

# PRUink bond fund

## Fund Fact Sheet March 2019

**PRU LIFE U.K.** 

The Fund Fact Sheet provides general information concerning the underlying funds of Pru Life UK's unit-linked policies and is not intended to serve as individual investment advice. The manager of the fund is Eastspring Investments (Singapore) Limited.

### Key Information and Investment Disclosure

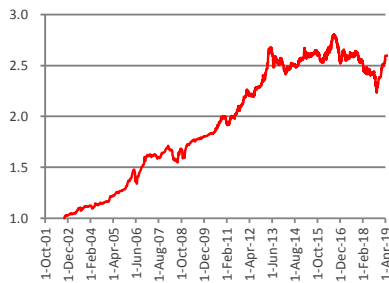
(all data as at 01 April 2019 unless otherwise stated)

Launch Date	24 September 2002	Fund Classification	Diversified
NAVPu (PHP)	2.59605	Minimum Risk Rating	1 (Conservative)
Fund Size	PHP 19.38 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	1.53% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	Markit iBoxx ALBI Philippines

### Fund Objective

The fund seeks to achieve an optimal level of income in the medium term together with long-term capital growth through investments in fixed income securities and money market instruments.

### Fund Price Chart



The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.

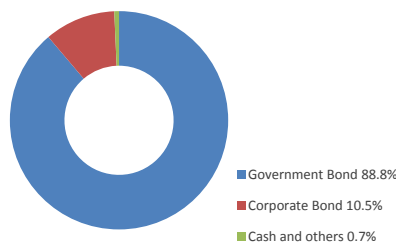
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	3.97%	6.20%	1.05%	8.80%	5.94%

### Fund Statistics

Highest NAVPU reached	(11 Aug 16)	2.80424
Lowest NAVPU reached	(24 Sep 02)	1.00000
Initial NAVPU	(24 Sep 02)	1.00000

### Asset Allocation



### Top 5 Holdings:

PHILIPPINES (REPUBLIC OF) 8.000% 07/19/2031	8.3%
PHILIPPINES (REPUBLIC OF) 4.625% 12/04/2022	6.2%
PHILIPPINE GOVERNMENT 8.125% 12/16/2035	5.9%
PHILIPPINE GOVERNMENT 6.125% 10/24/2037	4.9%
PHILIPPINE GOVERNMENT 5.875% 03/01/2032	3.9%

### Fund Manager's Commentary

The Philippine domestic bond market registered a strong rally in March with the Markit iBoxx ALBI Philippines index rising 4.49% amid significant government bond yield declines.

During the month, global government bond yields, including the Philippine government bond yields, declined amid a dovish shift of major central banks. Increasing growth concerns led the European Central Bank (ECB) to announce a fresh round of bank funding, while pushing out its rate hike guidance to 2020. The US Federal Reserve (Fed) also surprised markets with its announcement to end its balance sheet reduction in September. Additionally, the FOMC's median Fed funds rate projection was revised lower from signalling two rate hikes in 2019 to no rate hike this year, and just one rate hike in 2020.

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## Fund Manager's Commentary on PRUlink bond fund

Domestically, expectation of monetary policy easing has also risen as inflationary pressures softened; in February, headline inflation fell from 4.4%YoY in January to 3.8% YoY on the back of broad-based deceleration in consumer price increases. While the Bangko Sentral ng Pilipinas (BSP) held its overnight reverse repurchase rate steady at 4.75% at the March policy meeting, its CPI forecast moderated from 3.07% to 3.00%, well within the target range of 2-4%. The new BSP governor also indicated that there was room for policy easing and cuts in banks' reserve requirement ratio. Against this backdrop, significant yield declines were seen in the Philippine government bond yield curve, particularly at the long end of the curve with 10-year yield falling more than 70 bps to 5.6% over the month.

The Fund overall duration overweight contributed positively to performance over the month, but pricing effects weighed on relative returns.

In March, we extended the portfolio's duration on portfolio flows, while maintaining an overall duration overweight. We still view Philippines' growth outlook favourably, supported by robust domestic demand and resilient remittances. Inflation has fallen within BSP's target band, and we expect inflation expectations to be anchored lower. We will continue to maintain the duration overweight as we expect BSP to ease policy rate when inflation is well anchored.

# PRUink managed fund

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### Key Information and Investment Disclosure

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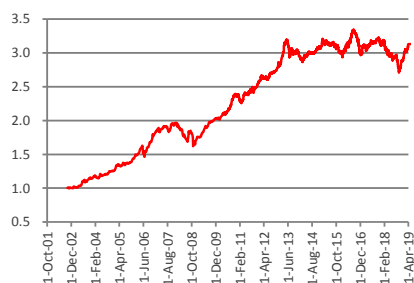
Launch Date	24 September 2002	Fund Classification	Diversified
NAVpu (PHP)	3.12944	Minimum Risk Rating	2 (Moderate)
Fund Size	PHP 5.88 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	1.79% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	80% Markit iBoxx ALB Philippines + 20% PCI

*\* PCI - Philippines Composite Index*

### Fund Objective

The fund seeks to optimize medium to long-term capital and income growth through investment in fixed income securities, money market instruments and shares of stocks listed in the Philippine Stock Exchange.

### Performance Chart



The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.

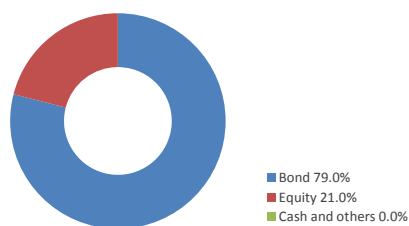
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	3.73%	4.17%	1.28%	8.31%	7.15%

### Fund Statistics

Highest NAVPU reached	(11 Aug 16)	3.34119
Lowest NAVPU reached	(23 Oct 02)	0.99568
Initial NAVPU	(24 Sep 02)	1.00000

### Asset Allocation



### Fund Manager's Commentary

The Philippine domestic bond market registered a strong rally in March amid significant government bond yield declines. On the currency front, the Peso depreciated against the US dollar. The Philippine Stock Exchange Index (PSEi) rose in March, led by a recovery in consumer stocks on the back of easing inflation. Inflation moderated to 3.8% year-on-year in February from 4.4% in the previous month. The deceleration in inflation was attributed to steadier prices of food and non-alcoholic beverages. President Rodrigo Duterte appointed Budget Secretary Benjamin Diokno as the new central bank governor, which came as a surprise to market observers. The central bank kept the policy rate unchanged at 4.75%, with the Philippine domestic bond market rising during the month, further supported by the moderating inflation figures.

From a global perspective, on-going US-China trade tensions and uncertainty around the future direction of US Fed policy had created a difficult environment for risk assets globally, leading to high levels of volatility in the equity markets towards the end of 2018. More recent optimism over the trade talks has helped volatility to fall, particularly on the news that the US has delayed the planned tariffs on Chinese goods until a path to resolution can be agreed, although an escalation of trade tensions with the EU remains a risk.

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## Fund Manager's Commentary on PRUlink managed fund

Global growth continues to slow though there are some signs of green shoots. We still believe that a US and global recession is unlikely. There has been a clear dovish tilt by global central banks – first the Fed, followed by the policy support from China; and more recently, the extension of ECB's loose monetary policy. In the absence of the US recession and with central banks very accommodative we believe the medium-term outlook for risk assets is positive.

Dovish comments by the new BSP Governor imply the central bank is now more likely to reverse its tightening stance. Real interest rates have turned positive, representing a headwind to growth, due to the decline in inflation. Food prices are also likely to remain subdued due to increased supply. A China trade deal would be positive for emerging markets, leading Philippines equities to appreciate, although it is unclear how far this is already priced in.

# PRUink US dollar bond fund

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### Key Information and Investment Disclosure

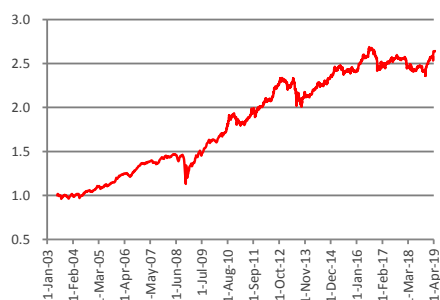
(all data as at 01 April 2019 unless otherwise stated)

Launch Date	03 June 2003	Fund Classification	Diversified
NAVpu (USD)	2.6417	Minimum Risk Rating	1 (Conservative)
Fund Size	USD 141.36 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.53% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	JPM USD EMBI Global Philippines

### Fund Objective

The fund seeks to achieve an optimal level of income in the medium term together with long-term capital growth through investments in fixed income securities denominated in USD.

### Performance Chart



The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.

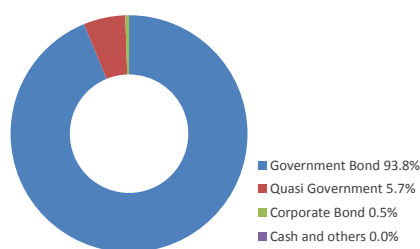
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	2.51%	6.42%	3.63%	5.77%	6.33%

### Fund Statistics

Highest NAVPU reached	(12 Jul 16)	2.6872
Lowest NAVPU reached	(05 Aug 03)	0.96080
Initial NAVPU	(03 Jun 03)	1.00000

### Asset Allocation



### Top 5 Holdings:

REPUBLIC OF THE PHILIPPINES 9.5%	11.5%
02/02/2030	
REPUBLIC OF THE PHILIPPINES 10.625%	9.3%
03/16/2025	
REPUBLIC OF THE PHILIPPINES 6.375%	9.2%
10/23/2034	
REPUBLIC OF THE PHILIPPINES 7.75%	8.8%
01/14/2031	
REPUBLIC OF THE PHILIPPINES 3.950%	7.5%
01/20/2040	

### Fund Manager's Commentary

March was a strong month for the Philippine USD sovereign bond market with the JPMorgan EMBI Global Philippine index rising by 2.61%. The positive return was driven mainly by declines in US risk-free rates, while the Philippine sovereign credit spreads edged higher, offsetting some gains.

During the month, global government bond yields declined amid a dovish shift of major central banks. Increasing growth concerns led the European Central Bank (ECB) to announce a fresh round of bank funding, while pushing out its rate hike guidance to 2020. The US Federal Reserve (Fed) also surprised markets with its announcement to end its balance sheet reduction in September. Additionally, the FOMC's median Fed funds rate projection was revised lower from signalling two rate hikes in 2019 to no rate hike this year, and just one rate hike in 2020. Against this backdrop, US Treasury yields fell with the 10-year US Treasury yield declining by 31 bps to 2.41%, while the yield curve inverted (between 10-year and 3-month rates).

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## Fund Manager's Commentary on PRUlink US dollar bond fund

Despite the benign monetary condition and continued portfolio inflows into the Emerging Markets (EM), sovereign credit spreads in the EM widened towards the later part of the month amid increasing recessionary fears and renewed concerns on Turkey's external vulnerability. This also resulted in modest spread widening of Philippine sovereign bonds, where spreads rose by 4 bps over the month. Nevertheless, domestic economic data remained relatively resilient; Overseas Filipino Worker remittances grew at a faster pace than anticipated in January at 4.4% YoY, up from 3.9% YoY in the previous month. Exports contracted by 1.7% YoY, slower than the decline of 12.3% YoY in the previous month. However, the Philippine trade deficit stayed elevated at USD3.76bn in January, broadly at the same level as December (USD3.75bn). On the monetary policy front, expectation of monetary policy easing has also risen as inflationary pressures softened; in February, headline inflation fell from 4.4%YoY in January to 3.8% YoY on the back of broad-based deceleration in consumer price increases.

The Fund's overall duration overweight contributed positively to performance over the month, offsetting mixed security selection effects.

We expect the Fed to pause on rate hikes this year given the benign growth and inflation outlook. While we are cognizant of external risks like trade tensions and other geopolitical events, we remain sanguine on the Philippine sovereign bond market given the economy's relatively stable fundamentals. We will thus maintain a moderate duration overweight for the Fund.

# PRUink growth fund

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### Key Information and Investment Disclosure

(all data as at 01 April 2019 unless otherwise stated)

Launch Date	22 July 2005	Fund Classification	Diversified
NAVpu (PHP)	4.0012	Minimum Risk Rating	3 (Aggressive)
Fund Size	PHP 13.31 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	2.25% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	20% Markit iBoxx ALBI Philippines + 80% PCI

*\*PCI - Philippines Composite Index*

### Fund Objective

The fund seeks to optimize medium to long-term capital and income growth, with an emphasis on strong capital growth, through a greater focus of investment in shares of stocks listed in the Philippines. The fund also invests in fixed income securities, and money market instruments.

### Performance Chart



The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.

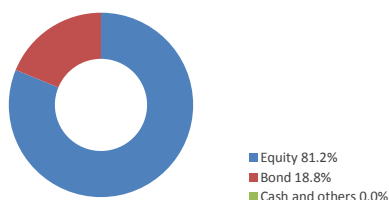
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	3.10%	-0.36%	2.85%	6.91%	10.65%

### Fund Statistics

Highest NAVPU reached	(30 Jan 18)	4.4577
Lowest NAVPU reached	(28 Oct 08)	0.99584
Initial NAVPU	(22 Jul 05)	1.00000

### Asset Allocation



### Fund Manager's Commentary

The Philippine Stock Exchange Index (PSEi) rose in March, led by a recovery in consumer stocks on the back of easing inflation. On the currency front, the Peso depreciated against the US dollar. Inflation moderated to 3.8% year-on-year in February from 4.4% in the previous month. The deceleration in inflation was attributed to steadier prices of food and non-alcoholic beverages. President Rodrigo Duterte appointed Budget Secretary Benjamin Diokno as the new central bank governor, which came as a surprise to market observers. The central bank kept the policy rate unchanged at 4.75%, with the Philippine domestic bond market rising during the month, further supported by the moderating inflation figures.

From a global perspective, on-going US-China trade tensions and uncertainty around the future direction of US Fed policy had created a difficult environment for risk assets globally, leading to high levels of volatility in the equity markets towards the end of 2018. More recent optimism over the trade talks has helped volatility to fall, particularly on the news that the US has delayed the planned tariffs on Chinese goods until a path to resolution can be agreed, although an escalation of trade tensions with the EU remains a risk.

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## Fund Manager's Commentary on PRUlink growth fund

Global growth continues to slow though there are some signs of green shoots. We still believe that a US and global recession is unlikely. There has been a clear dovish tilt by global central banks – first the Fed, followed by the policy support from China; and more recently, the extension of ECB's loose monetary policy. In the absence of the US recession and with central banks very accommodative we believe the medium-term outlook for risk assets is positive.

Dovish comments by the new BSP Governor imply the central bank is now more likely to reverse its tightening stance. Real interest rates have turned positive, representing a headwind to growth, due to the decline in inflation. Food prices are also likely to remain subdued due to increased supply. A China trade deal would be positive for emerging markets, leading Philippines equities to appreciate, although it is unclear how far this is already priced in.



# PRUink equity fund

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### Key Information and Investment Disclosure

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Launch Date	23 October 2007	Fund Classification	Diversified
NAVpu (PHP)	2.34199	Minimum Risk Rating	3 (Aggressive)
Fund Size	PHP 49.41 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	2.25% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	Philippines Composite Index

### Fund Objective

The fund seeks to optimize medium to long-term capital growth through investments in shares of stocks listed in the Philippines.

### Performance Chart



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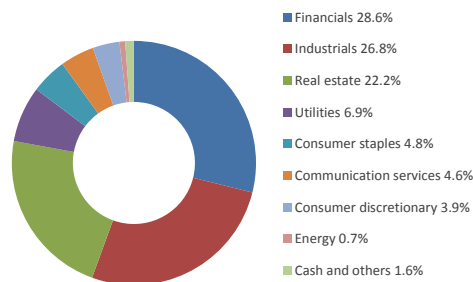
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	2.96%	-1.39%	3.74%	6.53%	7.72%

### Fund Statistics

Highest NAVPU reached	(30 Jan 18)	2.66632
Lowest NAVPU reached	(28 Oct 08)	0.42505
Initial NAVPU	(23 Oct 07)	1.00000

### Sector Allocation



### Top 5 Holdings:

SM INVESTMENTS CORP	9.7%
AYALA LAND INC.	8.7%
SM PRIME HOLDINGS INC.	8.5%
AYALA CORP	6.6%
BDO UNIBANK INC	6.4%

### Fund Manager's Commentary

The Philippine Stock Exchange Index (PSEi) rose 2.8% in March, led by a recovery in consumer stocks on the back of easing inflation. On the currency front, the Peso depreciated against the US dollar. Inflation moderated to 3.8% year-on-year in February from 4.4% in the previous month. The deceleration in inflation was attributed to steadier prices of food and non-alcoholic beverages. President Rodrigo Duterte appointed Budget Secretary Benjamin Diokno as the new central bank governor, which came as a surprise to market observers. The central bank kept policy rate unchanged at 4.75%.

The underweight position in SM Investments, as well as the overweight in Alliance Global and LT Group contributed to relative performance in March. SM Investments' share price edged lower in the month. The Fund has a natural underweight in the stock as exposure is capped at 10% to ensure portfolio diversification while its weight in the PSEi is around 13%. Alliance Global's share price rose 18% in March, aiding relative performance. The conglomerate was the best-performing PSEi component stock in the first quarter of 2019. LT Group reported strong earnings growth in 2018, driven primarily by its bank and tobacco segments.

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## Fund Manager's Commentary on PRUlink equity fund

The underweight position in Universal Robina Corp, as well as the overweight in East-West Banking Corp and ABS-CBN Holdings, detracted from relative performance in March. Universal Robina Corp outperformed the broader market in March in tandem with other consumer stocks. The company's fourth quarter earnings missed consensus estimates due to weak coffee sales and cost pressures. East-West Banking Corp's share price edged lower in the month. Despite positive loans growth in 2018, full-year earnings fell 11% due to lower net interest margin and non-interest income. Share price of ABS-CBN Holdings fell on the back of weak fourth-quarter earnings, detracting from relative performance.

In March, the Fund added to SM Investments and trimmed Vista Land and Lifescapes.

Philippines' macro fundamentals remain intact, underpinned by strong domestic demand. The government's tax reform package is expected to reduce personal income tax burden for low-to-middle income earners and boost private consumption. Additional revenue from higher top-bracket income tax rates and excise duty on fuel, tobacco and sugar will likely improve funding for large-scale infrastructure initiatives, thus supporting long-term economic growth. The Peso may continue to be under pressure, driven by concerns over the country's deteriorating balance of payment.

The Fund is overweight in a select group of utilities due to their attractive valuations. It is also overweight attractively valued property stocks that are trading at steep discounts to their appraised net asset values. Philippines' favourable demographics, growing income, and low-interest rates will likely continue to support demand for homes in the long run.

# PRUink proactive fund

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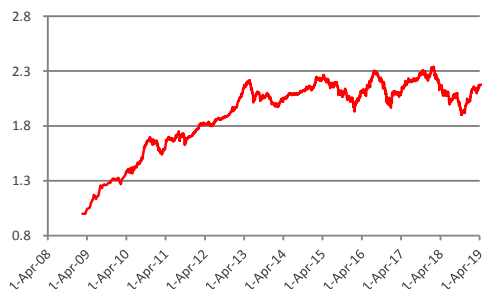
Launch Date	17 February 2009	Fund Classification	Diversified
NAVpu (PHP)	2.17585	Minimum Risk Rating	3 (Aggressive)
Fund Size	PHP 17.97 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	2.25% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	50% Markit iBoxx ALBI Philippines + 50% PCI

*\* PCI - Philippines Composite Index*

### Fund Objective

The fund seeks to optimize medium to long-term capital and income growth with emphasis on dynamic asset allocation by fund managers through investment in fixed income securities, money market instruments and shares of stocks listed in the Philippines.

### Performance Chart



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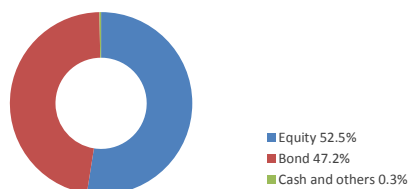
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	3.34%	1.20%	1.36%	7.50%	7.98%

### Fund Statistics

Highest NAVPU reached	(30 Jan 18)	2.34008
Lowest NAVPU reached	(03 Mar 09)	0.99950
Initial NAVPU	(17 Feb 09)	1.00000

### Asset Allocation



### Fund Manager's Commentary

The Philippine Stock Exchange Index (PSEi) rose in March, led by a recovery in consumer stocks on the back of easing inflation. On the currency front, the Peso depreciated against the US dollar. Inflation moderated to 3.8% year-on-year in February from 4.4% in the previous month. The deceleration in inflation was attributed to steadier prices of food and non-alcoholic beverages. President Rodrigo Duterte appointed Budget Secretary Benjamin Diokno as the new central bank governor, which came as a surprise to market observers. The central bank kept the policy rate unchanged at 4.75%, with the Philippine domestic bond market rising during the month, further supported by the moderating inflation figures.

From a global perspective, on-going US-China trade tensions and uncertainty around the future direction of US Fed policy had created a difficult environment for risk assets globally, leading to high levels of volatility in the equity markets towards the end of 2018. More recent optimism over the trade talks has helped volatility to fall, particularly on the news that the US has delayed the planned tariffs on Chinese goods until a path to resolution can be agreed, although an escalation of trade tensions with the EU remains a risk.

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## Fund Manager's Commentary on PRUlink proactive fund

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Dovish comments by the new BSP Governor imply the central bank is now more likely to reverse its tightening stance. Real interest rates have turned positive, representing a headwind to growth, due to the decline in inflation. Food prices are also likely to remain subdued due to increased supply. A China trade deal would be positive for emerging markets, leading Philippines equities to appreciate, although it is unclear how far this is already priced in.

# PRUink Asian local bond fund

## Fund Fact Sheet March 2019

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### Key Information and Investment Disclosure

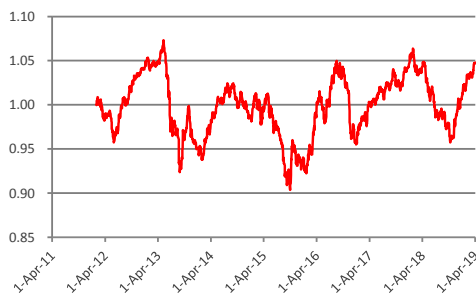
(all data as at 01 April 2019 unless otherwise stated)

Launch Date	28 January 2012	Fund Classification	Diversified
NAVpu (USD)	1.0478	Minimum Risk Rating	2 (Moderate)
Fund Size	USD 11.50 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.80% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	Markit iBoxx ALBI x Chn Twd Cust

### Fund Objective

The fund is structured as a feeder fund which invests in the Eastspring Investments – Asian Local Bond Fund (EI-Asian Local Bond Fund). The EI-Asian Local Bond Fund invests in a diversified portfolio consisting primarily of fixed income / debt securities issued by Asian entities or their subsidiaries. This Fund's portfolio primarily consists of securities denominated in the various Asian currencies and aims to maximize total returns through investing in fixed income or debt securities that are rated as well as

### Performance Chart



The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.

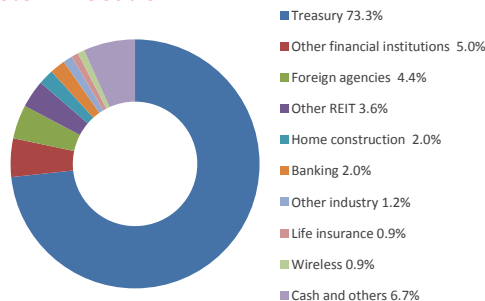
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	1.25%	0.45%	1.35%	3.64%	0.65%

### Fund Statistics

Highest NAVPU reached	(09 May 13)	1.07329
Lowest NAVPU reached	(30 Sep 15)	0.90362
Initial NAVPU	(28 Jan 12)	1.00000

### Sector Allocation



### Top 5 Holdings:

INDONESIA (REPUBLIC OF) 5.625%	1.4%
05/15/2023	
KOREA (REPUBLIC OF) 2.125%	1.4%
06/10/2027	
US TREASURY BILL	1.2%
05/21/2019	
INDONESIA (REPUBLIC OF) 7.5%	1.2%
05/15/2038	
INDONESIA (REPUBLIC OF) 7%	1.2%
05/15/2027	

### Fund Manager's Commentary

Asian local currency bond market registered its third consecutive month of positive return this year with the custom Markit iBoxx Asian Local Bond index rising by 1.2% in USD terms. The gains were driven by declines in domestic interest rates, although weakness in Asian currencies vis-à-vis the US dollar was a drag to total return.

During the month, global government bond yields fell significantly as the European Central Bank ("ECB") and the US Federal Reserve ("Fed") shifted further into the dovish camp. Earlier in the month, the ECB announced a fresh round of bank funding and pushed out its rate hike guidance to 2020. In the US, the fed "out-doved" market expectation as it announced an end to balance sheet reduction in September. Its median Fed funds rate projection was revised lower from signalling two rate hikes in 2019 to no rate hike this year, and just one rate hike in 2020. US Treasury yields fell sharply amid the policy developments.

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## Fund Manager's Commentary on PRUlink Asian local bond fund

In Asia, domestic interest rates similarly tracked US interest rates lower during the month. While central banks in Asia kept policy rates unchanged during the month, expectation of policy easing on the back of the Fed pause grew. Philippine and Indonesian domestic bond markets were among the outperformers in this environment, while gains were more muted in China and Thailand. Gains in the local currency bond markets were, however, offset by weaker Asian currencies; The tug-of-war between slowing growth and the Fed's pause eventually gave way to a more cautious investor sentiment which weighed on Asian currencies, such as the Philippine peso and Indonesian rupiah, vis-à-vis the US dollar. The Indian rupee was an exception as it strengthened against the US dollar on positive portfolio flows and de-escalation of India-Pakistan skirmish.

Against this backdrop, the Fund benefitted from the overweight in Indian Rupee, as well as the overweight duration in Philippine and Indonesia bonds which rallied in March. The underweight in currencies such as Korean Won and Thai Baht also added value during the month.

During the month, we reduced our overweight in Indian rupee as we find the outperformance in March to be inconsistent with the weakening in global risk sentiment. We also reduced partially the overweight in Chinese renminbi and added to Malaysian ringgit instead, with the view that Malaysian ringgit will be a less volatile expression on global trade recovery.

A more benign policy path from the Fed will give investors some relief in the near term. However the investment environment will remain volatile as risks of a sharper than expected growth deceleration continue to build. We maintain moderate duration overweight but will look to increase risk exposure in currencies and credit on opportunity.

# PRUlink Asia Pacific equity fund

## Fund Fact Sheet March 2019

PRU LIFE U.K. 

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### Key Information and Investment Disclosure

(all data as at 01 April 2019 unless otherwise stated)

Launch Date	26 February 2013	Fund Classification	Diversified
NAVpu (USD)	1.03628	Minimum Risk Rating	3 (Aggressive)
Fund Size	USD 25.75 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	2.05% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	MSCI APXJ Index (Net)

### Fund Objective

The fund is structured as a feeder fund which invests in the Eastspring Investments – Asia Pacific Equity Fund, which aims to maximize long-term total return by investing primarily in equity and equity-related securities of companies which are incorporated, listed in or have their area of primary activity in the Asia Pacific ex-Japan Region. This fund may also invest in depository receipts including American Depository Receipts and Global Depository Receipts, debt securities convertible into common shares, preference shares and warrants.

### Performance Chart



The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.

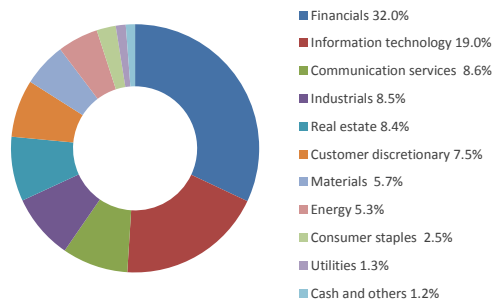
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	-0.24%	-8.27%	1.26%	9.43%	0.59%

### Fund Statistics

Highest NAVPU reached	(29 Jan 18)	1.24563
Lowest NAVPU reached	(22 Jan 16)	0.69551
Initial reached	(26 Feb 13)	1.00000

### Sector Allocation



### Top 5 Holdings:

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	5.0%
TENCENT HOLDINGS LTD	4.8%
SAMSUNG ELECTRONICS LTD	4.6%
CHINA CONSTRUCTION BANK CORP H	4.2%
INFOSYS LTD	2.8%

### Fund Manager's Commentary

Global equity markets were in a subdued mood all month but ended modestly higher with the MSCI World index adding 1.3%. Developed Markets outperformed Emerging Markets, albeit with both seeing positive returns, and the latter being held back by another weak month in Latin America (down 2.5%) and EMEA (down 1.3%).

And yet the MSCI Emerging Markets index was 0.9% higher by the end of the month with Asia Pac ex Japan adding 1.6%. Asia started the month well to carry forward the momentum from January and February, and posted gains for the first few weeks before contagion from currency falls in Turkey and Latin America pushed indices off their peaks. Inevitably, markets were mixed with China ticking higher on the final day of trading as investors became more optimistic that the worst of the economic slowdown was behind it, but Hong Kong underperformed on dovish comments from the Fed on interest rates.

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## Fund Manager's Commentary on PRUlink Asia Pacific equity fund

Korea was a notable faller, losing another 3% to make the market there the weakest among the north-Asia bloc for both March and the first quarter. Malaysia also had a weak month after a gloomy outlook from the central bank while other Asia markets traded a percent or two either side of the flatline for the month.

India outperformed to gain more than 9% as the country neared its elections with polls indicating the incumbent government would be returned comfortably and tensions with Pakistan eased.

Australia gained another 0.6% to lead to a quarterly return of 11.4%, its best since September 2009, led by gains in real estate which were driven by lower bond yields. But this had the opposite effect on Financials, which saw banks underperform.

The Fund's overweight position in food group WH Group benefited the Fund as the stock rose almost 21% on the back of a surge in pig prices (as measured by a rally in hog futures). An inline set of full-year figures also helped sentiment which saw the company benefit from the market consolidation post the outbreak of swine flu during 2018. The Fund is also overweight Chinese noodle-maker Tingyi and the stock's almost 19% rise in March helped performance. The main catalyst for the rise this month was the company's Q4 results which indicated that much of the bad news on market share and premium pricing was now priced in. The Fund continues to overweight the stock as it remains attractively valued and with continued strong execution can move the stock price towards a reflection of long-term sustainable earnings. China Merchants Bank contributed to the Fund as the stock rose 6% along with other China banks largely due to better sentiment in China's financial stocks and a stronger stock market as a whole, itself driven by hopes of a break in the deadlock in the trade talks with the US. Strong Q4 results released during the month also provided support.

The Fund's overweight position in Korea Electric Power (Kepco) weighed on performance as the stock fell 14% in March, largely over a three-day period when oil prices surged and Q4 results came in below expectations as fuel costs surged. Kepco's valuation remains compelling at these levels and the Fund retains its overweight position. Overweight Hyundai Steel detracted after the stock fell 9% over the month principally as operating profit in Q4 came in below expectations, and the weak Korean market exacerbated the selling pressure. Over the long term, we feel the stock is attractively valued especially at these depressed levels, and therefore maintain our overweight position and preference over POSCO. The Fund's overweight in Australia's ANZ Bank weighed on performance after the stock fell 7% during March. During the month, the bank announced that its capital management plans were to pause amid market uncertainty with its buyback plans also potentially negatively impacted.

In March, the Fund opened a position in Indian Oil while closing out a position in CNOOC. It also added to holdings in CK Hutchison and Bank of China (Hong Kong).

Asian equities are trading below their long-term averages and are very cheap relative to the developed markets of the west. Despite market volatility and geopolitical concerns, we still see a backdrop of structural economic growth and corporate earnings delivery across Asia which can support sentiment for the region's shares over the long term. Investors have ignored the price they are paying for growth and quality over the past years creating a valuation anomaly within Asian equity markets between value and quality / growth, which the Fund is well placed to take advantage of.



# PRUlink Global emerging markets dynamic fund

## Fund Fact Sheet March 2019



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### Key Information and Investment Disclosure

(all data as at 01 April 2019 unless otherwise stated)

Launch Date	01 April 2014	Fund Classification	Diversified
NAVpu (USD)	1.06419	Minimum Risk Rating	3 (Aggressive)
Fund Size	USD 15.68 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	2.05% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	MSCI Emerging Markets (Net Div)

### Fund Objective

The fund is structured as a feeder fund which invests in the Eastspring Investments – Global Emerging Markets Dynamic Fund, which aims to generate long-term capital growth through a concentrated portfolio of equities, equity-related securities and bonds. This fund will invest primarily in securities of companies which are incorporated, or listed in, or operating principally from, or carrying on significant business in, or derive substantial revenue from, or whose subsidiaries, related or associated corporations derive substantial revenue from the emerging markets worldwide. This fund may also invest in depository receipts including American Depository Receipts and Global Depository Receipts, preference shares and warrants.

### Performance Chart



The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.

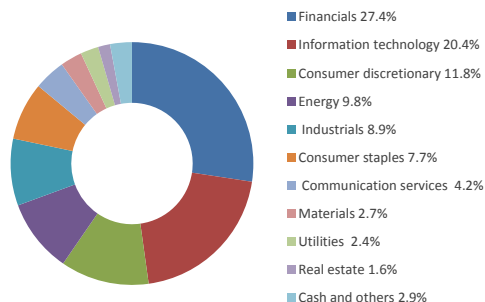
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	-0.64%	-6.05%		9.20%	1.25%

### Fund Statistics

<b>Highest NAVPU reached</b>	(29 Jan 18)	1.24055
<b>Lowest NAVPU reached</b>	(22 Jan 16)	0.63696
<b>Initial NAVPU</b>	(01 Apr 14)	1.00000

### Sector Allocation



### Top 5 Holdings:

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	5.6%
SAMSUNG ELECTRONICS LTD	4.7%
CHINA CONSTRUCTION BANK CORP-H	3.8%
NASPERS LTD	3.6%
INFOSYS ADR	3.3%

### Fund Manager's Commentary

Global equity markets were in a subdued mood all month but ended modestly higher with the MSCI World index adding 1.3%. The US was again a slight outperformer with a return of 1.8% while Europe worried over weak economic datapoints and the UK's difficulties with Brexit to gain just 0.7%. Developed Markets outperformed Emerging Markets, albeit with both seeing positive returns, and the latter being held back by another weak month in Latin America, specifically, Brazil.

The MSCI Emerging Markets index was 0.9% higher by the end of the month. Weighing on performance was EMEA, down 1.3%, and Latin American, down 2.5%, while the Emerging Markets Asia index ended 1.7% higher. EMEA lost ground after Turkey fell sharply on a report the country's forex reserves had deteriorated, causing the lira to fall aggressively. Latin America also fell for the second month in a row as Brazil lost almost 4% on concerns that President Bolsonaro would not be able to pass his pension reform plans. Chile stocks were also notably weaker on lower copper prices.

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## Fund Manager's Commentary on PRUlink Global emerging markets dynamic fund

Asia started the month well to carry forward the momentum from January and February, and posted gains for the first few weeks before contagion from Turkey and Latin America pushed indices lower. Inevitably, markets were mixed with China ticking higher on the final day of trading as investors became more optimistic that the worst of the economic slowdown was behind it, but Hong Kong underperformed on dovish comments from the Fed on interest rates.

Korea was a notable faller losing another 3% to make the market there the weakest among the north-Asia bloc for both March and the first quarter. Malaysia also had a weak month after a gloomy outlook from the central bank while other Asia markets traded a percent or two either side of the flatline for the month. India outperformed to gain more than 9% as the country neared its elections with polls indicating the incumbent government would be returned comfortably, and tensions with Pakistan eased.

ICICI Bank overweight added value post a 14% rise in the stock as the stock gained with the rest of the India market on supportive election news. There was little in the way of fresh news flow this month while the more liquid names benefitted from the boost in the market. We maintain our overweight position as we see the problems in the bank as now being recognised and addressed by management while the stock is still cheap at these levels. The Fund is also overweight Chinese noodle-maker Tingyi and the stock's almost 19% rise in March helped performance. The main catalyst for the rise this month was the company's Q4 results which indicated that much of the bad news on market share and premium pricing was now priced in. The Fund continues to overweight the stock as it remains attractively valued and with continued strong execution can move the stock price towards a reflection of long-term sustainable earnings. The Fund's overweight in Philippine conglomerate LT Group added value after the stock regained losses in January and February and added 9%. The company posted inline Q4 results during the period with higher tobacco prices and a new business plan for the company's banking unit also boosting the stock.

The Fund's overweight in Turkey's Tofas Turk Otomobil Fabrikasi detracted following a 15% drop in the stock price to track the broader Turkey market lower. We see the stock as trading on undemanding metrics relative to its own history and on an absolute basis while the long-term cost competitive position within the Fiat group, along with attractive take-or-pay export model should help to offset any domestic volatility in Turkey. Not owning Tencent detracted from performance after the stock rose more than 7% to benefit the benchmark index. During the month, Q4 results showed the company beating consensus profit forecasts while the company also enjoyed an uplift in China stocks more generally. The Fund's overweight position in Korea Electric Power (Kepco) weighed on performance as the stock fell 14% in March, largely over a three-day period when oil prices surged and Q4 results came in below expectations as fuel costs surged. Kepco's valuation remains compelling at these levels and the Fund retains its overweight position.

In March, the Fund opened a position in Petrobras, and closed out a holding in CCR while trimming Cosan.

Emerging Market equity valuations are trading well below their historical averages. Behind these headline valuations we see many stock specific opportunities available to a disciplined value investor. Relative to developed markets, emerging markets remain very cheap and within emerging markets there is extreme dispersion between cheap and expensive stocks as well as between value relative to growth / quality stocks. Despite recent market volatility and geopolitical concerns, we see structural economic growth and a robust corporate backdrop across Global Emerging Markets, which can continue to support many stock specific value opportunities over time.

# PRUink cash flow fund

## Fund Fact Sheet March 2019

PRU LIFE U.K. 

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### Key Information and Investment Disclosure

(all data as at 01 April 2019 unless otherwise stated)

Launch Date	17 November 2014	Fund Classification	Diversified
NAVpu (USD)	0.93861	Minimum Risk Rating	2 (Moderate)
Fund Size	USD 157.10 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.95% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	50% JACI + 50% BofA ML US HY Con

### Fund Objective

The fund seeks to provide investors with regular payout by investing in a diversified portfolio consisting primarily of high yield bonds and other fixed income/debt securities denominated in US dollars, issued in the US market rated below BBB-, as well as fixed income/debt securities issued by Asian entities or their subsidiaries. The Fund may in addition, at the Fund Manager's discretion, invest up to twenty percent (20%) of its assets in dividend yielding equities.

### Performance Chart



The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.

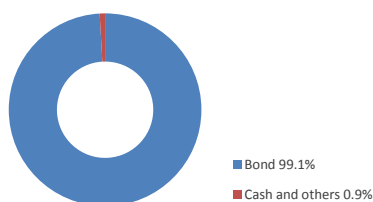
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	0.49%	-0.72%	n.a.	5.46%	-1.44%

### Fund Statistics

Highest NAVPU reached	(29 Apr 15)	1.01016
Lowest NAVPU reached	(15 Feb 16)	0.86352
Initial NAVPU	(17 Nov 14)	1.00000

### Asset Allocation



### Top 5 Holdings:

EASTSPRING INVESTMENTS US HIGH YIELD BOND - D CLASS	51.1%
EASTSPRING INVESTMENTS ASIAN BOND - D CLASS USD	48.0%
USD CASH (Alpha Committed)	0.9%

### Fund Manager's Commentary

Global equity markets continued to rise in March, amid hopes for progress in the ongoing US-China trade talks and as the US Federal Reserve signaled that it would not raise rates during 2019. The Fed's increasingly dovish stance so far during 2019, combined with ongoing fears around a slowing global economy, however, saw the Treasury yield curve invert – a signal historically associated with growing recessionary risk – which caused investor sentiment to cool during the month. US equities rose, although investors were cautious as they balanced the impact of the Fed's accommodative tone with the implications of a possible environment of slower economic growth. European stocks posted their third month of gains, despite generally weak economic data, with the European Central Bank cutting its growth forecasts and signaling no rate hikes to the end of 2019. The persistent uncertainty around the UK's departure from the European Union further shaped sentiment during the month, after Prime Minister May's deal was continually rejected by parliament and an exit delay sought. Asian markets ended broadly higher during the month, buoyed by trade optimism and as Chinese stocks benefited from a rebound in its manufacturing PMI data. India enjoyed a pre-election rally, as early opinion polls suggested a return of Prime Minister Modi's coalition government.

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## Fund Manager's Commentary on PRUlink cash flow fund

Bonds generally posted positive absolute returns during the month. The dovish shift from central banks and mounting concerns around a potential future economic slowdown saw government bonds substantially outperform during March. Long duration US Treasuries rallied on the news that the Fed would hold rates steady for the remainder of 2019. In addition, whilst investors continued to favour equities and other risk assets during the month, the yield curve inversion – with three-month Treasury bills yielding more than 10-year Treasury bonds – further supported demand for Sovereign assets, as investors saw the inversion as a signal of a recession over the next few years.

On-going US-China trade tensions and uncertainty around the future direction of US Fed policy had created a difficult environment for risk assets globally, leading to high levels of volatility in the equity markets towards the end of 2018. More recent optimism over the trade talks has helped volatility to fall, particularly on the news that the US has delayed the planned tariffs on Chinese goods until a path to resolution can be agreed, although an escalation of trade tensions with the EU remains a risk. The Fed has pivoted to a more dovish stance, whilst the Chinese authorities have injected fresh stimulus into the economy. Although lagging and coincident economic and earnings data have been poor, recent global PMIs, and in particular an uptick in new orders, reaffirms the view that global growth is likely to improve later in the year, led by stabilization in the US and improvement in China and other emerging markets.

Our core scenario remains one of contained inflation, combined with moderate economic and earnings growth, particularly in the US. The Manager continues to favour risk assets although he remains mindful that sentiment is volatile and continues to look for opportunities for tactical asset allocation to ensure the Fund is positioned to meet its objectives going forward. In this environment, the Fund is mildly overweight US High Yield Bonds vs. Asian Bonds.

# PRUlink Asian balanced fund

## Fund Fact Sheet March 2019

PRU LIFE U.K. 

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### Key Information and Investment Disclosure

(all data as at 01 April 2019 unless otherwise stated)

Launch Date	09 October 2017	Fund Classification	Diversified
NAVpu (USD)	0.97756	Minimum Risk Rating	2 (Moderate)
Fund Size	USD 1.52 million	Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.95% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	50% MSAP XJ + 25% JACI + 25% Markit iBoxx ALBI x CT

### Fund Objective

The PRUlink asian balanced fund ("ABF" or "the fund") aims to maximize total return in the medium to long term by primarily investing in equities/equity-related securities of companies, which are incorporated, listed in, or have their area of primary activity in the Asia Pacific region (excluding Japan) as well as fixed income/debt securities issued by Asian entities or their subsidiaries. The fund is invested in three US dollar-denominated and Luxembourg-domiciled Asian SICAV funds of Eastspring Investments, namely, Asia Pacific Equity Fund, Asian Local Bond Fund, and Asian Bond Fund.

### Performance Chart



The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.

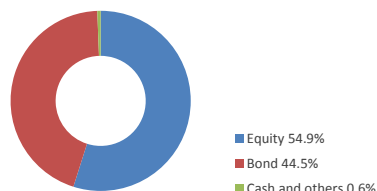
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	0.79%	-2.76%	n.a.	7.01%	-1.53%

### Fund Statistics

<b>Highest NAVPU reached</b>	(29 Jan 18)	1.069
<b>Lowest NAVPU reached</b>	(29 Oct 18)	0.89236
<b>Initial NAVPU</b>	(09 Oct 17)	1.00000

### Asset Allocation



### Top 5 Holdings:

EASTSPRING INVESTMENTS ASIA PACIFIC EQUITY	54.9%
EASTSPRING INVESTMENTS ASIAN BOND - D CLASS USD	29.3%
EASTSPRING INVESTMENTS ASIAN LOCAL BOND - D CLASS USD	15.2%
USD CASH (Alpha Committed)	0.6%

### Fund Manager's Commentary

Global equity markets continued to rise in March, amid hopes for progress in the ongoing US-China trade talks and as the US Federal Reserve signaled that it would not raise rates during 2019. The Fed's increasingly dovish stance so far during 2019, combined with ongoing fears around a slowing global economy, however, saw the Treasury yield curve invert – a signal historically associated with growing recessionary risk – which caused investor sentiment to cool during the month. US equities rose, although investors were cautious as they balanced the impact of the Fed's accommodative tone with the implications of a possible environment of slower economic growth. European stocks posted their third month of gains, despite generally weak economic data, with the European Central Bank cutting its growth forecasts and signaling no rate hikes to the end of 2019. The persistent uncertainty around the UK's departure from the European Union further shaped sentiment during the month, after Prime Minister May's deal was continually rejected by parliament and an exit delay sought. Asian markets ended broadly higher during the month, buoyed by trade optimism and as Chinese stocks benefited from a rebound in its manufacturing PMI data. India enjoyed a pre-election rally, as early opinion polls suggested a return of Prime Minister Modi's coalition government.

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## Fund Manager's Commentary on PRUlink Asian balanced fund

Bonds generally posted positive absolute returns during the month. The dovish shift from central banks and mounting concerns around a potential future economic slowdown saw government bonds substantially outperform during March. Long duration US Treasuries rallied on the news that the Fed would hold rates steady for the remainder of 2019. In addition, whilst investors continued to favour equities and other risk assets during the month, the yield curve inversion – with three-month Treasury bills yielding more than 10-year Treasury bonds – further supported demand for Sovereign assets, as investors saw the inversion as a signal of a recession over the next few years.

On-going US-China trade tensions and uncertainty around the future direction of US Fed policy had created a difficult environment for risk assets globally, leading to high levels of volatility in the equity markets towards the end of 2018. More recent optimism over the trade talks has helped volatility to fall, particularly on the news that the US has delayed the planned tariffs on Chinese goods until a path to resolution can be agreed, although an escalation of trade tensions with the EU remains a risk.

Global growth continues to slow though there are some signs of green shoots. We still believe that a US and global recession is unlikely. There has been a clear dovish tilt by global central banks – first the Fed, followed by the policy support from China; and more recently, the extension of ECB's loose monetary policy. In the absence of the US recession and with central banks very accommodative we believe the medium-term outlook for risk assets is positive.

In this environment, the Fund is overweight to Asian equities. Within fixed income, the Fund remains overweight to Asian USD Bonds vs Asian Local Bonds.

# PRUlink Peso Cash flow fund hedged share class

## Fund Fact Sheet March 2019

**PRU LIFE U.K.** 

The Fund Fact Sheet provides general information concerning the underlying funds of Pru Life UK's unit-linked policies and is not intended to serve as individual investment advice. The manager of the fund is Eastspring Investments (Singapore) Limited.

### Key Information and Investment Disclosure

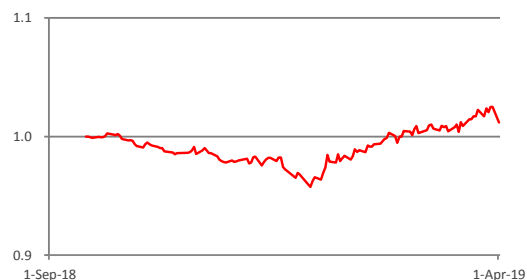
(all data as at 01 April 2019 unless otherwise stated)

Launch Date	03 September 2018	Fund Classification	Diversified
NAVpu (PHP)	1.01168	Minimum Risk Rating	2 (Moderate)
Fund Size	PHP 635.26 million	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	1.95% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	50% JACI + 50% BofA ML US HY Con

### Fund Objective

The fund seeks to provide investors with regular payout by investing in a diversified portfolio consisting primarily of high yield bonds and other fixed income/debt securities denominated in US dollars, issued in the US market rated below BBB-, as well as fixed income/debt securities issued by Asian entities or their subsidiaries. The Fund may in addition, at the Fund Manager's discretion, invest up to twenty percent (20%) of its assets in dividend yielding equities.

### Performance Chart



The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.

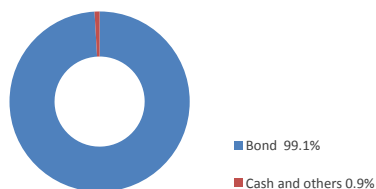
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	0.50%	n.a.	n.a.	5.66%	2.04%

### Fund Statistics

<b>Highest NAVPU reached</b>	(29 Mar 19)	1.02493
<b>Lowest NAVPU reached</b>	(02 Jan 19)	0.95748
<b>Initial NAVPU</b>	(03 Sep 18)	1.00000

### Asset Allocation



### Top 5 Holdings:

EASTSPRING INVESTMENTS US HIGH YIELD BOND - D CLASS	51.1%
EASTSPRING INVESTMENTS ASIAN BOND - D CLASS USD	49.0%
USD CASH (Alpha Committed)	0.9%

### Fund Manager's Commentary

Global equity markets continued to rise in March, amid hopes for progress in the ongoing US-China trade talks and as the US Federal Reserve signaled that it would not raise rates during 2019. The Fed's increasingly dovish stance so far during 2019, combined with ongoing fears around a slowing global economy, however, saw the Treasury yield curve invert – a signal historically associated with growing recessionary risk – which caused investor sentiment to cool during the month. US equities rose, although investors were cautious as they balanced the impact of the Fed's accommodative tone with the implications of a possible environment of slower economic growth. European stocks posted their third month of gains, despite generally weak economic data, with the European Central Bank cutting its growth forecasts and signaling no rate hikes to the end of 2019. The persistent uncertainty around the UK's departure from the European Union further shaped sentiment during the month, after Prime Minister May's deal was continually rejected by parliament and an exit delay sought. Asian markets ended broadly higher during the month, buoyed by trade optimism and as Chinese stocks benefited from a rebound in its manufacturing PMI data. India enjoyed a pre-election rally, as early opinion polls suggested a return of Prime Minister Modi's coalition government.

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## Fund Manager's Commentary on PRUlink Peso Cash flow fund hedged share class

Bonds generally posted positive absolute returns during the month. The dovish shift from central banks and mounting concerns around a potential future economic slowdown saw government bonds substantially outperform during March. Long duration US Treasuries rallied on the news that the Fed would hold rates steady for the remainder of 2019. In addition, whilst investors continued to favour equities and other risk assets during the month, the yield curve inversion – with three-month Treasury bills yielding more than 10-year Treasury bonds – further supported demand for Sovereign assets, as investors saw the inversion as a signal of a recession over the next few years.

On-going US-China trade tensions and uncertainty around the future direction of US Fed policy had created a difficult environment for risk assets globally, leading to high levels of volatility in the equity markets towards the end of 2018. More recent optimism over the trade talks has helped volatility to fall, particularly on the news that the US has delayed the planned tariffs on Chinese goods until a path to resolution can be agreed, although an escalation of trade tensions with the EU remains a risk. The Fed has pivoted to a more dovish stance, whilst the Chinese authorities have injected fresh stimulus into the economy. Although lagging and coincident economic and earnings data have been poor, recent global PMIs, and in particular an uptick in new orders, reaffirms the view that global growth is likely to improve later in the year, led by stabilization in the US and improvement in China and other emerging markets.

Philippine Peso depreciated against US Dollar at a rate of 1.55%.

Our core scenario remains one of contained inflation, combined with moderate economic and earnings growth, particularly in the US. The Manager continues to favour risk assets although he remains mindful that sentiment is volatile and continues to look for opportunities for tactical asset allocation to ensure the Fund is positioned to meet its objectives going forward. In this environment, the Fund is mildly overweight US High Yield Bonds vs. Asian Bonds.