

**PRUlink bond fund**

(all data as at 31 March 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date 24 September 2002  
 Manager Eastspring Investments (Singapore) Limited  
 Fund Size PHP 18.40 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.

**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

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

**Fund Manager's Commentary**

The Philippine domestic government bond market (represented by the Markit iBoxx Philippine Local Bond Index) turned in a return of -1.53% in March. Philippine government bonds did poorly amid concerns over a possible policy rate hike following the US Federal Reserve rate hike. Heavy issuance of government bonds also pushed yields higher over the month.

Headline inflation came in at 3.3% year-on-year in February, up from 2.7% year-on-year in January as food and utilities prices moved higher. Monetary policy settings were left unchanged in March.

Macroeconomic data coming out of Philippines continues to be strong. OFW remittances continue to rise, growing by 8.6% year-on-year to US\$2.2 billion in January. Domestic liquidity continues to expand, supported by strong demand for credit. Loans for production activities grew by 17.6% year-on-year in February, largely similar to the 17.5% year-on-year in January. The consumer outlook in the Philippines was broadly steady in the first quarter of 2017.

On a gross basis, the Fund returned -1.31%, outperforming the benchmark by 22 basis points. Net of fees, the Fund returned -1.43%. Government bonds extended their losses in the month. The fund outperformed because of its underweight in the long end, which sold off substantially.

In March, we re-established some positions in the belly on opportunity. Philippines' growth outlook is still robust, supported by strong remittances and domestic demand. While inflation continues to rise, it is likely to stay within the target range and not expected to trigger a hike by BSP. We continue to maintain a slight duration overweight.

**Fund Fact Sheet**

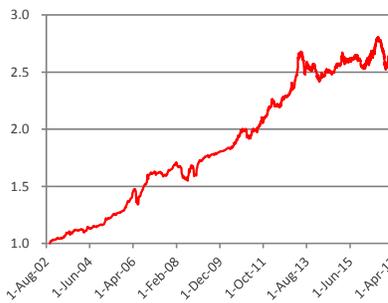
**March 2017**

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.

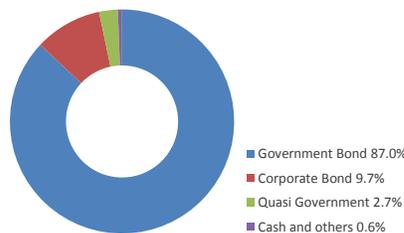
**Fund Objective**

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)
-1.43%	-1.51%	6.78%

Based on unit price as of 03 Apr 2017: PHP2.59495

**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	9.3%
PHILIPPINE GOVERNMENT 8.125% 12/16/2035	6.7%
PHILIPPINE GOVERNMENT 6.125% 10/24/2037	5.3%
PHILIPPINE GOVERNMENT 5.875% 03/01/2032	5.2%
PHILIPPINE GOVERNMENT 3.625% 09/09/2025	4.7%

**PRUlink managed fund**

(all data as at 31 March 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	24 September 2002
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 6.88 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 Fact Sheet**

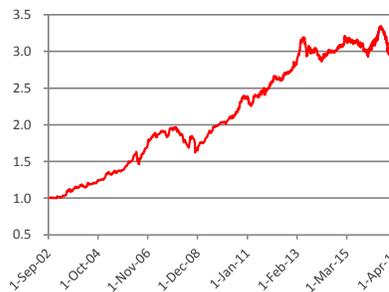
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**Fund Objective**

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**

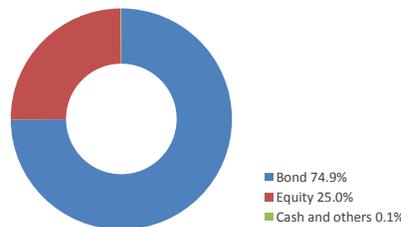
1-Month	Actual yr-on-yr	Since Inception (annualized)
-0.66%	-1.03%	8.05%

Based on unit price as of 03 Apr 2017: PhP3.08098

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**

Local government bonds did poorly amid concerns over a possible policy rate hike following the US Federal Reserve rate hike. Heavy issuance of government bonds also pushed yields higher over the month. Domestic equity markets rose in March, although they have been trailing other regional markets so far during the year due to the widening trade deficit and slowing overseas remittances.

Globally, economic indicators and corporate earnings continue to be firm across most regions and markets; and a potential growth boost may come in the form of US fiscal stimulus, deregulation and tax reforms. Key beneficiaries of this macro theme are global equities and corporate bonds.

While we remain confident of the global growth path this year, risks which may derail this include the disorderly transformation of China's economy into one of lower long-term growth, as well as the political changes in Europe. The pace of monetary tightening in the US and its impact on global USD liquidity also warrants close monitoring, especially on emerging markets.

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 US dollar bond fund**

(all data as at 31 March 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	03 June 2003
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 0.20 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**

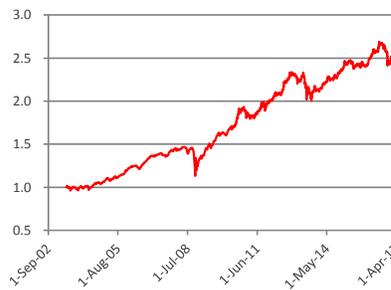
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**Fund Objective**

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**

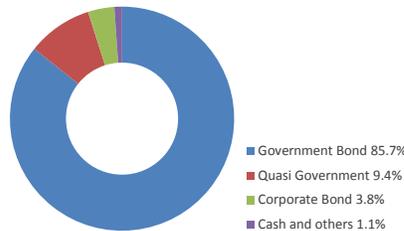
1-Month	Actual yr-on-yr	Since Inception (annualized)
-0.05%	-2.20%	6.84%

Based on unit price as of 03 Apr 2017: USD2.4982

**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 10/23/2034	6.375%	10.6%
REPUBLIC OF THE PHILIPPINES 01/14/2031	7.75%	10.2%
REPUBLIC OF THE PHILIPPINES 02/02/2030	9.5%	9.2%
REPUBLIC OF THE PHILIPPINES 3/16/2025	10.625%	7.6%
REPUBLIC OF THE PHILIPPINES 01/20/2040	3.95%	6.8%

**Fund Manager's Commentary**

Philippine USD sovereign bonds (as represented by JPMorgan EMBI Global Philippines Index) turned in a flat return of -0.06% in March as both spreads and US Treasury yields closed the month relatively unchanged from the previous month.

The Federal Reserve (Fed) hiked rates by 25 basis points as expected during its Federal Open Market Committee meeting in March. US Treasury yields rose leading up to the meeting but fell after as the Fed defied expectations that it would signal more aggressive tightening in the months ahead. The Fed maintained its median projection of three rate hikes in 2017, unchanged from its last meeting. Additionally, on the fiscal front, the US administration's failure to push an overhaul in the US healthcare system led to rising doubts about the new government's ability to deliver on tax reforms and fiscal stimulus. The 10-year US Treasury yields broke above 2.6% before the FOMC meeting but closed the month at 2.39%, same as the previous month.

In spite of the hike in rates, global investor sentiment remained generally stable as economic data coming out of major economies continue to point to a cyclical upturn.

Macroeconomic data coming out of the Philippines continues to be strong. OFW remittances continue to rise, growing by 8.6% year-on-year to US\$2.2 billion in January. Domestic liquidity continues to expand, supported by strong demand for credit. Loans for production activities grew by 17.6% year-on-year in February, largely similar to the 17.5% year-on-year in January. The consumer outlook in the Philippines was broadly steady in the first quarter of 2017.

On a gross basis, the Fund returned 0.08%, outperforming the benchmark by 13 basis points. Net of fees, the Fund returned -0.05%. The fund benefitted from the yield curve flattening in US Treasuries as it held more longer dated bonds than short dated ones in the government curve. Off benchmark corporate bonds also helped the fund to outperform the benchmark.

The fund's duration extended after the liability management exercise in January. We will look to trim duration closer to neutral if there is opportunity.

**PRUlink growth fund**

(all data as at 31 March 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	22 July 2005
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 10.82 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**

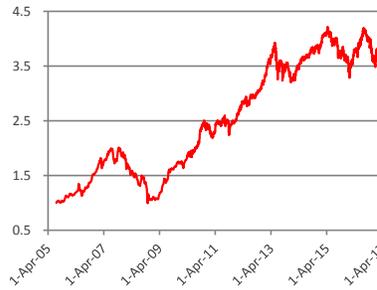
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**Fund Objective**

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**

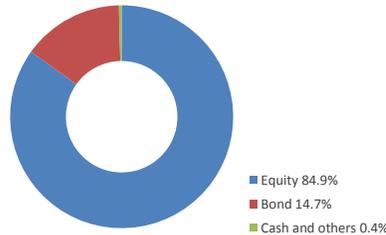
1-Month	Actual yr-on-yr	Since Inception (annualized)
1.24%	0.51%	12.08%

Based on unit price as of 03 Apr 2017: PHP3.79985

**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**

Domestic markets rose in March, although they have been trailing other regional markets so far during the year due to the widening trade deficit and slowing overseas remittances.

Globally, economic indicators and corporate earnings continue to be firm across most regions and markets; and a potential growth boost may come in the form of US fiscal stimulus, deregulation and tax reforms. Key beneficiaries of this macro theme are global equities and corporate bonds.

While we remain confident of the global growth path this year, risks which may derail this include the disorderly transformation of China's economy into one of lower long-term growth, as well as the political changes in Europe. The pace of monetary tightening in the US and its impact on global USD liquidity also warrants close monitoring, especially on emerging markets.

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 31 March 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	23 October 2007
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 41.06 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**

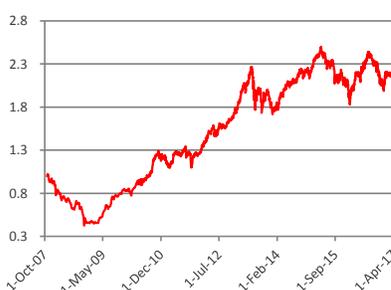
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**Fund Objective**

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

**Performance Chart**



**Performance**

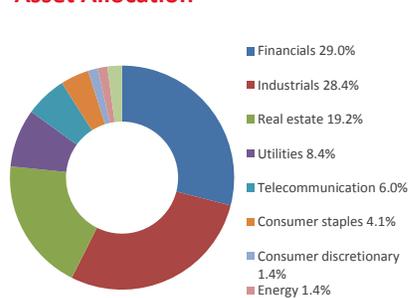
1-Month	Actual yr-on-yr	Since Inception (annualized)
1.75%	1.12%	8.71%

Based on unit price as of 03 Apr 2017: PhP2.20236

**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	10.0%
AYALA LAND	7.2%
SM PRIME HOLDINGS	6.6%
BDO UNIBANK	6.1%
JG SUMMIT HOLDINGS INC.	6.1%

**Fund Manager's Commentary**

The Philippine Stock Exchange Index (PSEi) rose 1.4% in March amid volatility caused partly by index rebalancing. Puregold Price Club Inc. was added to the list of PSEi constituents, while Emperador Inc. was removed from the Index. In the first 3 months of 2017, the PSEi gained 6.9%, trailing most regional equity indices on concerns over the country's widening trade deficit and slowing overseas remittances.

Philippines' current account slipped into a deficit in 4Q16. Nonetheless, for the full year 2016, the country posted a current account surplus of US\$601 million, equivalent to 0.2% of the GDP.

Foreign Direct Investment (FDI) flows into the Philippines more than doubled in December 2016 from a year ago, propelling the full year 2016 FDI growth above 40% y-o-y. Remittances from overseas Filipino workers jumped 8.6% y-o-y in January, largely driven by the double-digit growth in money sent home by land-based workers.

Consumer prices in the Philippines rose 0.4% month-on-month in March on the back of higher prices for food, alcoholic beverages, and utilities. Year-on-year, inflation accelerated for the second consecutive month to 3.4% from 3.3% in February. BSP kept policy rates unchanged at its March meeting.

The off-benchmark position in Vista Land and Lifescapes (VLL) and East West Banking (EWB), and the underweight in SM Prime Holdings (SMPH) were among the larger contributors to the Fund's relative performance in March.

VLL reversed the losses suffered in February, rising 9.2% in March. VLL announced its full year results in March; net profit rose 12% in 2016, driven by an 85% jump in rental revenue due to the consolidation of Starmalls.

EWB is a mid-sized, consumer-centric bank in the Philippines. In our opinion, valuation is attractive as the stock currently trades below book value.

The off-benchmark position in First Philippine Holdings (FPH), and the underweight in PLDT, International Containers Terminal Services (ICTS) and Ayala Corp. were among the larger detractors from the Fund's relative performance in March.

Disclaimer: The views contained herein are only a general view on what may happen and Pru Life UK does not guarantee its accuracy. Established in 1996, Pru Life UK is a subsidiary of British financial services giant Prudential plc. Pru Life UK is the pioneer and current market leader of unit-linked or investment-linked life insurance products, and is one of the first life insurance companies approved to market US dollar-denominated policies in the country. Pru Life UK is a life insurance company and is not engaged in the business of selling pre-need plans. Pru Life UK and Prudential plc are not affiliated with Prudential Financial, Inc. (a US-registered company), Philippine Prudential Life Insurance Company, Prudential Life Plans, Inc. or Prudential Guarantee and Assurance, Inc. (all Philippine-registered companies). For more information about us, please visit [www.prulifeuk.com.ph](http://www.prulifeuk.com.ph).

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

FPH is a conglomerate with interests in power generation and real estate. Its share price declined moderately in March after rising in each of the preceding three months.

PLDT is the largest telecom operator in the Philippines. Its share price rebounded in March following its sharp decline in 2016.

ICTS develops, manages and operates container ports and terminals worldwide. The shares of ICTS rallied in March as higher volumes in 4Q16 boosted operational performance.

Ayala Corp. is one of the largest conglomerates in the Philippines with interests in property development, banking, telecommunications, and utilities. Higher 2016 earnings boosted its share price by 7.2% in March. The Fund is underweight the stock in view of its expensive valuations.

The share price of SMPH, a developer, and owner of shopping malls declined in March. The underweight position in the stock aided the Fund's relative performance.

**PRUlink proactive fund**

(all data as at 31 March 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	17 February 2009
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 17.78 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**

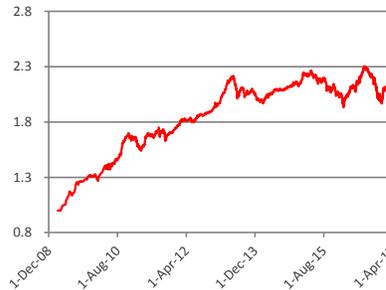
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**Fund Objective**

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**

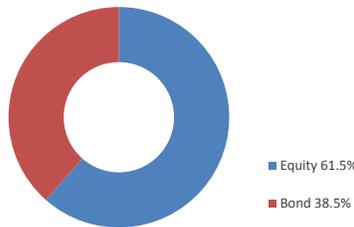
1-Month	Actual yr-on-yr	Since Inception (annualized)
0.47%	-0.49%	9.58%

Based on unit price as of 03 Apr 2017: PHP2.10373

**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**

Domestic markets rose in March, although they have been trailing other regional markets so far during the year due to the widening trade deficit and slowing overseas remittances.

Globally, economic indicators and corporate earnings continue to be firm across most regions and markets; and a potential growth boost may come in the form of US fiscal stimulus, deregulation and tax reforms. Key beneficiaries of this macro theme are global equities and corporate bonds.

While we remain confident of the global growth path this year, risks which may derail this include the disorderly transformation of China's economy into one of lower long-term growth, as well as the political changes in Europe. The pace of monetary tightening in the US and its impact on global USD liquidity also warrants close monitoring, especially on emerging markets.

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 31 March 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	28 January 2012
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 19.69 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.
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**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**

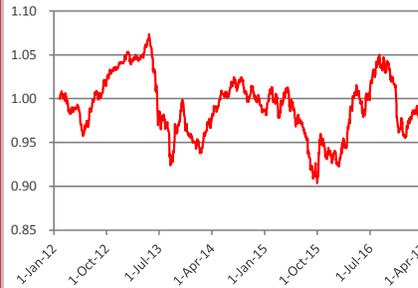
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**Fund Objective**

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**

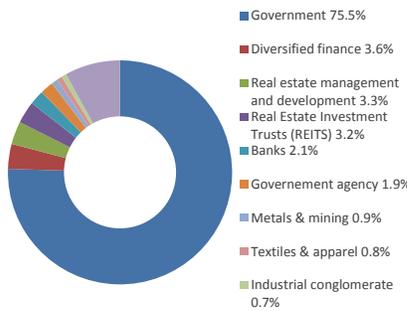
1-Month	Actual yr-on-yr	Since Inception (annualized)
1.08%	-0.01%	0.05%

Based on unit price as of 03 Apr 2017: USD1.00252

**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 06/17/2022	1.875%	1.6%
INDONESIA GOVERNMENT 03/15/2024	8.375%	1.3%
INDONESIA GOVERNMENT 07/15/2021	8.25%	1.3%
INDIA GOVT BOND 05/20/2023	7.16%	1.2%
THAILAND GOVT 12/17/2026	2.125%	1.2%

**Fund Manager's Commentary**

The Asian domestic bond market continued its ascent in March, marking its third consecutive month of gain. Generally stronger Asian currencies vis-à-vis the US dollar (USD), as well as modest bond returns, contributed to the market performance. In all, the Market iBoxx Asian Local Bond index delivered a return of 1.1% in USD.

The benign market performance occurred despite the US Federal Reserve (Fed) resuming on a path of rate normalization, as it raised the Fed Fund rates by 25 bps to 0.75-1.0% as widely expected. While upward pressure in yields was seen in the US Treasury (UST) yields prior to the March Federal Open Market Committee (FOMC) meeting, UST yields retraced lower following the rate hike announcement. Investors were relieved that the Fed appeared to be less hawkish than anticipated, with no significant changes to the FOMC statement and its median policy rate forecasts. Against this backdrop, changes in US Treasury (UST) yields over the month were largely muted.

In Asia, rate hikes were also seen in selective countries. The Hong Kong Monetary Authority raised its base rate by 25 bps in tandem with the Fed, while the People's Bank of China raised short term interest rates by 10 bps for the third time this year. Elsewhere, policy rates were kept unchanged. Despite this, Asian government bond yield movements were largely muted, similar to the UST, although idiosyncratic market factors resulted in disparate market performance.

Overall, Indonesia and India bond markets emerged as clear outperformers as lower government bond yields there boosted returns. The two bond markets benefitted from the risk-on environment, which supported portfolio inflows into their domestic bond markets. In contrast, the Philippine government bond market underperformed significantly amid concerns over a possible policy rate hike and government bond supply pressure.

On the currency front, Asian currencies were supported by the cyclical upswing in Asia as reflected by continued strength in export and manufacturing data. The dovish Fed stance and benign US interest rates also capped the rise of US dollar versus major and Asian currencies.

### **Cont. Fund Manager's Commentary on PRUlink asian local bond fund**

Key outperforming currencies during the month included the Indian rupee, the Korean won and the Thai baht. The Indian rupee was boosted by the landslide win by the ruling party in key state elections, which was seen as an endorsement of party's reform measures. The Korean won was also supported by positive portfolio flows and expectations of a more stable government after the impeachment of President Park was upheld. In contrast, the Philippine peso and Indonesia rupiah lagged the other regional currencies.

**PRUlink asia pacific equity fund**  
(all data as at 31 March 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	26 February 2013
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 26.76 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**

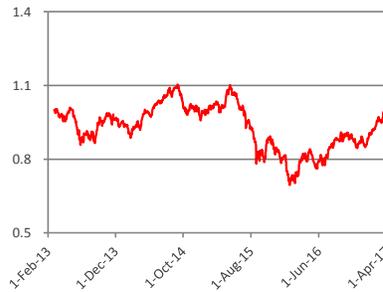
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**Fund Objective**

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**

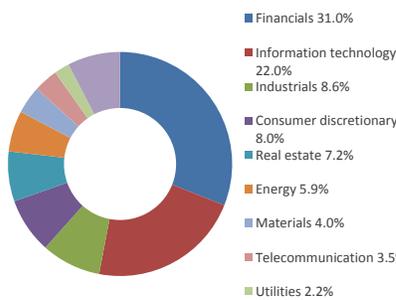
1-Month	Actual yr-on-yr	Since Inception (annualized)
3.46%	20.41%	-0.17%

Based on unit price as of 03 Apr 2017: USD0.99301

**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	4.9%
CHINA CONSTRUCTION BANK-H	3.9%
AUSTRALIA AND NEW ZEALAND BANKING GROUP	3.8%
SAMSUNG ELECTRONICS	3.7%
HYUNDAI MOTOR	3.0%

**Fund Manager's Commentary**

The MSCI Asia Pacific ex Japan index rose 3.1% in USD terms in March. Korea, India and Thailand led gains, while New Zealand was the only country to record losses. The first quarter of the year registered a strong start, one of the best in over a decade: the MSCI AC Asia Pacific ex Japan index rallied 12.8% in 1Q17 in USD terms, with all countries delivering positive returns. India and Korea have been the stand-out markets this year in terms of positive performance.

US President Donald Trump suffered a political setback after political infighting forced the Republican leaders to pull a White House-backed healthcare reform bill. The event casted doubt for investors on the president's ability to deliver on other priorities like trade protectionism and tax reform but did little to dent optimism in global equity markets.

Over the month, positivity built in India after the ruling government solidified its position politically by winning elections in four of five states, giving it the freedom to pursue radical economic reform. Significant progress on GST legislation boosted investor confidence, further enforcing the positive sentiment. Korean stocks traded higher backed by strong foreign net inflow in a month that saw the country's impeached President arrested in an influence-peddling scandal. New product launches, particularly Samsung's and Apple's latest handsets, delivered a boost to the IT sector; while excellent export data helped semiconductors and oil products. Thai stocks also marked a rise, helped by strength in the Thai Baht against the USD and surprises to the upside for many companies in the reporting season.

The sole negative performer of the month, New Zealand, plunged on the release of disappointing fourth-quarter GDP data and a downward revision to third-quarter growth.

Month-to-date, the off-benchmark holding in Rural Electrification and overweights in Catcher Technology and Indiabulls Housing Finance aided the Fund's relative performance.

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

Rural Electrification is an Indian power-financing company that is majority-owned by the government. The company possesses a healthy balance sheet and is the second largest lender to the Indian power sector. They are well placed to benefit from the huge underinvestment in Indian power infrastructure over the years and could also benefit from regulatory reform. We continue to like the company's attractive outlook and valuation.

Catcher Technology manufactures, processes and distributes casings and components for computer and consumer electronic products. The company's share price rose in March as it was one of the few Taiwanese companies that have been named as technology giant, Apple Inc.'s suppliers for 2017. We have been building a position in Catcher since late 2016 as our conviction grew. The business has continued to grow through many product cycles with a management team that has maintained a solid balance sheet, sensible strategy and dividend payout. We believe that the market has undervalued their sustainable earnings stream.

Indiabulls Housing Finance Ltd ("IBHFL") is the second largest mortgage provider in India, regulated by the National Housing Bank. Housing finance stocks in general gained after the ministry issued guidelines of subsidies for the middle income group home loan applicants. IBHFL's shares also got a boost after their inclusion in the Nifty 50 index. We continue to be positive on the company as IBHFL's loans to the SME sector are largely secured by property and business fundamentals remain strong relative to valuations.

Month-to-date, the off-benchmark holding in Noble Group and Perusahaan Gas Negara and the overweight in China Construction Bank pulled down the Fund's relative performance.

Noble Group's share price fell on profit-taking after February's surge triggered by news that it was in discussions with a strategic investor. Noble, the Singapore listed commodity supply chain manager, has been working to improve its balance sheet, cut costs and improve earnings. While the company announced mixed results towards the end of the month, we believe the steady margin, lower costs and improving liquidity combine well with a very attractive valuation.

Perusahaan Gas is one of Indonesia's two dominant gas distributors pumping natural gas nationwide. The stock has been priced very attractively relative to the potential for sustainable earnings and growth in the gas distribution network across Indonesia. The company's share price fell in March despite releasing results in line with expectations.

China Construction Bank is one of China's largest commercial banks. Having performed very well during 2016 and after delivering better than expected results in March, there has been some profit taking in the stock. We continue to like the valuation of the company given their robust balance sheet, high return on equity and attractive dividend yield.

The key trades for the month included adding positions in Infosys, Taiwan Semiconductor which were funded by trimming positions in Indiabulls Housing Finance and Samsung Electronics. We also started building a new position in Taiwan's Asustek Computer.

Asian equities remain very cheap relative to their long term averages and relative to developed markets of the West. Investing at these valuations has historically been a very 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 are beginning to see more attractively valued cyclical companies outperform.

**PRUlink global emerging markets dynamic fund**

(all data as at 31 March 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	01 April 2014
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 14.40 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 Manager's Commentary**

Over March 2017, Global Emerging Markets (GEM) as measured by the MSCI EM index rose 2.3% in USD terms outperforming its developed market counterpart by 1.5%. Improving economic data, recovering corporate earnings and strengthening commodity prices all played a part in the extended run of GEM. A weaker US Dollar (political gridlock in Washington) over the course of the first quarter also helped fuel GEM equities.

Mexico, Chile and India were the stand out performers over the month while Brazil was a laggard. Mexican equities hit all time highs as a strengthening US economy, improved tonality of NAFTA rhetoric and a recovering peso helped investor sentiment. Shares in Chile were driven by a better sentiment regarding the outcome of the presidential elections and a positive trend of copper prices. Indian equities got a boost from foreign buying as global investors were given a higher margin of political comfort with the dominant victory of the ruling BJP in state elections and progress on passage of GST legislation. Brazilian equities were weighed down by mixed economic data and the meat packing scandal. However, inflation expectations continued to decline and Moody's changed Brazil's sovereign rating outlook to stable from negative on the back of some signs of economic recovery, falling inflation and more clarity on the fiscal scenario with the advance of the structural reforms.

**Fund Fact Sheet**

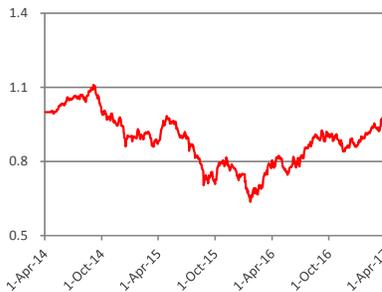
**March 2017**

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**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**

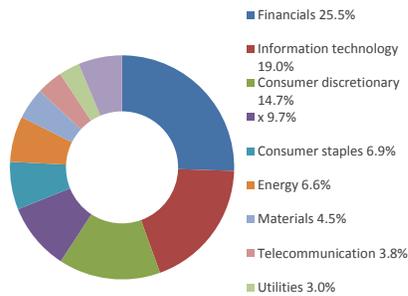
1-Month	Actual yr-on-yr	Since Inception (annualized)
2.70%	19.45%	-1.30%

Based on unit price as of 03 Apr 2017: USD0.9613

**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	4.5%
CHINA CONSTRUCTION BANK-H	3.7%
SAMSUNG ELECTRONICS	3.3%
IND & COMM BK OF CHINA-H	3.1%
BAIDU INC - SPON ADR	3.0%

**PRUlink cash flow fund**

(all data as at 31 March 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	17 November 2014
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 0.10 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 equity markets continued to outperform fixed income assets during March, amid optimism surrounding Trump's pro-growth agenda. Investors turned more cautious during the final days of the month, however, when the President failed to pass legislation to replace the Affordable Healthcare Act, reflecting concern that Trump would find it difficult to deliver on other campaign promises and policy ambitions. For the month as a whole, the US equity market ended flat; with investors taking profits, especially in those sectors exposed to the reflation trade. Europe, by contrast, was the standout market; posting its best monthly performance so far in 2017. Whilst uncertainty remains around European politics and the union itself, strong economic data points in addition to a perception that the European Central Bank (ECB) has become less dovish drove the market higher. Asian stocks continued to perform well, not least because of easing fears of US protectionism. Fixed income markets outside of the US posted very modest gains, whilst returns from US fixed income were mildly negative. The Fed raised interest rates during the middle of the month, underlining its confidence in the health of the US economy but leading to negative returns for long duration US Treasuries. Returns from US Investment Grade and High Yield credit were also mildly negative. The latter half of the month, however, saw Treasuries recover as the Fed signaled more gradual rate hikes than had been previously anticipated.

Economic indicators and corporate earnings continue to be firm, across most regions and markets; and a potential growth boost may come in the form of US fiscal stimulus, deregulation and tax reforms. Key beneficiaries of this macro theme are global equities and corporate bonds.

As the developed world growth trajectory looks set to continue, the path of lesser resistance for interest rates should be up. Overall, we remain overweight in equity and US High Yield.

While we remain confident of the global growth path this year, risks which may derail this include the disorderly transformation of China's economy into one of lower long-term growth, as well as the political changes in Europe. The pace of monetary tightening in the US and its impact on global USD liquidity also warrants close monitoring, especially on emerging markets.

As such, the fund manager continues to target an overweight in equities and US High Yield credit. The manager is underweight in Asian bonds.

**Fund Fact Sheet**

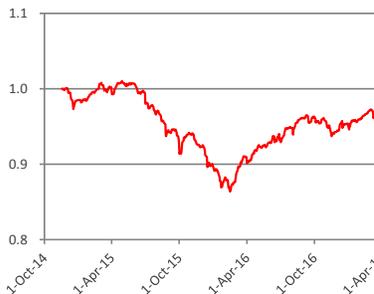
**March 2017**

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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**

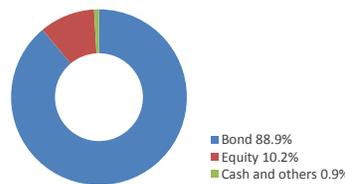
1-Month	Actual yr-on-yr	Since Inception (annualized)
-1.10%	6.65%	-1.65%

Based on unit price as of 03 Apr 2017: USD0.96124

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	54.8%
ESIN-ASIAN BD D	34.1%
ESIN-WORLD VALUE EQ D	5.3%
ESIN-ASIAN EQUITY INC D	4.9%
CASH	0.9%