could adversely affect the value of the Target Fund's investments, and consequently impacting the net asset value of the Target Fund.

Derivatives Risk

The 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 Target Fund Manager(s) has the necessary controls for investments in derivatives and have in place systems to monitor the derivative positions for the Target Fund(s). The 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 Target Fund Manager(s) does not want to also take the currency risk associated with these underlying assets, the Target Fund(s) may use Forward Foreign Exchange contracts to hedge any currency risk derived from holdings of non-base currency positions. Essentially this use of currency forwards is to hedge currency risk in the Target Fund(s).

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

Target Fund:

The monitoring of investment guidelines and restrictions is primarily achieved through the Charles River Trading System (CRTS). The investment guidelines are set up in CRTS for pre-trade and batch monitoring.

On a pre-trade basis, orders which appear to have breached the investment guidelines cannot be sent for execution without the compliance team's investigation and approval. Such approval is only given when it is confirmed that the execution of such an order / trade will not result in any genuine breaches of investment guidelines. On a batch monitoring basis, the compliance team uses the CRTS to check that the portfolio's day-end positions are within the investment guidelines. An escalation process is in place to ensure relevant parties are informed when a potential issue or breach occurs.

Compliance officers run daily guideline checks on all portfolios using CRTS. The system enables the compliance team to conduct daily pre and post-trade checks to ensure compliance with client investment guidelines and restrictions.

At an investment level, risk monitoring and control is integrated into the investment process with the responsibility for portfolio risk management ultimately resting with the portfolio manager. Portfolio risk management begins with ensuring that as investors we deeply understand the stocks that we are holding on behalf of our clients. We strongly believe that a portfolio is more than a collection of good ideas. There is a focus on the make up and allocation of the

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portfolio's risk budget. We want to allocate the majority of the risk budget to stock specific risk. All other risk factors (country, sector, size, etc.) are normally residuals.

The overall risk profile of the portfolio is monitored monthly by the Portfolio Strategist using Axioma. It analyses a wide range of risk characteristics to identify any unintended risks introduced into the portfolio. This risk analysis forms an input into the portfolio construction process and is a tool which assists in determining a level of risk consistent its investment mandate and objectives. The risk budget of the portfolio is focused on stock selection as the primary source of added value.

By clearly identifying both intended and unintended risk, The Fund Manager also aims to construct the portfolio such that intended stock-specific risk can be matched against forecast returns for stocks, with all unintended risks minimised.

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Other Info

<ul style="list-style-type: none">• Target Market	<p>This Fund is suitable for policyholders who:</p> <ul style="list-style-type: none">• Seek income and capital appreciation;• Want to participate in Asian High Yield Bonds;• Have high risk tolerance;• Are comfortable with the volatility and risk of a fund that invest in non-investment grade and/or unrated bonds; and• Adopt a long-term investment horizon.
<ul style="list-style-type: none">• Basis & Frequency of Unit Valuation	<ul style="list-style-type: none">• Unit pricing is done daily.• 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 valuation date shall be the date as determined by Prudential from time to time, but not less frequently than once a day, for the purpose of determining unit prices.• 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.
<ul style="list-style-type: none">• Exceptional circumstances	<ul style="list-style-type: none">• 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. <p>The list of exceptional circumstances above are not exhaustive, please refer to your policy document for further details.</p>