

# PRULink Bond Fund

Fund Fact Sheet June 2020

PRU LIFE U.K. 

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

## Key Information and Investment Disclosure

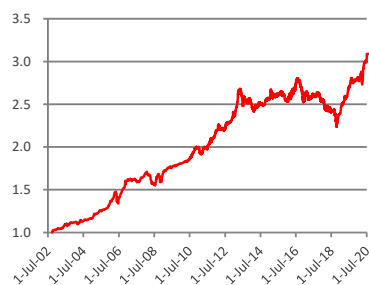
(all data as at 01 July 2020 unless otherwise stated)

Launch Date	24 September 2002	Fund Classification	Diversified
NAVPU (PHP)	3.08763	Minimum Risk Rating	1 (Conservative)
Fund Size	PHP 19.01 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	1.53% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	Markit iBoxx ALBI Philippines

## Fund Objective

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

## Fund Price Chart



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

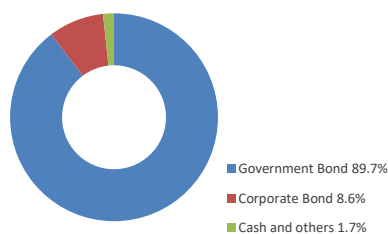
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	2.63%	14.51%	3.41%	9.73%	6.55%

## Fund Statistics

Highest NAVPU reached	(30 Jun 20)	3.08845
Lowest NAVPU reached	(24 Sep 02)	1.00000
Initial NAVPU	(24 Sep 02)	1.00000

## Asset Allocation



## Top 5 Holdings:

PHILIPPINES (REPUBLIC OF) 8%	9.2%
19-JUL-2031	
PHILIPPINES (REPUBLIC OF) 8.125%	5.5%
16-DEC-2035	
PHILIPPINE GOVERNMENT BOND 6.875%	5.2%
10-JAN-2029	
PHILIPPINES (REPUBLIC OF) 6.125%	4.7%
24-OCT-2037	
PHILIPPINES (REPUBLIC OF) 5.875%	4.1%
01-MAR-2032	

## Fund Manager's Commentary

Global government bond yields, including Asian government bonds, rose at the start of month as a flurry of better-than-expected economic data in the US fuelled hopes of a recovery and led to an unwinding of safe-haven flows. However, news of rising infection rates in several countries, cast a shadow on risk sentiment. Major central banks also reiterated their commitment to keep monetary policies accommodative. This led global government bond yields to retrace lower subsequently.

Over the month, the Philippine bond market was among the outperformers in the region, with the representative Markit iBoxx ALBI Philippine Index rising by 2.02% in local-currency terms. Performance of the bond market was boosted by the central bank's surprise move to ease policy rates further by 50 bps during the month. Since the start of the year, Bangko Sentral ng Pilipinas (BSP) has cut its benchmark interest rate by 175bps to a record low of 2.25%. The BSP noted that the domestic recovery in such a challenging environment could be more prolonged than initially anticipated, thus the need for continuing policy accommodation to support economic activity. The accommodative policy action sent Philippine government yield curve falling significantly across the curve, particularly at the long end of the curve. Over the month, the 2-year and 30-year yields were down by 37 bps and 76 bps respectively.

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## Fund Manager's Commentary on PRULink Bond Fund

On the economic front, the impact of lockdown due to the virus outbreak continued to be felt in the Philippines' economy. Exports and imports in April fell by a record 50.8% YoY and 65.3% YoY in April respectively. Unemployment rate soared to an all-time-high of 17.7% in April, while overseas workers' remittances fell 4.7% year-on-year in March. Inflation, however, remained relatively stable at a benign level. Headline inflation for May came in at 2.1% YoY, slightly lower than 2.2% in the previous month due to falls in transport prices. Core inflation was flat at 2.9% YoY in May for the second month.

Over the month, the Fund's duration overweight, particularly at the long end, contributed positively to relative performance. The Fund's allocation to corporate bonds, however, lowered gains as performance of the sector lagged government bonds.

In June, we largely maintained our overweight duration positions in the Fund. We are cautious of COVID-19's impact on Philippines' near-term growth prospects, in particular the effect on remittances and service exports. We expect the infrastructure projects and other stimulus plans to support a recovery in the second half of the year. Inflation is still expected to stay within the target band for the year. We expect BSP to maintain an easy monetary policy in the near term and will keep our duration overweight position.

# PRULink Managed Fund

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## Key Information and Investment Disclosure

(all data as at 01 July 2020 unless otherwise stated)

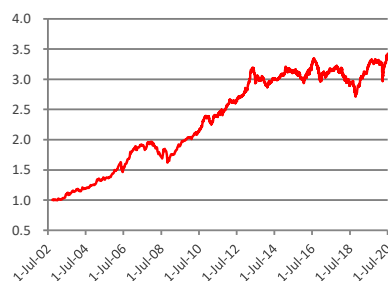
Launch Date	24 September 2002	Fund Classification	Diversified
NAVpu (PHP)	3.42433	Minimum Risk Rating	2 (Moderate)
Fund Size	PHP 5.76 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	1.79% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	80% Markit iBoxx ALB Philippines + 20% PCI

\* PCI - Philippines Composite Index

## Fund Objective

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

## Performance Chart



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

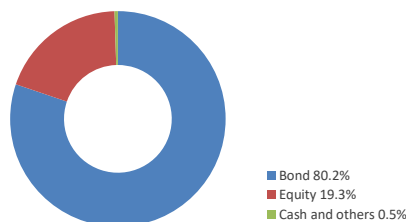
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	3.41%	5.90%	1.81%	3.26%	7.17%

## Fund Statistics

Highest NAVPU reached	(01 Jul 20)	3.42433
Lowest NAVPU reached	(23 Oct 02)	0.99568
Initial NAVPU	(24 Sep 02)	1.00000

## Asset Allocation



## Fund Manager's Commentary

Global equity markets continued to rise in June, although there was renewed volatility on fears of a second wave of coronavirus infections and escalating US-China tensions. Despite many countries easing lockdown measures during the month and economic data showing signs of improvement as economies re-opened, the news that China would impose a lockdown close to Beijing and a spike in cases in the US was a stark reminder of the ongoing risks in the absence of a viable vaccine or treatment. US-China relations have soured this year after the Trump administration accused Beijing of playing down the extent of its virus outbreak, whilst the US has moved ahead with eliminating Hong Kong's special status and imposing sanctions. This followed Beijing's decision to impose a security law on the region. These issues have raised doubts over the previously agreed US-China trade deal, whilst the month also saw geopolitical issues flare elsewhere, notably between South and North Korea, and between India and China.

Philippine equities continued to rise in June, with the broad market up by over 6%. However, markets fell into the end of the month on a renewed pick up in Covid-19 cases around the world and heightened geopolitical tensions that dampened risk appetite. On the economic front, overseas Filipino workers' remittances fell 4.7% year-on-year in March, largely due to lower deployment in the Middle East. Inflation moderated to 2.1% year-on-year in May, reflecting lower transportation costs and food prices.

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## Fund Manager's Commentary on PRULink Managed Fund

The central bank unexpectedly cut its benchmark interest rate by another 50 basis points to cushion the economic impact from the Covid-19 pandemic. The rate cut, which was the fourth this year, brought the overnight reverse repo rate to 2.25%. In this environment, the representative Markit iBoxx ALBI Philippine Index rose by 2.0% in local-currency terms.

From a global perspective, the coronavirus outbreak prompted us to re-assess our prior view that the economic recovery that started late last year would broaden during 2020. This was further exacerbated by the spread of the virus outside of Asia, suggesting that the global economic recovery will be delayed further. The news of its spread to the West led us to re-assess our investment strategy and portfolio positioning towards the end of February, shifting portfolios more defensively.

There has been a dramatic collapse in economic activity globally due to work-from-home and lockdown protocols, however there continue to be encouraging signs that strict health measures are mostly working with countries now reopening their economies. Governments around the world have rapidly stepped up in providing fiscal stimulus and the Federal Reserve has implemented a suite of programs that provide additional temporary liquidity to borrowers in USD markets. Having learned from the 2008 Global Financial Crisis (GFC), authorities were able to apply similar policies on a larger scale to prevent a financial crisis developing.

Key Western and Asian countries appear to have mostly controlled the virus spread, except for an alarming rise in cases in some American states, however high frequency data continues to show evidence of activity recovery although we note that a full recovery is not possible in the absence of a viable vaccine or treatment. At the time of writing, economic activity remains somewhat more important to watch than daily new cases, as the latter will matter most only if it triggers new widespread lock down measures or hospital systems reach ICU capacity, which we continue to monitor. Ongoing global stimulus and policy impact is expected to provide a tailwind as the year progresses.

Our central scenario remains that the disruption from the coronavirus will continue to ease with pockets of resurgent cases mostly where lockdown measures were not well enforced in the first place. Investors are now waiting on evidence of how quickly economies continue to recover, although markets are acutely sensitive to the risk of second waves of infections which may trigger new lockdown measures, and rising geopolitical tensions remain a threat. We remain mindful of the threat of new containment measures, as well as rising geopolitical tensions and continue to monitor our indicators to support any further change to the Fund's risk profile in future.

On the domestic front, the Fund is defensively positioned with a small underweight to equities as at the end of June, although the Manager allowed the equity weighting to drift higher as the market rose during June before trimming back at the end of the month. Longer term, the Manager remains of the view that domestic equities should benefit more than bonds from looser monetary policy, and global stimulus may provide a floor for asset prices in the Philippines giving us confidence to increase exposure to equities gradually in the coming months. However, the escalating US-China trade tensions and elevated macroeconomic risk has led us to retain a defensive positioning for now.

# PRULink US Dollar Bond Fund

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## Key Information and Investment Disclosure

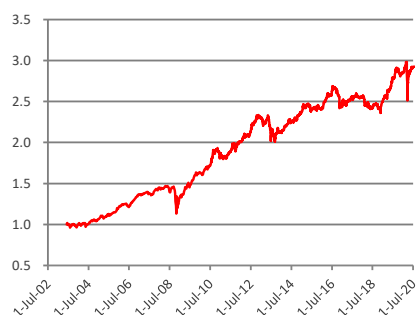
(all data as at 01 July 2020 unless otherwise stated)

Launch Date	03 June 2003	Fund Classification	Diversified
NAVpu (USD)	2.9234	Minimum Risk Rating	1 (Conservative)
Fund Size	USD 133.41 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.53% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	JPM USD EMBI Global Philippines

## Fund Objective

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

## Performance Chart



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

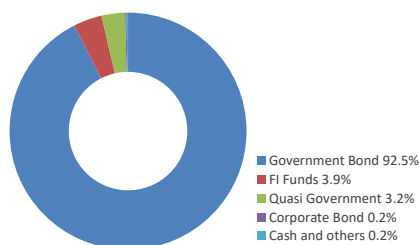
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	0.51%	5.43%	4.09%	2.60%	6.48%

## Fund Statistics

Highest NAVPU reached	(09 Mar 20)	2.9828
Lowest NAVPU reached	(05 Aug 03)	0.96080
Initial NAVPU	(03 Jun 03)	1.00000

## Asset Allocation



## Top 5 Holdings:

PHILIPPINES (REPUBLIC OF) 02-FEB-2030	9.5%	11.5%
PHILIPPINES (REPUBLIC OF) 23-OCT-2034	6.375%	9.5%
PHILIPPINES (REPUBLIC OF) 14-JAN-2031	7.75%	8.5%
REPUBLIC OF PHILIPPINES 02-FEB-2042	3.7%	8.0%
PHILIPPINES (REPUBLIC OF) 01-MAR-2041	3.7%	7.9%

## Fund Manager's Commentary

In June, the Philippine USD sovereign bond market registered a modest gain with the JPMorgan EMBI Global Philippine Index posting a return of 0.48% in USD terms. While US interest rates and Philippine sovereign credit spread remained relatively stable over the month, accrual income added to gains.

During the month, a flurry of better-than-expected economic data fuelled hopes of a recovery following months of lockdown due to the COVID-19 outbreak. In the US, job data surprised strongly on the upside with non-farm payrolls rising by 2.5 mn, while retail sales surged by a record 17.7% in May. However, news of rising infection rates in a number of countries, including in the US, cast a shadow on risk sentiment. The dovish stance of the US Federal Reserve (Fed), with the Fed officials projecting that Fed Funds target rate would remain steady through the end of 2022, also kept a lid on US interest rates. Against the mixed macro backdrop, the 2-year US Treasury (UST) yield edged lower by 1 bp to 0.15%, while the 10-year yield remained steady at 0.66%.

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## Fund Manager's Commentary on PRULink US Dollar Bond Fund

The Philippine sovereign credit spreads were similarly flattish over the month with just a 1 bp tightening in the spread of the representative index. This was despite generally supportive risk sentiment, which led to stronger investor inflows into Emerging Market (EM) debt markets, particularly the higher-yielding EM ones. Moody's Investors Service also reaffirmed the Philippines sovereign rating at Baa2 with a stable outlook, citing its economic stability despite shocks due to the COVID-19 pandemic.

However, the impact of lockdown due to the virus outbreak continued to be felt in the Philippines' economy. Exports and imports in April fell by a record 50.8% YoY and 65.3% YoY in April respectively. Unemployment rate soared to an all-time-high of 17.7% in April, while overseas workers' remittances fell 4.7% year-on-year in March. Inflation, however, remained relatively stable at a benign level. Headline inflation for May came in at 2.1% YoY, slightly lower than 2.2% in the previous month due to falls in transport prices. Core inflation was flat at 2.9% YoY in May for the second month.

Month-to-date, while the Fund's yield curve positioning detracted somewhat from performance, the negative attribution effects was more than offset by gains from diversification in Asian USD-denominated credits.

We reduced our relative duration underweight slightly in June. While uncertainty surrounding the global COVID-19 situation persists, recent economic data releases in US have buoyed risk sentiment. We continue to expect a recovery in the Philippines in the second half, as stimulus measures kick in too. We are still inclined to keep duration relatively neutral for the Fund.

# PRULink Growth Fund

Fund Fact Sheet June 2020

PRU LIFE U.K. 

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## Key Information and Investment Disclosure

(all data as at 01 July 2020 unless otherwise stated)

Launch Date	22 July 2005	Fund Classification	Diversified
NAVpu (PHP)	3.37035	Minimum Risk Rating	3 (Aggressive)
Fund Size	PHP 12.30 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	2.25% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	20% Markit iBoxx ALBI Philippines + 80% PCI

*\*PCI - Philippines Composite Index*

## Fund Objective

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

## Performance Chart



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

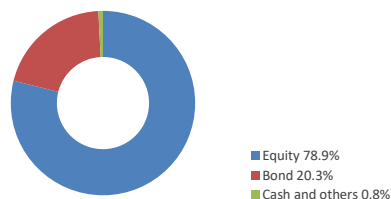
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	6.07%	-17.29%	-3.17%	-15.29%	8.46%

## Fund Statistics

Highest NAVPU reached	(30 Jan 18)	4.45577
Lowest NAVPU reached	(28 Oct 08)	0.99584
Initial NAVPU	(22 Jul 05)	1.00000

## Asset Allocation



## Fund Manager's Commentary

Global equity markets continued to rise in June, although there was renewed volatility on fears of a second wave of coronavirus infections and escalating US-China tensions. Despite many countries easing lockdown measures during the month and economic data showing signs of improvement as economies re-opened, the news that China would impose a lockdown close to Beijing and a spike in cases in the US was a stark reminder of the ongoing risks in the absence of a viable vaccine or treatment. US-China relations have soured this year after the Trump administration accused Beijing of playing down the extent of its virus outbreak, whilst the US has moved ahead with eliminating Hong Kong's special status and imposing sanctions. This followed Beijing's decision to impose a security law on the region. These issues have raised doubts over the previously agreed US-China trade deal, whilst the month also saw geopolitical issues flare elsewhere, notably between South and North Korea, and between India and China.

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## Fund Manager's Commentary on PRULink Growth Fund

Philippine equities continued to rise in June, with the broad market up by over 6%. However, markets fell into the end of the month on a renewed pick up in Covid-19 cases around the world and heightened geopolitical tensions that dampened risk appetite. On the economic front, overseas Filipino workers' remittances fell 4.7% year-on-year in March, largely due to lower deployment in the Middle East. Inflation moderated to 2.1% year-on-year in May, reflecting lower transportation costs and food prices.

The central bank unexpectedly cut its benchmark interest rate by another 50 basis points to cushion the economic impact from the Covid-19 pandemic. The rate cut, which was the fourth this year, brought the overnight reverse repo rate to 2.25%. In this environment, the representative Markit iBoxx ALBI Philippine Index rose by 2.0% in local-currency terms.

From a global perspective, the coronavirus outbreak prompted us to re-assess our prior view that the economic recovery that started late last year would broaden during 2020. This was further exacerbated by the spread of the virus outside of Asia, suggesting that the global economic recovery will be delayed further. The news of its spread to the West led us to re-assess our investment strategy and portfolio positioning towards the end of February, shifting portfolios more defensively.

There has been a dramatic collapse in economic activity globally due to work-from-home and lockdown protocols, however there continue to be encouraging signs that strict health measures are mostly working with countries now reopening their economies. Governments around the world have rapidly stepped up in providing fiscal stimulus and the Federal Reserve has implemented a suite of programs that provide additional temporary liquidity to borrowers in USD markets. Having learned from the 2008 Global Financial Crisis (GFC), authorities were able to apply similar policies on a larger scale to prevent a financial crisis developing.

Key Western and Asian countries appear to have mostly controlled the virus spread, except for an alarming rise in cases in some American states, however high frequency data continues to show evidence of activity recovery although we note that a full recovery is not possible in the absence of a viable vaccine or treatment. At the time of writing, economic activity remains somewhat more important to watch than daily new cases, as the latter will matter most only if it triggers new widespread lock down measures or hospital systems reach ICU capacity, which we continue to monitor. Ongoing global stimulus and policy impact is expected to provide a tailwind as the year progresses.

Our central scenario remains that the disruption from the coronavirus will continue to ease with pockets of resurgent cases mostly where lockdown measures were not well enforced in the first place. Investors are now waiting on evidence of how quickly economies continue to recover, although markets are acutely sensitive to the risk of second waves of infections which may trigger new lockdown measures, and rising geopolitical tensions remain a threat. We remain mindful of the threat of new containment measures, as well as rising geopolitical tensions and continue to monitor our indicators to support any further change to the Fund's risk profile in future.

On the domestic front, the Fund is defensively positioned with a small underweight to equities as at the end of June, although the Manager allowed the equity weighting to drift higher as the market rose during June before trimming back at the end of the month. Longer term, the Manager remains of the view that domestic equities should benefit more than bonds from looser monetary policy, and global stimulus may provide a floor for asset prices in the Philippines giving us confidence to increase exposure to equities gradually in the coming months. However, the escalating US-China trade tensions and elevated macroeconomic risk has led us to retain a defensive positioning for now.



# PRULink Equity Fund

Fund Fact Sheet

June 2020

PRU LIFE U.K. 

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## Key Information and Investment Disclosure

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Launch Date	23 October 2007	Fund Classification	Diversified
NAVpu (PHP)	1.80219	Minimum Risk Rating	3 (Aggressive)
Fund Size	PHP 44.73 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	2.25% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	Philippines Composite Index

## Fund Objective

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

## Performance Chart



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

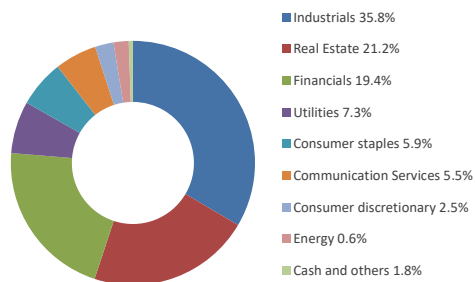
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception (annualized)
<b>Fund</b>	7.11%	-24.17%	-4.85%	-21.18%	4.75%

## Fund Statistics

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

## Sector Allocation



## Top 5 Holdings:

SM INVESTMENTS CORP	10.3%
SM PRIME HOLDINGS INC.	9.7%
AYALA LAND INC.	8.5%
AYAL CORPORATION	6.9%
BDO UNIBANK INC	5.9%

## Fund Manager's Commentary

### Market Review

Global equity markets extended gains in June, driven by strong policy stimulus and gradual easing of lockdown measures. However, markets pulled back towards the end of the month as the spike in new COVID-19 cases globally and geopolitical tensions dampened investors' sentiment. Against this backdrop, the Philippine Stock Exchange Index (PSEi) gained 6.3% in June.

On the economic front, overseas Filipino workers' remittances fell 4.7% year-on-year in March, largely due to lower deployment in the Middle East. Inflation moderated to 2.1% year-on-year in May, reflecting lower transportation costs and food prices.

The central bank unexpectedly cut its benchmark interest rate by another 50 basis points to cushion the economic impact from the COVID-19 pandemic. The rate cut, which was the fourth this year, brought the overnight reverse repo rate to 2.25%.

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## Fund Manager's Commentary on PRULink Equity Fund

### Key Contributors

The underweight in SM Investments, as well as the overweight in First Gen and First Philippine Holdings, contributed to relative performance in June. SM Investments lagged the broader market in June, benefiting the Fund's underweight position. Exposure to the stock was capped at 10% to ensure diversification, while its weight in the PSEi exceeds 17% as at end-June.

The overweight in First Gen and First Philippine Holdings also benefited relative performance. First Gen's share price rose on the back of the tender offer by Valorous Asia, a subsidiary of KKR, at PHP22.50 per share. At the close of the tender offer, Valorous managed to acquire a 11.9% stake in First Gen. First Gen's controlling shareholder, First Philippine Holdings, also benefited from the re-rating of First Gen, contributing to relative performance.

### Key Detractors

Cash was a drag on performance in June. The underweight in Jollibee Foods and JG Summit also hurt relative performance.

Share price of Jollibee Foods rebounded in June following a sharp decline the previous month, hurting the Fund's underweight position in the fast food chain operator.

The underweight in JG Summit, whose share price rallied 35% in June, also weighed on relative performance.

### Fund Activity

In June, the Fund increased Security Bank Corp.

### Outlook

We remain constructive on the Philippines' long-term outlook in view of the country's favourable demographics and healthy macro fundamentals.

The community spread of COVID-19 is expected to disrupt economic activity and impact corporate earnings in the near-term, but is unlikely to derail the country's long-term structural growth. With manageable public debt ratio, benign inflation and low oil prices, the country has room for both fiscal stimulus and monetary easing.

We view any sharp market correction as an opportunity to accumulate fundamentally strong companies at more attractive valuations. The Fund is overweight in selected Utilities due to their attractive valuations, but underweight richly-valued Consumer stocks and Conglomerates.

# PRULink Proactive Fund

Fund Fact Sheet

June 2020

PRU LIFE U.K. 

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

## Key Information and Investment Disclosure

(all data as at 01 July 2020 unless otherwise stated)

Launch Date	17 February 2009	Fund Classification	Diversified
NAVpu (PHP)	2.08642	Minimum Risk Rating	3 (Aggressive)
Fund Size	PHP 16.73 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	2.25% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	50% Markit iBoxx ALBI Philippines + 50% PCI

\* PCI - Philippines Composite Index

## Fund Objective

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

## Performance Chart



## Annualized Performance

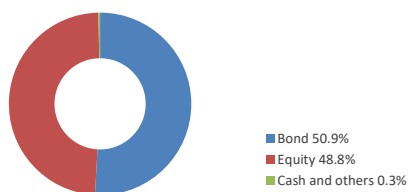
	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	4.61%	-6.42%	-0.86%	-6.23%	6.68%

## Fund Statistics

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

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



## Fund Manager's Commentary

Global equity markets continued to rise in June, although there was renewed volatility on fears of a second wave of coronavirus infections and escalating US-China tensions. Despite many countries easing lockdown measures during the month and economic data showing signs of improvement as economies re-opened, the news that China would impose a lockdown close to Beijing and a spike in cases in the US was a stark reminder of the ongoing risks in the absence of a viable vaccine or treatment. US-China relations have soured this year after the Trump administration accused Beijing of playing down the extent of its virus outbreak, whilst the US has moved ahead with eliminating Hong Kong's special status and imposing sanctions. This followed Beijing's decision to impose a security law on the region. These issues have raised doubts over the previously agreed US-China trade deal, whilst the month also saw geopolitical issues flare elsewhere, notably between South and North Korea, and between India and China.

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## Fund Manager's Commentary on PRULink Proactive Fund

Philippine equities continued to rise in June, with the broad market up by over 6%. However, markets fell into the end of the month on a renewed pick up in Covid-19 cases around the world and heightened geopolitical tensions that dampened risk appetite. On the economic front, overseas Filipino workers' remittances fell 4.7% year-on-year in March, largely due to lower deployment in the Middle East. Inflation moderated to 2.1% year-on-year in May, reflecting lower transportation costs and food prices.

The central bank unexpectedly cut its benchmark interest rate by another 50 basis points to cushion the economic impact from the Covid-19 pandemic. The rate cut, which was the fourth this year, brought the overnight reverse repo rate to 2.25%. In this environment, the representative Markit iBoxx ALBI Philippine Index rose by 2.0% in local-currency terms.

From a global perspective, the coronavirus outbreak prompted us to re-assess our prior view that the economic recovery that started late last year would broaden during 2020. This was further exacerbated by the spread of the virus outside of Asia, suggesting that the global economic recovery will be delayed further. The news of its spread to the West led us to re-assess our investment strategy and portfolio positioning towards the end of February, shifting portfolios more defensively.

There has been a dramatic collapse in economic activity globally due to work-from-home and lockdown protocols, however there continue to be encouraging signs that strict health measures are mostly working with countries now reopening their economies. Governments around the world have rapidly stepped up in providing fiscal stimulus and the Federal Reserve has implemented a suite of programs that provide additional temporary liquidity to borrowers in USD markets. Having learned from the 2008 Global Financial Crisis (GFC), authorities were able to apply similar policies on a larger scale to prevent a financial crisis developing.

Key Western and Asian countries appear to have mostly controlled the virus spread, except for an alarming rise in cases in some American states, however high frequency data continues to show evidence of activity recovery although we note that a full recovery is not possible in the absence of a viable vaccine or treatment. At the time of writing, economic activity remains somewhat more important to watch than daily new cases, as the latter will matter most only if it triggers new widespread lock down measures or hospital systems reach ICU capacity, which we continue to monitor. Ongoing global stimulus and policy impact is expected to provide a tailwind as the year progresses.

Our central scenario remains that the disruption from the coronavirus will continue to ease with pockets of resurgent cases mostly where lockdown measures were not well enforced in the first place. Investors are now waiting on evidence of how quickly economies continue to recover, although markets are acutely sensitive to the risk of second waves of infections which may trigger new lockdown measures, and rising geopolitical tensions remain a threat. We remain mindful of the threat of new containment measures, as well as rising geopolitical tensions and continue to monitor our indicators to support any further change to the Fund's risk profile in future.

On the domestic front, the Fund is defensively positioned with a small underweight to equities as at the end of June, although the Manager allowed the equity weighting to drift higher as the market rose during June before trimming back at the end of the month. Longer term, the Manager remains of the view that domestic equities should benefit more than bonds from looser monetary policy, and global stimulus may provide a floor for asset prices in the Philippines giving us confidence to increase exposure to equities gradually in the coming months. However, the escalating US-China trade tensions and elevated macroeconomic risk has led us to retain a defensive positioning for now.

# PRULink Asian Local Bond Fund

Fund Fact Sheet June 2020

PRU LIFE U.K. 

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## Key Information and Investment Disclosure

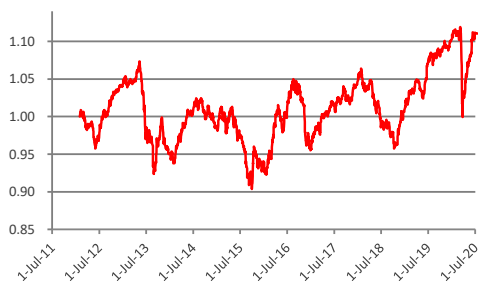
(all data as at 01 July 2020 unless otherwise stated)

Launch Date	28 January 2012	Fund Classification	Diversified
NAVpu (USD)	1.11057	Minimum Risk Rating	2 (Moderate)
Fund Size	USD 9.48 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.80% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	Markit iBoxx ALBI x Chn Twd Cust

## Fund Objective

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

## Performance Chart



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

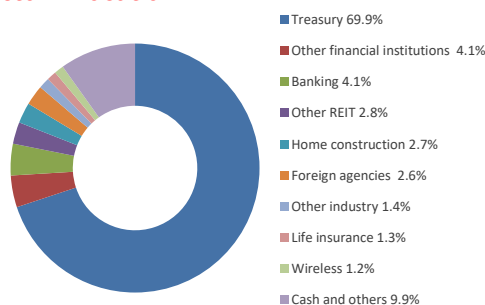
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	2.36%	3.48%	2.63%	0.61%	1.25%

## Fund Statistics

Highest NAVPU reached	(06 Mar 20)	1.11913
Lowest NAVPU reached	(30 Sep 15)	0.90362
Initial NAVPU	(28 Jan 12)	1.00000

## Sector Allocation



## Top 5 Holdings:

KOREA (REPUBLIC OF) 10-DEC-2029	1.375%	1.4%
THAILAND (KINGDOM OF) 17-JUN-2066	4%	1.2%
KOREA (REPUBLIC OF) 10-JUN-2029	1.875%	1.0%
KOREA (REPUBLIC OF) 10-SEP-2024	1.375%	1.0%
SINGAPORE (REPUBLIC OF) 1-MAR-2046	2.75%	1.0%

## Fund Manager's Commentary

Asian local currency bond markets, as represented by the Markit iBoxx Asian Local Bond index, delivered a positive return of 1.83% in June. While performance of domestic government bonds was uneven across the region, broad strength in Asian currencies vis-à-vis the US dollar, helped lift the market's total returns in USD terms.

Global government bond yields, including Asian government bonds, rose at the start of month as a flurry of better-than-expected economic data fuelled hopes of a recovery and led to an unwinding of safe-haven flows. However, news of rising infection rates in a number of countries, including in the US, cast a shadow on risk sentiment. The dovish stance of the US Federal Reserve (Fed), with the Fed officials projecting that Fed Funds target rate would remain steady through the end of 2022, also kept a lid on US interest rates. This led global government bond yields to retrace lower subsequently. US Treasury yields thus ended the month relatively flat, with the 2-year US Treasury (UST) yield only edging lower by 1 bp to 0.15%, while the 10-year yield remained steady at 0.66%.

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## Fund Manager's Commentary on PRULink Asian Local Bond Fund

While the broad direction of Asian government bond yields was largely in line, domestic factors led to differences in performance over the month. Domestic government bond yields in Indonesia and Philippines declined on the back of the central banks' decisions to ease policy rates further during the month. Renewed portfolio inflows in Indonesia also lifted performance. In contrast, government bond yields rose in several local rate markets, including China and long-dated Malaysia government bonds, where supply concerns amid increased funding needs of the government exerted upward pressure on yields.

Overall, performance of local rates markets was muted over the month. The market's total return was, however, lifted by the broad appreciation of Asian currencies on the back of strong risk sentiment and improvement in Asia economic data, notably in China. Over the month, the Korean won, Indonesian rupiah and Thai baht outperformed with more than 2% gain against the US dollar. The Indian rupee, in contrast, delivered a more muted, albeit positive performance against the US dollar.

Month-to-date, the Fund's overweight in Indonesia (bonds and currency), duration overweight in Philippines and overweight in corporate bonds were positive for fund performance. This helped to offset negative contribution due to the underweight in Thai baht and duration overweight in Korea.

During the month, we switched from Malaysian ringgit and Thai baht to Korean won and Indonesian rupiah. We expect the latter two currencies to benefit from bond market inflows in the months ahead as global investors switch from low yielding developed bond markets to Asia. We increased the duration overweight in Korea and Singapore as valuation improved due to supply pressure which we view as temporary.

While rate cuts have been aggressive, we still see room for monetary policy support in China, Indonesia, India and Malaysia. The persistence of COVID-19 infection rates as countries exit from lock downs and consequential delay in the economic recovery will also keep bond yields low in Korea, Singapore and Thailand. We maintain an overall duration overweight in the fund.

While Asian bond yields remain low, they present attractive pick up over developed market bond yields. As the virus containment has been more effective in Asia versus the rest of the world, the more resilient growth profile of Asia will enable more positive leverage dynamics in the years ahead. We expect Asia to continue to attractive global capital flows which is supportive for Asian currencies

# PRULink Asia Pacific Equity Fund

Fund Fact Sheet

June 2020

PRU LIFE U.K. 

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

## Key Information and Investment Disclosure

(all data as at 01 July 2020 unless otherwise stated)

Launch Date	26 February 2013	Fund Classification	Diversified
NAVpu (USD)	0.87906	Minimum Risk Rating	3 (Aggressive)
Fund Size	USD 17.40 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	2.05% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	MSCI APXJ Index (Net)

## Fund Objective

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

## Performance Chart



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

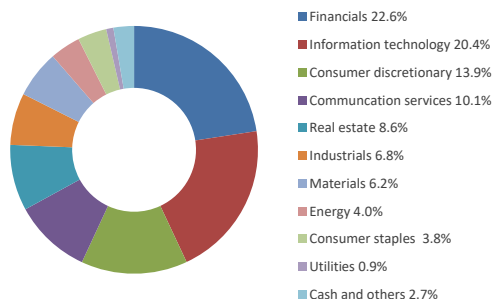
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	5.81%	-14.28%	-2.43%	-18.12%	-1.74%

## Fund Statistics

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

## Sector Allocation



## Top 5 Holdings:

TENCENT HOLDINGS LTD	6.9%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	6.2%
ALIBABA GROUP HOLDING ADR	5.9%
SAMSUNG ELECTRONICS LTD	5.6%
CHINA CONSTRUCTION BANK CORP H	4.1%

## Fund Manager's Commentary

### Market Review

Equity markets posted their third month in a row of gains in June, despite a few down days toward the end of the month on fears of a resurgence of Covid-19 cases in the US. Emerging Markets gained 7.4%, supported by the weakening of the US dollar and higher-than-expected levels of monetary and fiscal stimulus.

Asia Pacific ex Japan gained 8.2%; China outperformed and added 9.0% as macro data continued to point to a 'V' shaped recovery especially in real estate, auto and infrastructure figures, but also in consumer spending. However, it was Taiwan that led, adding 9.2% as Apple supply-chain stocks gained from a robust H2 outlook from the US tech giant. Korea added 8.2% as its macro data pointed to increasing strength among its consumers and investors shrugged off the increased tensions with North Korea.

North Asia indices comfortably outperformed ASEAN as a block although here, Indonesia (+7.2%) and the Philippines (+8.2%) also performed well as their economies eased out of lockdown and their central banks cut rates. Only Thailand (+2.1) and Malaysia (+2.7%), notably underperformed, the former weighed by new banking regulations, the latter by weak economic data.

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## Fund Manager's Commentary on PRULink Asia Pacific Equity Fund

Other notable market movers in June included Australia up 6.4%, aided by a 3.5% surge in the Australian dollar, and Hong Kong that gained 11% as its resilient property sector again outperformed. India gained 6.8% despite rising Covid cases and a ratings downgrade by several agencies and the increased tensions with China.

For the quarter, MSCI Emerging Markets added 18.2%; Asia Pacific ex Japan gained 18.5% with Indonesia proving the strongest market with a 24.4% return while India, Taiwan, Thailand and Korea all showed 20%+ returns. Australia and New Zealand added 29% and 28% respectively.

But for the full six-month period, the damage from Covid-19 on the world's economies was reflected in the equity market returns with only the MSCI China and New Zealand indices showing positive returns. In Asia, Indonesia underperformed with a 24.7% loss and the Philippines was also well down with an 18.5% loss.

### Key Contributors

The Fund's overweight position in Korea's LG Corp benefitted performance after a 15% gain in the stock price in June as cash levels in the company's balance sheet increased market talk of acquisitions. We see very good value in the stock at these levels and maintain our overweight position.

Being overweight Hong Kong's Wharf Holdings also benefitted the Fund after a 14% gain in June as shopping mall tenants resumed operations and footfall recovered further in Hong Kong. We still like the stock as we think the group's property developments in mainland China remain undervalued by the market so keep our overweight.

The Fund's overweight position in the US-based OEM Nexteer Automotive added value as the stock recovered a further 26% in June following an upbeat company call at the end of June in which management said the company's production was ramping up globally. We continue to see large upside potential to sustainable earnings from here and keep our overweight position.

### Key Detractors

The Fund's overweight position in Whitehaven Coal weighed on performance as the stock dropped 21% in June after a fall in the price of coal in late May. Despite the fall, the Fund continues to see long-term value in the stock at these levels and keeps its overweight position.

The Fund is also overweight noodle maker Tingyi, which gave up some of its 2020 outperformance to fall 8% in June, albeit on little stock-specific newsflow. As well as the defensive nature of the company's products amid the virus's spread, we continue to see value in the stock and keep our overweight position.

The Fund is overweight Korea's Lotte Chemical but this detracted from value after another rise in the price of crude oil weighed on the stock while an earnings miss announced in May also continued to depress the stock. The company remains attractively valued and we expect earnings and margins to improve as the relatively historical low oil price and economic recovery in Korea takes hold, and we thus keep our overweight position.

### Fund Activity

In June, the Fund opened positions in Hon Hai Precision, ICICI Bank, Coles Group and GPT, while closing out holdings in REC, CIMB Group, Sino Land, Cifi Holdings and LG Display.

### Outlook

Asian equities continue to offer very attractive valuation opportunities in absolute terms and remain very cheap relative to the developed markets of the west. Through recent market volatility investors have continued chase outperforming stocks and have been happy to pay a very high price for growth and quality stocks while ignoring most value stocks. This has magnified the valuation anomaly within Asian equity markets which the Fund is well positioned to capture.

While equity markets are reflecting investors' focus on the near-term impact of COVID-19 on corporate earnings and global demand, we continue to follow our disciplined valuation driven approach with a longer-term investment view to identifying investment opportunities across Asian equity markets.



# PRUlink Global Emerging Markets Dynamic Fund

PRU LIFE U.K. 

## Fund Fact Sheet June 2020

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

## Key Information and Investment Disclosure

(all data as at 01 July 2020 unless otherwise stated)

Launch Date	01 April 2014	Fund Classification	Diversified
NAVpu (USD)	0.87971	Minimum Risk Rating	3 (Aggressive)
Fund Size	USD 11.14 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	2.05% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	MSCI Emerging Markets (Net Div)

## Fund Objective

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

## Performance Chart



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

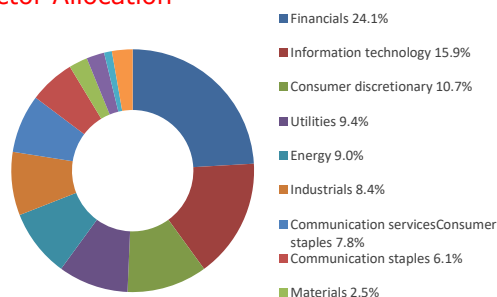
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	5.45%	-17.02%	-0.42%	-20.04%	-2.03%

## Fund Statistics

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

## Sector Allocation



## Top 5 Holdings:

SAMSUNG ELECTRONICS CO LTD	7.0%
NASPERS LTD	4.8%
BAIDU ADR INC	4.1%
HON HAI PRECISION INDUSTRY LTD	3.5%
CHINA CONSTRUCTION BANK CORP H	3.3%

## Fund Manager's Commentary

### Market Review

Equity markets posted their third month in a row of gains in June, despite a few down days toward the end of the month on fears of a resurgence of Covid-19 cases in the US. Emerging Markets gained 7.4%, supported by the weakening of the US dollar and higher-than-expected levels of monetary and fiscal stimulus.

Asia ex Japan (+8.4%), Latin America (+5.3%) and EMEA (+3.4%) all gained for the third month in a row. Within the Asia block, China gained 9.0% as macro data continued to point to a 'V' shaped recovery. However, it was Taiwan that led, adding 9.2% as Apple supply-chain stocks gained. Korea added just 8.2% as its macro data pointed to increasing strength among its consumers and investors shrugged off the increased tensions with North Korea.

Indonesia (+7.2%) and the Philippines (+8.2%) also performed well as their economies eased out of lockdown and their central banks cut rates. Thailand was just +2.1% higher weighed by new banking regulations and Malaysia was also relatively weak with a 2.7% gain. India gained 6.8% despite

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## Fund Manager's Commentary on PRUlink Global Emerging Markets Dynamic Fund

In other Emerging Markets, despite the rising Covid cases and increasing political uncertainty, Brazil still managed to outperform the rest of the region to add 7.4% with Mexico (-0.1%) weighing on an accelerated Covid outbreak and dire economic figures. EMEA was pulled lower by Greece, which lost 2.7%, and Russia, which lost 1.9%.

These underperformances were offset somewhat by gains in South Africa (+10.4%) and Turkey, which gained 7.4% despite MSCI saying it would consider reclassifying the country into its Frontier category from its current Emerging Market one.

For the quarter, Emerging Markets posted one of their highest positive returns in ten years as lockdown restrictions eased and governments globally introduced colossal monetary and fiscal stimulus programmes to counter the economic damage caused by the shutdown. MSCI Emerging Markets added 18.2% with Asia ex Japan gaining 16.8%, Latin America 19.2% and EMEA 19.1%. In Asia, Indonesia proved the strongest market in Q1 with a 24.4% return while India, Taiwan, Thailand and Korea all showed 20%+ returns. China gained 15.4%.

Returns are MSCI Index total returns for the specific country or region mentioned, in US dollar terms, unless otherwise stated.

### Contributors to Performance

The Fund's overweight position in energy company China Longyuan Power contributed to performance post a 15% rise in the stock in June. Although there was no significant newsflow in June for the company, in May, news that a retail tariff cut was going to have limited impact on Longyuan kicked off a rally in the stock that continued into this month. We still like the stock as we think the company will recover quickly from the Covid-related setbacks this year and maintain our overweight position.

The Fund does not own China's internet commerce group Alibaba and this benefited the Fund's performance on a relative basis as the stock rose just 4% in the New York ADR listing. There was no stock-specific news this month although ADRs in general underperformed as the US threatened to target Chinese-based, New York-listed stocks. The Fund continues to view the stock as expensive and prefers to stay on the side lines.

The Fund's overweight position in South African-based conglomerate Naspers contributed to performance after a 13% rise in the stock. Although an in-line set of full-year results announced at the end of June was supportive, the main driver of the stock's outperformance was its valuation of its Tencent holding. Naspers owns 73% of Prosus and through this has exposure to a significant number of attractive emerging market e-commerce platforms including Tencent and Mail.ru and with these attractive assets, we keep our overweight position.

### Detractors from Performance

The Fund does not own China's Tencent and this weighed on performance on a relative basis after the stock rose 22% in June. The market welcomed the company's announcement that it would invest heavily in cloud computing, artificial intelligence and cybersecurity while late in the month, the Tencent Games Annual Conference also unveiled an impressive line-up of new games.

The Fund's overweight position in Cosco Shipping Energy Transport also detracted from performance as the stock fell 10% on data showing the use of the company's storage tank facilities that propelled the stock in Q1 faded further in June, and the production deal between Russia and OPEC was extended. We added to our overweight position during the month given the valuation support and improving industry dynamics.

The Fund is also overweight noodle maker Tingyi, which gave up some of its 2020 outperformance to fall 8% in June, albeit on little stock-specific newsflow. As well as the defensive nature of the company's products amid the virus's spread, we continue to see value in the stock and keep our overweight position.

### Changes to the Portfolio

In June, the Fund added to existing holdings in Kunlun Energy, Cosco Shipping Energy Transport and Baidu. It also trimmed holdings in Aspen Pharmacare, Gruma and Sberbank of Russia.

### Strategy and Outlook

Global emerging market equities continue to offer very attractive valuation opportunities in absolute terms and remain very cheap relative to the developed markets of the west. Through recent market volatility investors have continued chase outperforming stocks and have been happy to pay a very high price for growth and quality stocks while ignoring most value stocks. This has magnified the valuation anomaly within global emerging markets which the Fund is well positioned to capture.

While equity markets are reflecting investors' focus on the near-term impact of COVID-19 on corporate earnings and global demand, we continue to follow our disciplined valuation driven approach with a longer-term investment view to identifying investment opportunities across global emerging markets.

# PRULink Cash Flow Fund

Fund Fact Sheet

June 2020

PRU LIFE U.K. 

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## Key Information and Investment Disclosure

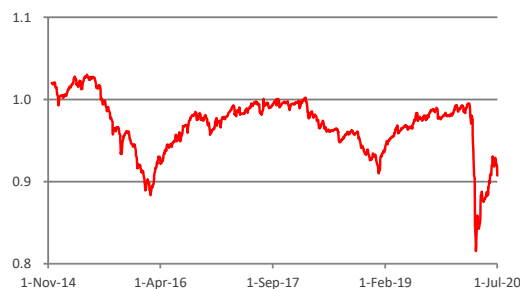
(all data as at 01 July 2020 unless otherwise stated)

Launch Date	17 November 2014	Fund Classification	Diversified
NAVpu (USD)	0.88728	Minimum Risk Rating	2 (Moderate)
Fund Size	USD 186.71 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.95% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	50% JACI + 50% BofA ML US HY Con

## Fund Objective

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

## Performance Chart



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

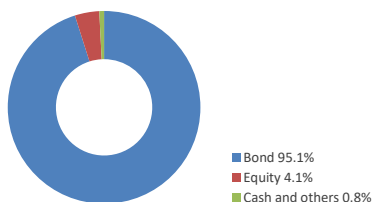
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	-0.25%	-6.97%	-1.97%	-8.07%	-2.10%

## Fund Statistics

Highest NAVPU reached	(29 Apr 15)	1.01016
Lowest NAVPU reached	(25 Mar 20)	0.79545
Initial NAVPU	(17 Nov 14)	1.00000

## Asset Allocation



## Top 5 Holdings:

EASTSPRING INVESTMENTS US HIGH YIELD BOND - D CLASS	52.1%
EASTSPRING INVESTMENTS ASIAN BOND - D CLASS USD	43.0%
EASTSPRING INVESTMENTS WORLD VALUE EQUITY	4.1%
CASH & EQUIVALENTS	0.8%

## Fund Manager's Commentary

Global equity markets continued to rise in June, although there was renewed volatility on fears of a second wave of coronavirus infections and escalating US-China tensions. Despite many countries easing lockdown measures during the month and economic data showing signs of improvement as economies re-opened, the news that China would impose a lockdown close to Beijing and a spike in cases in the US was a stark reminder of the ongoing risks in the absence of a viable vaccine or treatment. US-China relations have soured this year after the Trump administration accused Beijing of playing down the extent of its virus outbreak, whilst the US has moved ahead with eliminating Hong Kong's special status and imposing sanctions. This followed Beijing's decision to impose a security law on the region. These issues have raised doubts over the previously agreed US-China trade deal, whilst the month also saw geopolitical issues flare elsewhere, notably between South and North Korea, and between India and China.

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## Fund Manager's Commentary on PRULink Cash Flow Fund

Asia and Emerging Markets equity broadly outperformed relative to developed markets during the month. Upbeat economic data provided some support to US equities, although optimism was tempered by a renewed increase in US coronavirus cases which started to accelerate towards the end of the month, calling into question the recently eased lockdown measures. European equities appreciated, and outperformed relative to the US, as investors digested the ongoing monetary and fiscal support from policymakers. Latin American equities posted solid returns, despite coronavirus cases continuing to rise across the region, as the recovery in oil prices persisted on renewed consumer demand amid easing lockdowns. Although sentiment was dampened by the escalating US-China tensions, Asian equities performed strongly and even outperformed relative to all other major regions, led by Taiwan, China and Hong Kong stocks. Data indicating a robust recovery for China's economy boosted equities, as did government support for the economy. Taiwanese stocks appreciated significantly led by the technology sector, and optimism pervaded the market following the re-opening of economies and stimulus measures across the region and elsewhere.

Within fixed income markets, credit broadly outperformed higher quality government bonds as investors generally favoured higher risk assets. Nevertheless, long duration US Treasuries posted mildly positive returns, with yields first rising on positive US economic data, before declining on growing concerns over a second wave of coronavirus infections. US high yield bonds initially appreciated coincidentally with risk appetite but performance was later tempered by the rising coronavirus cases, as well as the Fed's dovish outlook.

The coronavirus outbreak prompted us to re-assess our prior view that the economic recovery that started late last year would broaden during 2020. This was further exacerbated by the spread of the virus outside of Asia, suggesting that the global economic recovery will be delayed further. The news of its spread to the West led us to re-assess our investment strategy and portfolio positioning towards the end of February, shifting portfolios more defensively.

There has been a dramatic collapse in economic activity globally due to work-from-home and lockdown protocols, however there continue to be encouraging signs that strict health measures are mostly working with countries now reopening their economies. Governments around the world have rapidly stepped up in providing fiscal stimulus and the Federal Reserve has implemented a suite of programs that provide additional temporary liquidity to borrowers in USD markets. Having learned from the 2008 Global Financial Crisis (GFC), authorities were able to apply similar policies on a larger scale to prevent a financial crisis developing.

Key Western and Asian countries appear to have mostly controlled the virus spread, except for an alarming rise in cases in some American states, however high frequency data continues to show evidence of activity recovery although we note that a full recovery is not possible in the absence of a viable vaccine or treatment. At the time of writing, economic activity remains somewhat more important to watch than daily new cases, as the latter will matter most only if it triggers new widespread lock down measures or hospital systems reach ICU capacity, which we continue to monitor. Ongoing global stimulus and policy impact is expected to provide a tailwind as the year progresses.

Our central scenario remains that the disruption from the coronavirus will continue to ease with pockets of resurgent cases mostly where lockdown measures were not well enforced in the first place. Investors are now waiting on evidence of how quickly economies continue to recover, although markets are acutely sensitive to the risk of second waves of infections which may trigger new lockdown measures, whilst rising geopolitical tensions remain a threat. We remain mindful of the threat of new containment measures, as well as rising geopolitical tensions and continue to monitor our indicators to support any further change to the Fund's risk profile in future.

The Fund is now overweight US High Yield and has further increased the equity allocation, with the Manager raising exposure at the start of the month on signs that fundamental indicators were bottoming.

# PRULink Asian Balanced Fund

Fund Fact Sheet

June 2020

PRU LIFE U.K. 

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

## Key Information and Investment Disclosure

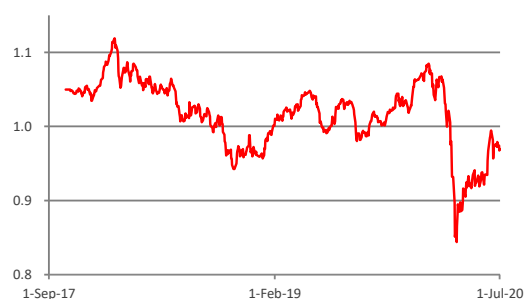
(all data as at 01 July 2020 unless otherwise stated)

Launch Date	09 October 2017	Fund Classification	Diversified
NAVpu (USD)	0.91958	Minimum Risk Rating	2 (Moderate)
Fund Size	USD 1.77 million	Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.95% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	50% MSAP XJ+25% JACI+25% Markit iBoxx ALBixCT

## Fund Objective

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

## Performance Chart



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

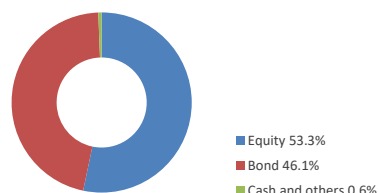
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	3.94%	-6.22%	n.a.	-9.80%	-3.03%

## Fund Statistics

Highest NAVPU reached	(29 Jan 18)	1.06900
Lowest NAVPU reached	(24 Mar 20)	0.79397
Initial NAVPU	(09 Oct 17)	1.00000

## Asset Allocation



## Top 5 Holdings:

EASTSPRING INVESTMENTS ASIA PACIFIC EQUITY	53.3%
EASTSPRING INVESTMENTS ASIAN BOND D USD	25.2%
EASTSPRING INVESTMENTS ASIAN LCL BD D	20.9%
CASH & EQUIVALENTS	0.6%

## Fund Manager's Commentary

Global equity markets continued to rise in June, although there was renewed volatility on fears of a second wave of coronavirus infections and escalating US-China tensions. Despite many countries easing lockdown measures during the month and economic data showing signs of improvement as economies re-opened, the news that China would impose a lockdown close to Beijing and a spike in cases in the US was a stark reminder of the ongoing risks in the absence of a viable vaccine or treatment. US-China relations have soured this year after the Trump administration accused Beijing of playing down the extent of its virus outbreak, whilst the US has moved ahead with eliminating Hong Kong's special status and imposing sanctions. This followed Beijing's decision to impose a security law on the region. These issues have raised doubts over the previously agreed US-China trade deal, whilst the month also saw geopolitical issues flare elsewhere, notably between South and North Korea, and between India and China.

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## Fund Manager's Commentary on PRULink Asian Balanced Fund

Asia and Emerging Markets equity broadly outperformed relative to developed markets during the month. Upbeat economic data provided some support to US equities, although optimism was tempered by a renewed increase in US coronavirus cases which started to accelerate towards the end of the month, calling into question the recently eased lockdown measures. European equities appreciated, and outperformed relative to the US, as investors digested the ongoing monetary and fiscal support from policymakers. Latin American equities posted solid returns, despite coronavirus cases continuing to rise across the region, as the recovery in oil prices persisted on renewed consumer demand amid easing lockdowns. Although sentiment was dampened by the escalating US-China tensions, Asian equities performed strongly and even outperformed relative to all other major regions, led by Taiwan, China and Hong Kong stocks. Data indicating a robust recovery for China's economy boosted equities, as did government support for the economy. Taiwanese stocks appreciated significantly led by the technology sector, and optimism pervaded the market following the re-opening of economies and stimulus measures across the region and elsewhere.

Within fixed income markets, credit broadly outperformed higher quality government bonds as investors generally favoured higher risk assets. Nevertheless, long duration US Treasuries posted mildly positive returns, with yields first rising on positive US economic data, before declining on growing concerns over a second wave of coronavirus infections. US high yield bonds initially appreciated coincidentally with risk appetite but performance was later tempered by the rising coronavirus cases, as well as the Fed's dovish outlook.

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The Fund is overweight equities as at the end of June, with the Manager raising exposure at the start of the month on signs fundamental indicators were bottoming.

# PRULink Peso Cash Flow Fund Hedged Share Class

PRU LIFE U.K. 

Fund Fact Sheet June 2020

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## Key Information and Investment Disclosure

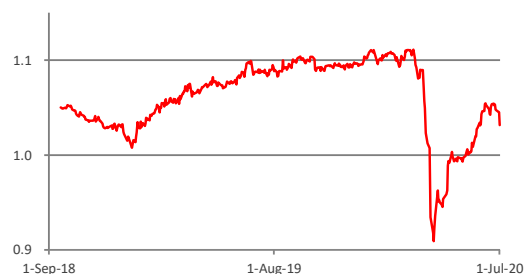
(all data as at 01 July 2020 unless otherwise stated)

Launch Date	03 September 2018	Fund Classification	Diversified
NAVpu (PHP)	0.98165	Minimum Risk Rating	2 (Moderate)
Fund Size	PHP 2.01 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	1.95% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	50% JACI + 50% BofA ML US HY Con

## Fund Objective

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

## Performance Chart



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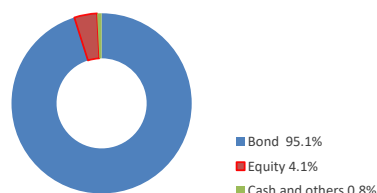
## Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	-0.22%	-5.11%	n.a.	-6.12%	-1.01%

## Fund Statistics

Highest NAVPU reached	(24 Feb 20)	1.06108
Lowest NAVPU reached	(25 Mar 20)	0.85919
Initial NAVPU	(03 Sep 18)	1.00000

## Asset Allocation



## Top 5 Holdings:

EASTSPRING INVESTMENTS US HIGH YIELD BOND - D CLASS	52.1%
EASTSPRING INVESTMENTS ASIAN BOND - D CLASS USD	43.0%
EASTSPRING INVESTMENTS WORLD VALUE EQUITY	4.1%
CASH & EQUIVALENTS	0.8%

## Fund Manager's Commentary

Global equity markets continued to rise in June, although there was renewed volatility on fears of a second wave of coronavirus infections and escalating US-China tensions. Despite many countries easing lockdown measures during the month and economic data showing signs of improvement as economies re-opened, the news that China would impose a lockdown close to Beijing and a spike in cases in the US was a stark reminder of the ongoing risks in the absence of a viable vaccine or treatment. US-China relations have soured this year after the Trump administration accused Beijing of playing down the extent of its virus outbreak, whilst the US has moved ahead with eliminating Hong Kong's special status and imposing sanctions. This followed Beijing's decision to impose a security law on the region. These issues have raised doubts over the previously agreed US-China trade deal, whilst the month also saw geopolitical issues flare elsewhere, notably between South and North Korea, and between India and China.

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## Fund Manager's Commentary on PRULink Peso Cash Flow Fund Hedged Share Class

Asia and Emerging Markets equity broadly outperformed relative to developed markets during the month. Upbeat economic data provided some support to US equities, although optimism was tempered by a renewed increase in US coronavirus cases which started to accelerate towards the end of the month, calling into question the recently eased lockdown measures. European equities appreciated, and outperformed relative to the US, as investors digested the ongoing monetary and fiscal support from policymakers. Latin American equities posted solid returns, despite coronavirus cases continuing to rise across the region, as the recovery in oil prices persisted on renewed consumer demand amid easing lockdowns. Although sentiment was dampened by the escalating US-China tensions, Asian equities performed strongly and even outperformed relative to all other major regions, led by Taiwan, China and Hong Kong stocks. Data indicating a robust recovery for China's economy boosted equities, as did government support for the economy. Taiwanese stocks appreciated significantly led by the technology sector, and optimism pervaded the market following the re-opening of economies and stimulus measures across the region and elsewhere.

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The Fund is now overweight US High Yield and has further increased the equity allocation, with the Manager raising exposure at the start of the month on signs that fundamental indicators were bottoming.



# PRULink Global Market Navigator Fund

PRU LIFE U.K. 

## Fund Fact Sheet June 2020

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### Key Information and Investment Disclosure

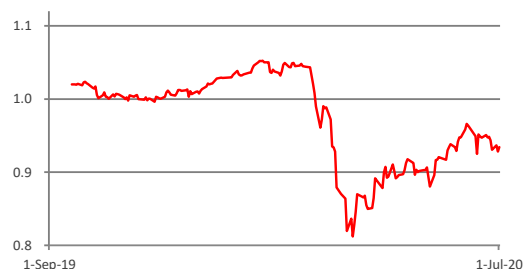
(all data as at 01 July 2020 unless otherwise stated)

Launch Date	16 September 2019	Fund Classification	Diversified
NAVpu (PHP)	0.91420	Minimum Risk Rating	3 (Aggressive)
Fund Size	PHP 175.9 million	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	2.25% p.a.
Financial Year End	31 <sup>st</sup> December	Benchmark	None

### Fund Objective

The PRULink Global Market Navigator Fund is a peso-denominated multi-asset fund that aims to give you better return potential by investing in a diversified pool of global assets, including equities, bonds, currencies, and cash.

### Performance Chart



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

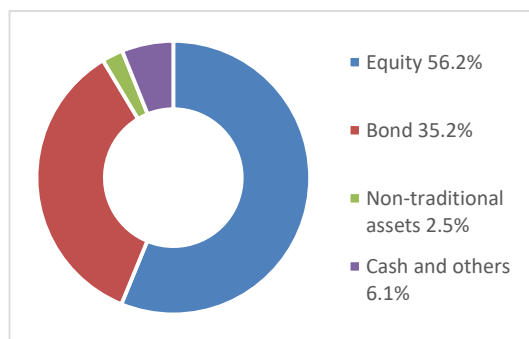
### Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
<b>Fund</b>	0.00%	n.a.	n.a.	-9.46%	-8.58%

### Fund Statistics

Highest NAVPU reached	(23 Jan 20)	1.03233
Lowest NAVPU reached	(24 Mar 20)	0.79212
Initial NAVPU	(16 Sep 19)	1.00000

### Asset Allocation



### Top 5 Holdings:

SPDR S&P UCITS ETF	15.4%
ISHARES CORE GLOBAL AGGREGATE BOND UCITS ETF	11.7%
XTRACKERS II GLBAL AGGREGATE BND SWAP UCITS ETF	11.0%
ISHARES CORE S&P 500 UCITS ETF	9.3%
ISHARES MSCI EM UCITS ETF USD (DIST)	8.1%

### Fund Manager's Commentary

#### Market Review

Global equity markets continued to rise in June, although there was renewed volatility on fears of a second wave of coronavirus infections and escalating US-China tensions. Despite many countries easing lockdown measures during the month and economic data showing signs of improvement as economies re-opened, the news that China would impose a lockdown close to Beijing and a spike in cases in the US was a stark reminder of the ongoing risks in the absence of a viable vaccine or treatment. US-China relations have soured this year after the Trump administration accused Beijing of playing down the extent of its virus outbreak, whilst the US has moved ahead with eliminating Hong Kong's special status and imposing sanctions. This followed Beijing's decision to impose a security law on the region. These issues have raised doubts over the previously agreed US-China trade deal, whilst the month also saw geopolitical issues flare elsewhere, notably between South and North Korea, and between India and China.

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## Fund Manager's Commentary on PRULink Global Market Navigator Fund

Asia and Emerging Markets equity broadly outperformed relative to developed markets during the month. Upbeat economic data provided some support to US equities, although optimism was tempered by a renewed increase in US coronavirus cases which started to accelerate towards the end of the month, calling into question the recently eased lockdown measures. European equities appreciated, and outperformed relative to the US, as investors digested the ongoing monetary and fiscal support from policymakers. Latin American equities posted solid returns, despite coronavirus cases continuing to rise across the region, as the recovery in oil prices persisted on renewed consumer demand amid easing lockdowns. Although sentiment was dampened by the escalating US-China tensions, Asian equities performed strongly and even outperformed relative to all other major regions, led by Taiwan, China and Hong Kong stocks. Data indicating a robust recovery for China's economy boosted equities, as did government support for the economy. Taiwanese stocks appreciated significantly led by the technology sector, and optimism pervaded the market following the re-opening of economies and stimulus measures across the region and elsewhere.

For fixed income, credit broadly outperformed quality government bonds as investors generally continued to favour higher risk assets. Long duration US Treasuries posted mildly positive returns although performance was uneven during the month, with yields first rising on positive US economic data before declining on growing concerns over a second wave of coronavirus infections.

### Fund review

The Fund posted a positive absolute return in June. The increase in total equity exposure was very positive in a month where the asset class continued to rally. The Manager has been carefully increasing equities exposure since the nadir observed in March through both an increase in more defensive equity positions and the retention of some of the pro-cyclical positions added earlier in the year with the total allocation contributing most strongly to the Fund's positive absolute returns in June. Tactical sector positioning added further value in June, with the US technology position strongly outperforming relative to the broader market whilst the defensive equity exposure, although underperforming for the period as a whole, helped to dampen some of the volatility seen during the month as US coronavirus cases rose. The Fund's US materials sector exposure performed broadly in line with the market for the month. EM credit exposure supported positive absolute returns. Emerging markets and Asian credit outperformed other major fixed income sectors in June, supported by the broader positive risk sentiment, benefiting the Fund's recently re-introduced EM credit allocation.

Although exposure has risen, the Fund's underweight to Europe and Asia for the period as a whole was a drag. Both regions outperformed relative to the US, with the former benefiting from optimism around the EU recovery plan and with Asia rallying strongly driven by supportive data and despite the increasing US-China tensions. The Fund does have additional exposure to the European market, however, through an options strategy which contributed positively to absolute returns and helped offset some of the drag from the Europe underweight.

### Outlook

The coronavirus outbreak prompted us to re-assess our prior view that the economic recovery that started late last year would broaden during 2020. This was further exacerbated by the spread of the virus outside of Asia, suggesting that the global economic recovery will be delayed further. The news of its spread to the West led us to re-assess our investment strategy and portfolio positioning towards the end of February, shifting portfolios more defensively.

There has been a dramatic collapse in economic activity globally due to work-from-home and lockdown protocols, however there continue to be encouraging signs that strict health measures are mostly working with countries now reopening their economies. Governments around the world have rapidly stepped up in providing fiscal stimulus and the Federal Reserve has implemented a suite of programs that provide additional temporary liquidity to borrowers in USD markets. Having learned from the 2008 Global Financial Crisis (GFC), authorities were able to apply similar policies on a larger scale to prevent a financial crisis developing.

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