



## PRUlink bond fund

(all data as at 30 June 2017 unless otherwise stated)

### FUND DETAILS

Launch Date	24 September 2002
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 19.90 billion
Fund Currency	Philippine Peso
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

### FUND FEES & CHARGES

Annual Management Fee	1.53% p.a.
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### HIGHEST & LOWEST UNIT PRICE ACHIEVED

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

# Fund Fact Sheet

June 2017

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

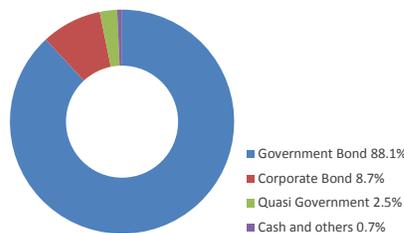
### Fund Objective

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.

### Performance Chart



### Asset Allocation



### Performance

1-Month	Actual yr-on-yr	Since Inception (annualized)
0.96%	-4.80%	6.72%

Based on unit price as of 03 Jul 2017: PhP2.61709

#### Notes:

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

### Top 5 Holdings

PHILIPPINE GOVERNMENT 8.000% 07/19/2031	9.0%
PHILIPPINE GOVERNMENT 8.125% 12/16/2035	6.3%
PHILIPPINE GOVERNMENT 6.125% 10/24/2037	5.2%
PHILIPPINE GOVERNMENT 4.625% 09/09/2040	4.5%
PHILIPPINE GOVERNMENT 5.875% 03/01/2032	4.4%

### Fund Manager's Commentary

In June, the Philippine domestic government bond market (represented by the Markit iBoxx Philippine Local Bond Index) reported a return of 0.98%, an increase from May's return of 0.54%.

Despite broadly higher global interest rates during the month, the Philippine domestic government bond market fared relatively well with moderate declines seen in longer-dated government bond yields. Over the month, the 10-year government bond yield declined by 8 bps to 4.64%. During the month, Philippine central bank, Bangko Sentral ng Pilipinas (BSP), kept its policy rate unchanged at 3.0%. However, the central bank maintained that inflationary pressures remained manageable and lowered its inflation expectation from 3.4% to 3.1% for 2017. Auctions of the 10-year and 20-year government bonds held during the month were also well received on the back of strong investor demand.

Other economic data released during the month continued to point broad resilience in the Philippine economy. The Nikkei Philippines Manufacturing Purchasing Managers' Index, or PMI, rose to 54.3 in May, up from 53.3 in April. Export growth in the Philippine also remained robust rising by 12.1% YoY in April on the back of strength of electronics and agriculture-related shipments. This was, however, slower than the 21% YoY growth seen in the previous month. Over the same period, imports unexpectedly fell by 0.1% YoY, contributing to a narrowing of trade deficit in April. Overseas remittances were also lower in April, declining by 5.2%. However, cumulative personal remittances from January-April still registered a growth of 4.7% from the same period last year.

On a gross basis, the Fund returned 1.09%, outperforming the benchmark by 11 bps. Net of fees, the Fund returned 0.96%. Government bonds rallied in the month. The fund outperformed due to its positions in select bond issues, which outperformed in the month.

In June, we continued to add to long-end positions selectively. Fundamentally, we still view Philippines' growth to be strong and robust. Inflation figures have printed below expectations in recent months, and going forward, inflation is well expected to remain in BSP's target range. As such, we do not expect any policy changes in the near term and will continue to maintain a slight duration overweight.

**PRUlink managed fund**

(all data as at 30 June 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	24 September 2002
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 6.99 billion
Fund Currency	Philippine Peso
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee	1.79% p.a.
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**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

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

**Fund Manager's Commentary**

Returns from local government bonds were positive for the month as a whole, while equities were very mildly positive (PSEI Index). Net foreign inflows stood at US\$386 million in June, with investor sentiment buoyant on a proposed tax reform and subsiding nervousness surrounding President Rodrigo Duterte. On the monetary policy front, the central bank kept policy rate steady at 3%. It also forecasts a current account deficit of US\$600m for the full year, a reversal from the earlier projected surplus of US\$800m. This would be the first current account deficit since 2002.

Since June last year, we have been highlighting the improvement in cyclical and earnings momentum globally amid a backdrop of continued monetary accommodation, which has supported Equities and Credit outperformance. As such, we have been overweight Equities as the cyclical recovery theme reasserts itself over negative geopolitical uncertainty.

However, the slowing global economic growth momentum and fading earnings optimism have increased the odds of a soft patch in economic activity over the next few months. Furthermore, the impact of the Fed's balance sheet reduction program raises monetary policy uncertainty at the margin.

We have observed over the past month, 1) The Value equity style has underperformed across most regions, 2) US yield curves are flattening due to falling inflation expectations, 3) The oil price appears to have relapsed on the downside as US inventories continue to surprise on the upside. We are monitoring these signals closely to reassess our asset allocation positions.

However, given that domestic equity valuations are less demanding compared to the past few years, coupled with positive growth momentum domestically and globally, the fund manager favours domestic equities over domestic bonds.

**Fund Fact Sheet**

June 2017

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

**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**



**Performance**

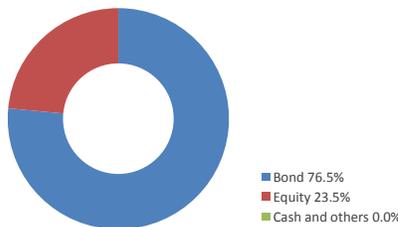
1-Month	Actual yr-on-yr	Since Inception (annualized)
0.80%	-3.30%	8.09%

Based on unit price as of 03 Jul 2017: PhP3.15871

Notes:

1. The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.
2. The Peso Bond Fund and Equity Fund have served as underlying funds of the Managed and Growth Funds prior to the funds' launch date.

**Asset Allocation**



**PRUlink US dollar bond fund**

(all data as at 30 June 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	03 June 2003
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 0.19 billion
Fund Currency	US Dollar
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee	1.53% p.a.
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**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

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

**Fund Fact Sheet**

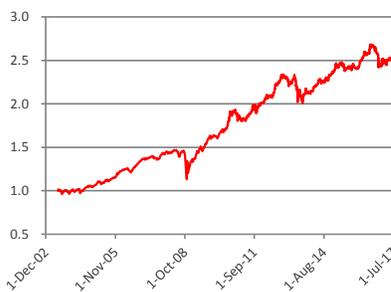
**June 2017**

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**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**



**Performance**

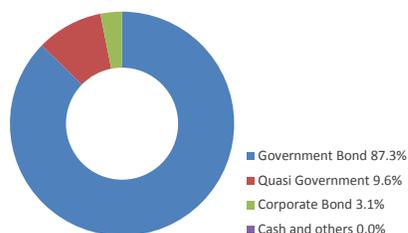
1-Month	Actual yr-on-yr	Since Inception (annualized)
0.87%	-2.88%	6.85%

Based on unit price as of 03 Jul 2017: USD2.5447

**Notes:**

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

**Asset Allocation**



**Top 5 Holdings**

REPUBLIC OF THE PHILIPPINES 01/14/2031	7.75%	10.4%
REPUBLIC OF THE PHILIPPINES 10/23/2034	6.375%	10.2%
REPUBLIC OF THE PHILIPPINES 02/02/2030	9.5%	9.6%
REPUBLIC OF THE PHILIPPINES 03/16/2025	10.625%	7.9%
REPUBLIC OF THE PHILIPPINES 01/20/2040	3.95%	7.0%

**Fund Manager's Commentary**

In June, the Philippine USD sovereign bonds as represented by JPMorgan EMBI Global Philippines Index, made a positive return of 0.86%.

Over the month, higher US interest rates were seen with the 5-year and 10-year US Treasury (UST) yields rising by 13 and 10 bps, respectively. While market reaction to the US Federal Reserve's policy rate hike was fairly muted earlier in the month, UST sold off towards the end of June. This was triggered by hawkish rhetoric by the European Central Bank President, as well as the central bank of England and Canada, which sparked concerns of tighter monetary conditions in the developed markets. Despite higher US interest rates, however, the Philippine USD sovereign bonds held up well as tighter sovereign credit spreads boosted market returns. During the month, Moody's affirmed the sovereign credit rating at Baa2, while maintaining a stable rating outlook.

Other economic data released during the month continued to point broad resilience in the Philippine economy. The Nikkei Philippines Manufacturing Purchasing Managers' Index, or PMI, rose to 54.3 in May, up from 53.3 in April. Export growth in the Philippine also remained robust rising by 12.1% YoY in April on the back of strength of electronics and agriculture-related shipments. This was, however, slower than the 21% YoY growth seen in the previous month. Over the same period, imports unexpectedly fell by 0.1% YoY, contributing to a narrowing of trade deficit in April. Overseas remittances were also lower in April, declining by 5.2%. However, cumulative personal remittances from January-April still registered a growth of 4.7% from the same period last year.

On a gross basis, the Fund returned 1.00%, outperforming the benchmark return. Net of fees, the Fund returned 0.87%. The Fund's duration overweight contributed positively to relative return.

We continue to be concerned that the market may be under-pricing the number of rate hikes by the Federal Reserve this year. We will continue to look to trim duration closer to neutral if the opportunity arises.

**PRUlink growth fund**

(all data as at 30 June 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	22 July 2005
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 11.56 billion
Fund Currency	Philippine Peso
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee	2.25% p.a.
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**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

Initial (22 Jul 05)	1.00000
Highest (13 Apr 15)	4.21563
Lowest (28 Oct 08)	0.99584

**Fund Fact Sheet**

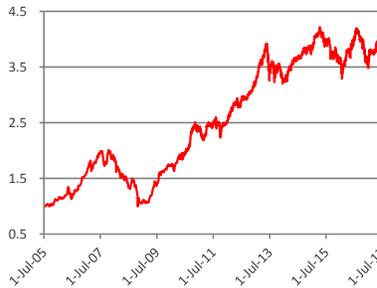
**June 2017**

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**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**



**Performance**

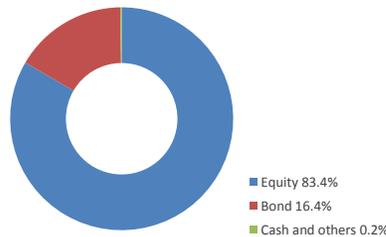
1-Month	Actual yr-on-yr	Since Inception (annualized)
0.33%	0.03%	12.39%

Based on unit price as of 03 Jul 2017: PhP4.04295

**Notes:**

1. The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.
2. The Peso Bond Fund and Equity Fund have served as underlying funds of the Managed and Growth Funds prior to the funds' launch date.

**Asset Allocation**



**Fund Manager's Commentary**

Returns from local government bonds were positive for the month as a whole, while equities were very mildly positive (PSEi Index). Net foreign inflows stood at US\$386 million in June, with investor sentiment buoyant on a proposed tax reform and subsiding nervousness surrounding President Rodrigo Duterte. On the monetary policy front, the central bank kept policy rate steady at 3%. It also forecasts a current account deficit of US\$600m for the full year, a reversal from the earlier projected surplus of US\$800m. This would be the first current account deficit since 2002.

Since June last year, we have been highlighting the improvement in cyclical and earnings momentum globally amid a backdrop of continued monetary accommodation, which has supported Equities and Credit outperformance. As such, we have been overweight Equities as the cyclical recovery theme reasserts itself over negative geopolitical uncertainty.

However, the slowing global economic growth momentum and fading earnings optimism have increased the odds of a soft patch in economic activity over the next few months. Furthermore, the impact of the Fed's balance sheet reduction program raises monetary policy uncertainty at the margin.

We have observed over the past month, 1) The Value equity style has underperformed across most regions, 2) US yield curves are flattening due to falling inflation expectations, 3) The oil price appears to have relapsed on the downside as US inventories continue to surprise on the upside. We are monitoring these signals closely to reassess our asset allocation positions.

However, given that domestic equity valuations are less demanding compared to the past few years, coupled with positive growth momentum domestically and globally, the fund manager favours domestic equities over domestic bonds.

**PRUlink equity fund**

(all data as at 30 June 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	23 October 2007
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 43.10 billion
Fund Currency	Philippine Peso
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee	2.25% p.a.
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**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

Initial (23 Oct 07)	1.00000
Highest (13 Apr 15)	2.50056
Lowest (28 Oct 08)	0.42505

**Fund Fact Sheet**

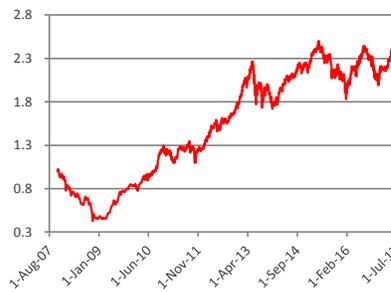
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**Fund Objective**

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

**Performance Chart**



**Performance**

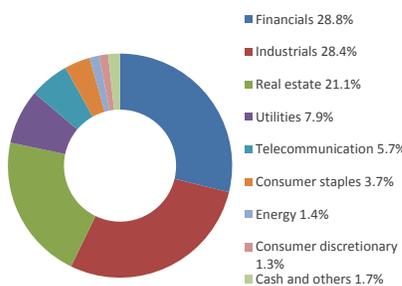
1-Month	Actual yr-on-yr	Since Inception (annualized)
0.19%	0.90%	9.27%

Based on unit price as of 03 Jul 2017: PhP2.36426

**Notes:**

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

**Asset Allocation**



**Top 5 Holdings**

SM INVESTMENTS	10.3%
AYALA LAND	8.1%
SM PRIME HOLDINGS	7.2%
BDO UNIBANK	6.1%
JG SUMMIT HOLDINGS INC.	5.8%

**Fund Manager's Commentary**

The Philippines equity market was flat in June, with the Philippines Stock Exchange Index inching higher by 0.1% in local currency terms. Investors' sentiment was largely buoyant due to proposed tax reform and subsiding nervousness surrounding President Rodrigo Duterte.

The Peso weakened against the US dollar as 1Q17 current account slipped into a deficit equivalent to 0.4% of GDP. The central bank expects current account deficit to be US\$600 million for the full year, a reversal from the earlier projected surplus of US\$800 million. This will be the country's first annual current account deficit since 2002. On the monetary policy front, the central bank kept policy rate steady at 3%.

Inflation moderated to 3.1% YoY in May from 3.4% YoY in the previous month, with food inflation decelerating to 3.8% YoY from 4.2% YoY in April.

The overweight position in East West Banking Corp and Vista Land and Lifescapes, as well as the underweight to Petron Corp, were among the larger contributors to the Fund's relative performance in June.

East West Bank's share price extended its rally in June, rising by 10.5% on speculation that a foreign financial institution will be acquiring a stake in the bank.

Shares of Vista Land and Lifescapes rose 5.1% in June. The developer raised its 2017 residential launch target from PHP30 billion to PHP42 billion, a healthy increase from PHP26 billion worth of launches last year.

The fund's underweight position in Petron Corp helped relative performance as the company's share price corrected on the back of volatile oil prices.

The underweight to SM Investments, as well as the overweight positions in LT Group and Alliance Global Group, detracted from the Fund's relative performance in June.

**PRUlink proactive fund**

(all data as at 30 June 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	17 February 2009
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 18.58 billion
Fund Currency	Philippine Peso
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee	2.25% p.a.
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**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

Initial (17 Feb 09)	1.00000
Highest (28 Jul 16)	2.30325
Lowest (03 Mar 09)	0.99950

**Fund Fact Sheet**

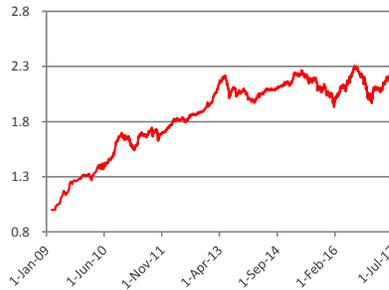
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**Fund Objective**

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**



**Performance**

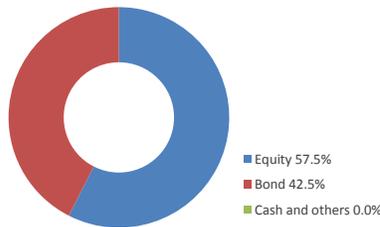
1-Month	Actual yr-on-yr	Since Inception (annualized)
0.55%	-1.34%	9.91%

Based on unit price as of 03 Jul 2017: PHP2.2069

**Notes:**

1. The fund returns are net of Annual Management Charge. Past performance is not necessarily indicative of the future or likely performance of the fund.
2. The Peso Bond Fund and Equity Fund have served as underlying funds of the Managed and Growth Funds prior to the funds' launch date.

**Asset Allocation**



**Fund Manager's Commentary**

Returns from local government bonds were positive for the month as a whole, while equities were very mildly positive (PSEi Index). Net foreign inflows stood at US\$386 million in June, with investor sentiment buoyant on a proposed tax reform and subsiding nervousness surrounding President Rodrigo Duterte. On the monetary policy front, the central bank kept policy rate steady at 3%. It also forecasts a current account deficit of US\$600m for the full year, a reversal from the earlier projected surplus of US\$800m. This would be the first current account deficit since 2002.

Since June last year, we have been highlighting the improvement in cyclical and earnings momentum globally amid a backdrop of continued monetary accommodation, which has supported Equities and Credit outperformance. As such, we have been overweight Equities as the cyclical recovery theme reasserts itself over negative geopolitical uncertainty.

However, the slowing global economic growth momentum and fading earnings optimism have increased the odds of a soft patch in economic activity over the next few months. Furthermore, the impact of the Fed's balance sheet reduction program raises monetary policy uncertainty at the margin.

We have observed over the past month, 1) The Value equity style has underperformed across most regions, 2) US yield curves are flattening due to falling inflation expectations, 3) The oil price appears to have relapsed on the downside as US inventories continue to surprise on the upside. We are monitoring these signals closely to reassess our asset allocation positions.

However, given that domestic equity valuations are less demanding compared to the past few years, coupled with positive growth momentum domestically and globally, the fund manager favours domestic equities over domestic bonds.

**PRUlink asian local bond fund**  
(all data as at 30 June 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date 28 January 2012  
 Manager Eastspring Investments (Singapore) Limited  
 Fund Size USD 18.79 million  
 Fund Currency US Dollar  
 Risk Classification of Investment Diversified  
 Financial Year End 31<sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee 1.80% p.a.

**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

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

**Fund Fact Sheet**

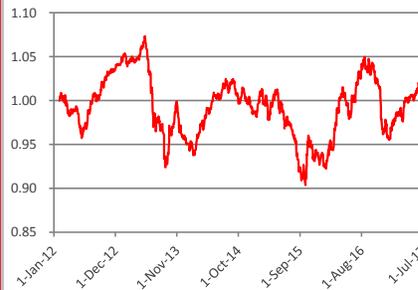
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**Fund Objective**

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 unrated.

**Performance Chart**



**Performance**

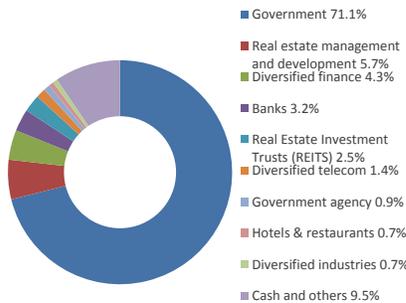
1-Month	Actual yr-on-yr	Since Inception (annualized)
0.03%	0.15%	0.26%

Based on unit price as of 03 Jul 2017: USD1.01413

**Notes:**

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

**Asset Allocation**



**Top 5 Holdings**

THAILAND GOVT 4.0% 06/17/2066	1.5%
THAILAND GOVT 1.875% 06/17/2022	1.4%
KOREA TREASURY BOND 2.0% 12/10/2017	1.3%
PHILIPPINE GOVT 4.0% 01/26/2022	1.2%
THAILAND GOVT 3.650% 12/17/2021	1.2%

**Fund Manager's Commentary**

Emerging markets marginally outperformed developed markets in June with the MSCI EM Index up 0.6%. Continued US dollar weakness contributed to performance encouraging investor inflows and extending EM returns for the year. Signs of a modest recovery in commodity prices and an improvement in risk appetite globally contributed to positive sentiment. Emerging markets interest was also buoyed by more stable economic data out of China as well as news that China 'A' stocks would be included in MSCI's Emerging Market index and the MSCI AC World Index via a two-step inclusion process in May and August 2018.

Latin American markets rose in June with Mexico outperforming reflecting the appreciation of the peso post another 25bps rate hike by the central bank, but with Brazil struggling as President Temer was indicted on corruption charges, potentially delaying his economic reform proposals.

EMEA dipped in June with MSCI Russia down 3.6%, reflecting pressure on the ruble as energy prices slumped and offsetting a positive inflation report, which said inflation was almost meeting targets set by the central bank. South Africa also disappointed with weak GDP figures sending the MSCI South Africa down 3.7% while the Qatar exchange fell sharply after several gulf states severed diplomatic ties and imposed sanctions. The MSCI Qatar was down 7.9%.

**PRUlink asia pacific equity fund**  
(all data as at 30 June 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	26 February 2013
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 27.12 million
Fund Currency	US Dollar
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee	2.05% p.a.
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**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

Initial (26 Feb 13)	1.00000
Highest (05 Sep 14)	1.10429
Lowest (22 Jan 16)	0.69551

**Fund Fact Sheet**

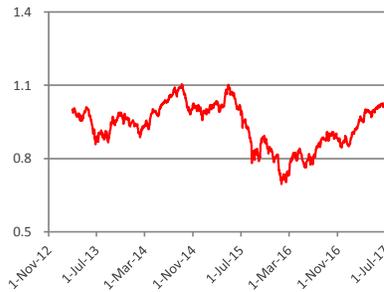
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**Fund Objective**

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**



**Performance**

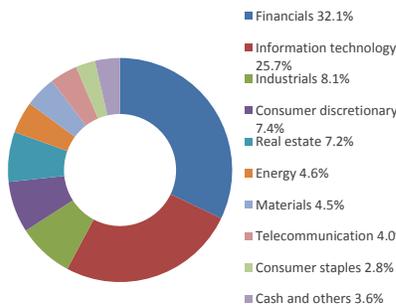
1-Month	Actual yr-on-yr	Since Inception (annualized)
1.20%	26.64%	0.48%

Based on unit price as of 03 Jul 2017: USD1.02116

**Notes:**

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

**Asset Allocation**



**Top 5 Holdings**

TAIWAN SEMICONDUCTOR MANUFACTURING	5.6%
CHINA CONSTRUCTION BANK-H	3.8%
SAMSUNG ELECTRONICS	3.8%
TENCENT HOLDINGS	3.6%
AUSTRALIA AND NEW ZEALAND BANKING GROUP	3.2%

**Fund Manager's Commentary**

Global stockmarkets returned modest gains in June, maintaining the momentum seen since the start of the year, however, a bond market sell off triggered by the hawkish tones of several central banks, and pressure on energy and technology stocks dampened returns. Nevertheless, on the whole, global sentiment remained positive for equities.

Among political developments, in the US, senate Republicans failed to pass a healthcare reform bill, putting in jeopardy the timetable for tax reform, while in the UK, Prime Minister Teresa May lost her parliamentary majority in a snap general election. Meanwhile, a diplomatic crisis erupted in the gulf as four Arab countries led by Saudi Arabia broke diplomatic ties with Qatar and imposed a trade ban, accusing the gas-rich state of maintaining close relations with Iran.

In the markets, the MSCI Asia Pacific ex Japan index gained 1.9% in US dollar terms in June, giving the index a 19.9% return year to date. China, Taiwan, Australia and New Zealand led the gains with the Philippine, Malaysia and India markets underperforming to show small falls.

Asian equities outperformed other EM markets with the MSCI China index adding 2.4% after news MSCI would include China stocks in its key Emerging Market index for the first time. Tech-heavy Taiwan also gained in US\$ terms while Korea advanced on continuing optimism of chaebol reform.

Indian markets were subdued ahead of the imposition of Goods and Services Tax across the country on 1 July with the MSCI India index down 0.8%. The market became concerned on the impact of the tax on second- and third-quarter results with Public Sector Banking stocks leading the declines on further news of a new set of farm loan waivers.

Australian markets were boosted by the recovery in commodity prices toward the end of the month as well as a recovery in banking stocks that had suffered in the wake of a new bank levy introduced in May. The local currency denominated ASX was down slightly, however, the MSCI Australia index rose 2.9% in US\$ terms basis post a rise in the Aussie dollar.

### **Cont. Fund Manager's Commentary on PRUlink asia pacific equity fund**

Catcher, the Taiwan-based casing manufacturer that supplies to Apple for its iPhones, reached 18-month highs after saying revenue had returned to growth after falling for two months in a row. We like the company's cash generative balance sheet and efficient operating model which is delivering high margins. We believe the company remains attractively valued offering further upside from here.

Hon Hai, the Taiwanese electronics equipment manufacturer also known as Foxconn Technology, was a contributor after its stock accelerated on news that it was out of the running to buy Toshiba's chip unit in Japan. Investors feared it would pay too much for the asset. We remain positive on the company's dominant competitive positioning and modest valuation.

Whitehaven Coal bounced back strongly in June from profit taking in May and contributed to the fund over the month as buyers returned. The company's restructuring programme is now paying dividends as the model is now extremely cash generative and we remain positive on the company to deliver free cashflow at an attractive valuation.

Shares of Australia's flagship carrier Qantas continued to contribute in June with the stock reaching seven-year highs, supported again by a combination of lower fuel prices and improving sentiment. Since its low at the end of 2013, the stock has benefitted from its cost cutting program, increased Chinese tourists numbers flying domestically in Australia and a fleet renewal programme. We continue to view the stock as attractively valued relative to its sustainable earnings.

Detracting from performance were a number of stocks in which the fund has no existing holding or is underweight in. Alibaba is one; the company guided the market to between 45% and 49% revenue growth, far outstripping expectations by the market, which rewarded the stock with a 15% rise. We have not owned the stock due to its extremely elevated valuation.

Hyundai Motor Company detracted from performance with the stock down 2% at the end of a volatile month that saw a product recall of its successful Sonata car in the US and a month after the company announced a 31% drop in first quarter profits. We maintain our overweight position as we believe valuation remains compelling on a medium-term basis.

Indian public infrastructure finance company Rural Electrification Corp (REC) witnessed a decline in its stock price through June, triggered by profit booking post its recent quarterly earnings release. REC's stock price gained more than 70% between January and May 2017. We see further upside potential given its current valuation.

Indiabulls Housing Finance, the New Delhi mortgage lender was effected by some negative sentiment related to regulations on Indian banking companies, which we think are less relevant to it but its share price was negatively impacted as investors sought to take some profits. Its valuations remain attractive.

During the month, we added to our existing position in Tingyi Holdings among others, while we also trimmed holdings in Qantas and Dongfeng Motor Group in China.

As a region, valuations across Asia Pacific ex Japan remain below historical averages. Asian equities remain cheap relative to their long term averages and relative to developed markets of the West. Investing at these valuations has historically been an attractive entry point. We are now seeing improving economic growth supported by a pickup in earnings delivery across Asia, which has been driving improving sentiment for the region's shares.

Investors have ignored the price they are paying for certainty and quality for the last few years creating a huge valuation anomaly within Asian equity markets between value and quality. We have positioned the Fund to exploit this anomaly and have seen more attractively valued cyclical companies outperform over the last year.

**PRUlink global emerging markets dynamic fund**

(all data as at 30 June 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	01 April 2014
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 14.66 million
Fund Currency	US Dollar
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee	2.05% p.a.
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**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

Initial (01 Apr 14)	1.00000
Highest (04 Sep 14)	1.10986
Lowest (22 Jan 16)	0.63696

**Fund Fact Sheet**

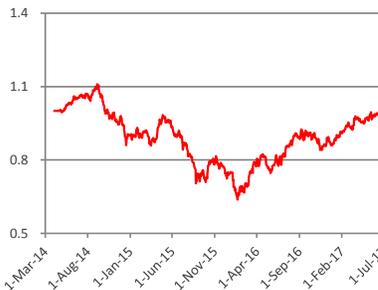
**June 2017**

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

**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**



**Performance**

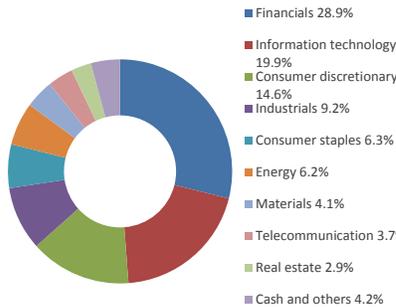
1-Month	Actual yr-on-yr	Since Inception (annualized)
-0.85%	18.84%	-0.94%

Based on unit price as of 03 Jul 2017: USD0.96984

**Notes:**

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

**Asset Allocation**



**Top 5 Holdings**

TAIWAN SEMICONDUCTOR MANUFACTURING	5.7%
BAIDU INC - SPON ADR	3.6%
CHINA CONSTRUCTION BANK-H	3.5%
IND & COMM BK OF CHINA-H	3.2%
NASPERS LIMITED N	3.1%

**Fund Manager's Commentary**

Emerging markets marginally outperformed developed markets in June with the MSCI EM Index up 0.6%. Continued US dollar weakness contributed to performance encouraging investor inflows and extending EM returns for the year. Signs of a modest recovery in commodity prices and an improvement in risk appetite globally contributed to positive sentiment. Emerging markets interest was also buoyed by more stable economic data out of China as well as news that China 'A' stocks would be included in MSCI's Emerging Market index and the MSCI AC World Index via a two-step inclusion process in May and August 2018.

Latin America markets rose in June with Mexico outperforming reflecting the appreciation of the peso post another 25bps rate hike by the central bank, but with Brazil struggling as President Temer was indicted on corruption charges, potentially delaying his economic reform proposals.

EMEA dipped in June with MSCI Russia down 3.6% reflecting pressure on the ruble as energy prices slumped and offsetting a positive inflation report which said inflation was almost meeting targets set by the central bank. South Africa also disappointed with weak GDP figures sending the MSCI South Africa down 3.7% while the Qatar exchange fell sharply after several gulf states severed diplomatic ties and imposed sanctions. The MSCI Qatar was down 7.9%.

Month-to-date, exposure to OHL Mexico, LG Display and Hana Financial Group helped portfolio returns.

OHL Mexico is a Mexico-based company engaged in the management of transport and airport infrastructure receiving utility-like steady income streams. Regulatory uncertainty and the impact of Trump's negative rhetoric on Mexico led to underperformance of the stock which had enabled us to add to this position. The announcement in June of a tender offer for minority shareholders to delist the company was well received by the market although the tender offer price it is well below our valuation target.

## Cont. Fund Manager's Commentary on

LG Display is a manufacturer of display panels for electronic products. Riding the global upswing in electronic products and a more favourable business environment, the stock has risen over the month. In our opinion, valuations are attractive and we maintain confidence in the company's strategy to grow its organic light-emitting diode (OLED) business.

Hana Financial Group is a financial services provider based in Korea. Over the month, the stock rose in tandem with a surging Korean equity market. The bank continues to deliver strong operational results and still trades at attractive valuations relative to sustainable earnings.

Month-to-date, not owning Alibaba Group and overweighting Estacio Participacoes and JBS negatively impacted relative performance.

Alibaba Group Holding Limited is a Chinese e-commerce company that provides consumer-to-consumer, business-to-consumer and business-to-business sales services via web portals. The company's share price rallied on improving guidance from the company. We think that the company's stock is overvalued and do not hold a position in the stock.

Estacio Participacoes provides continuing education primarily to adults across Brazil. The company has been an acquisition target of its peer Kroton. Over the month the acquisition was blocked by the anti-trust agency CADE in what appears to be a politically motivated decision. We remain positive on the stock given its attractive valuation and earnings potential.

JBS is a Brazilian based global player in food processing (chicken, beef and pork). The stock is a long term holding which we added to on weakness around the Lava Jato scandal. Following the news announced in May that executives had been involved in bribery the stock price has fallen. While sentiment is weak operationally the company appears to be robust and valuations appear very attractive relative to sustainable earnings.

During the month, the Fund took profits and sold out of Samsung Electronics and its position in LG Display was trimmed on outperformance. Having reviewed the stock, the Fund added to Fubon Financial Holdings due to increasingly attractive valuations on the back of a short term price correction.

Global Emerging Market equities remain cheap relative to history and relative to developed markets. We believe the macro and geopolitical risks confronting emerging countries, including US monetary and fiscal policy, a slowdown in Chinese growth and lower commodity prices, are well priced by the market, as a result GEM equities still trade at a significant discount to history.

With developed markets priced expensively as earnings and margins stutter, the strong valuation signal across GEM equity markets combined with early signs of earnings and margins improvement is likely to provide some support for returns from here. The valuation gap between cheap and expensive stocks within the emerging market equity universe also remains high and we continue to find opportunities to buy shares in companies we have identified as fundamentally mispriced.

**PRUlink cash flow fund**

(all data as at 30 June 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	17 November 2014
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 0.11 billion
Fund Currency	US Dollar
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee	1.95% p.a.
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**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

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

**Fund Manager's Commentary**

Global stock markets returned modest gains in June, maintaining the momentum seen since the start of the year. A bond market sell off triggered by the hawkish tones of several central banks, and pressure on energy and technology stocks dampened returns however. Nevertheless, on the whole, global sentiment remained positive for equities. Among political developments, in the US, senate Republicans failed to pass a healthcare reform bill, putting in jeopardy the timetable for tax reform, while in the UK, Prime Minister Theresa May lost her parliamentary majority in a snap general election. Meanwhile, a diplomatic crisis erupted in the gulf as four Arab countries led by Saudi Arabia broke diplomatic ties with Qatar and imposed a trade ban, accusing the gas-rich state of maintaining close relations with Iran.

Asian equities outperformed relative to global equities during the month, benefiting from improving data for the Chinese economy and the announcement that MSCI would include mainland Chinese shares in its indices for the first time. Tech-heavy Taiwan also gained in US\$ terms while Korea advanced on continuing optimism of chaebol reform. European equities declined mildly for the month as a whole after comments from European Central Bank President Mario Draghi were interpreted to mean that economic stimulus measures could soon be withdrawn. For fixed income assets, returns were muted off the back of the prospect of further tightening of monetary policy. Long duration US Treasuries, however, performed well despite the Fed's rate hike in June. Subdued inflation and anticipation of a predictable unwind of the Fed's balance sheet contributed to the outperformance of the asset class.

Since June last year, we have been highlighting the improvement in cyclical and earnings momentum globally amid a backdrop of continued monetary accommodation which has supported Equities and Credit outperformance. As such, we have been overweight Equities as the cyclical recovery theme reasserts itself over negative geopolitical uncertainty.

However, the slowing global economic growth momentum and fading earnings optimism have increased the odds of a soft patch in economic activity over the next few months. Furthermore, the impact of the Fed's balance sheet reduction program raises monetary policy uncertainty at the margin.

We have observed over the past month, 1) The Value equity style has underperformed across most regions, 2) US yield curves are flattening due to falling inflation expectations, 3) The oil price appears to have relapsed on the downside as US inventories continue to surprise on the upside. We are monitoring these signals closely to reassess our asset allocation positions.

**Fund Fact Sheet**

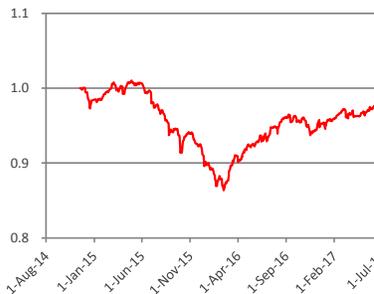
June 2017

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**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**



**Performance**

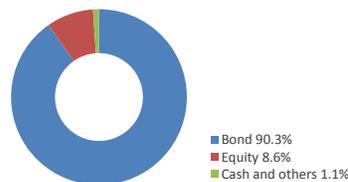
1-Month	Actual yr-on-yr	Since Inception (annualized)
-0.83%	3.78%	-1.38%

Based on unit price as of 03 Jul 2017: USD0.96418

Notes:

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

**Asset Allocation**



**Top 5 Holdings**

ESIN-US HY BD D	53.5%
ESIN-ASIAN BD D	36.8%
ESIN-WORLD VALUE EQ D	4.8%
ESIN-ASIAN EQUITY INC D	3.9%
CASH	1.1%

### **Cont. Fund Manager's Commentary on PRUlink cash flow fund**

As such, the manager has brought the fund towards a more neutral asset allocation. As at the end of the month it remains overweight equities and US High Yield credit and underweight Asian bonds.