

PRUink bond fund

Fund Fact Sheet December 2018

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 02 January 2019 unless otherwise stated)

Launch Date	24 September 2002	Fund Classification	Diversified
NAVPU (PHP)	2.38615	Minimum Risk Rating	1 (Conservative)
Fund Size	PHP 18.34 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	1.53% p.a.
Financial Year End	31 st 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.

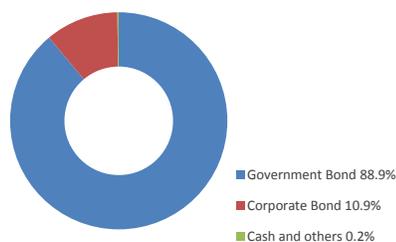
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	0.42%	-6.34%	-0.97%	-6.34%	5.49%

Fund Statistics

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

Asset Allocation



Top 5 Holdings:

PHILIPPINE GOVERNMENT 4.625% 12/04/2022	9.0%
PHILIPPINE GOVERNMENT 8.000% 7/19/2031	7.0%
PHILIPPINE GOVERNMENT 8.125% 12/16/2035	5.4%
PHILIPPINE GOVERNMENT 3.625% 09/09/2025	4.5%
PHILIPPINE GOVERNMENT 6.125% 10/24/2037	4.3%

Fund Manager's Commentary

During the month, the Philippine domestic bonds delivered a positive return on the back of accrual income and yield declines at the long end of the government bond curve. This saw the Markit iBoxx ALBI Philippine Bond index rising by 1.14% in local terms over the month.

Asian government bond yields generally trended lower in December, tracking the broad declines in US interest rates; US interest rates fell significantly over the month amid a more dovish expectation of the US rate hike trajectory due to concerns over a growth slowdown, while sharp equity market sell-offs fuelled flight-to-quality flows. In the Philippines, yield declines were seen in long-dated government bonds, with yields of 20-year and above bonds declining by more than 10 bps over the month. However, short-dated government bond yields rose, resulting in a flattening of the yield curve.

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Fund Manager's Commentary on PRUlink bond fund

The uneven direction of yield change occurred despite a pause by the Bangko Sentral ng Pilipinas (BSP) at the December policy meeting after raising policy rate by 175 bp rate this year. The central bank also lowered its inflation forecasts as it expected the lower oil prices and normalisation in food supply to help lower inflationary pressure. Indeed, headline inflation for November slowed from 6.7% YoY in October to 6.0% YoY in November, driven by lower food and energy prices. However, trade deficit continued to worsen as it hit a record high of USD4.21bn in October on the back of soft export growth and broad-based strength in major imported goods. The trade deficit was expected to weigh on the country's current account balance, even as overseas remittances surprised on the upside for October, rising by 8.7% YoY.

The Fund's overall duration overweight contributed positively to performance over the month but select valuation differences outweighed that negatively.

In December, we maintained our duration overweight, and added on opportunity. We continue to expect a robust growth picture in Philippines in the new year, supported by household consumption and strong fiscal spending. Inflation has declined, and we expect the trend to continue due to base effects and normalized rice supply conditions. We will continue to maintain a moderate duration overweight.

PRUink managed fund

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Key Information and Investment Disclosure

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Launch Date	24 September 2002	Fund Classification	Diversified
NAV _{pu} (PHP)	2.88932	Minimum Risk Rating	2 (Moderate)
Fund Size	PHP 5.58 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	1.79% p.a.
Financial Year End	31 st December	Benchmark	80% Markit iBoxx ALB Philippines + 20% PCI

** PCI - Philippines Composite Index*

Fund Objective

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

Performance Chart



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

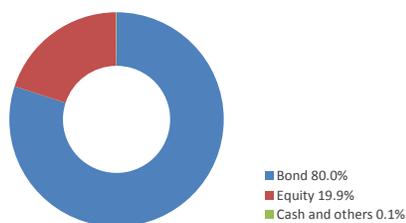
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	0.60%	-8.41%	-0.41%	-8.41%	6.73%

Fund Statistics

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

Asset Allocation



Fund Manager's Commentary

During the month, the Philippine domestic bonds delivered a positive return on the back of accrual income and yield declines at the long end of the government bond curve. This saw the Markit iBoxx ALBI Philippine Bond index rising by 1.14% in local terms over the month.

November inflation surprised positively, moderating to 6% year-on-year from 6.7% in the previous month. The central bank kept its policy rate at 4.75% in December following five rate hikes over the year. The country posted a balance of payment surplus in the month of November, but remains in deficit for the first 11 months of the year.

Philippine equities gained during the month, with the Philippine Stock Exchange Index (PSEi) rising by 1.3% in local currency terms. For the full year 2018, the PSEi was down 12.8%, while the Peso depreciated by almost 5% against the greenback.

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Fund Manager's Commentary on PRUlink managed fund

From a global perspective, our central scenario remains one of benign inflation, combined with moderate economic and earnings growth, although we recognise that markets have become increasingly bearish on the economic outlook in recent months.

US-China trade tensions and a Fed tightening environment are creating a difficult environment for risk assets globally, with financial conditions characterised by heightened global macro risks and growth concerns, increased monetary policy uncertainty and an uptick in volatility.

It is unclear whether the Philippines equity market can deliver positive absolute returns purely due to an improved domestic inflation situation, whilst the global economy is fretting about the outlook for growth. It appears likely that inflation has peaked domestically, aided by base effects, a weaker oil price and a slightly stronger Peso. However, the central bank has become less hawkish of late, and left rates unchanged in December, so the rate cycle may be close to peaking. Therefore, equity markets may become concerned if inflation fails to fall back sufficiently quickly. Inflation's downward trajectory could be tempered from January when the delayed fuel duty increase takes effect.

PRUink US dollar bond fund

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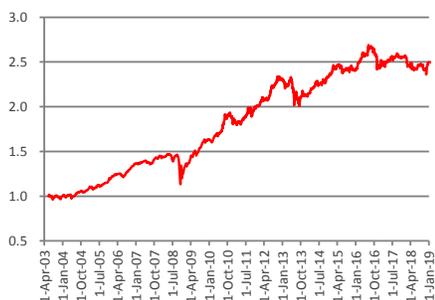
(all data as at 02 January 2019 unless otherwise stated)

Launch Date	03 June 2003	Fund Classification	Diversified
NAVpu (USD)	2.49760	Minimum Risk Rating	1 (Conservative)
Fund Size	USD 137.82 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.53% p.a.
Financial Year End	31 st 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



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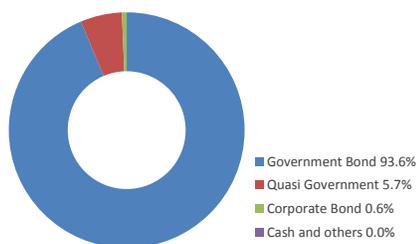
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	2.18%	-2.36%	3.23%	-2.36%	6.05%

Fund Statistics

Highest NAVPU reached	(12 Jul 16)	2.68720
Lowest NAVPU reached	(05 Aug 03)	0.96080
Initial NAVPU	(03 Jun 03)	1.00000

Asset Allocation



Top 5 Holdings:

REPUBLIC OF THE PHILIPPINES 9.5% 02/02/2030	11.6%
REPUBLIC OF THE PHILIPPINES 10.625% 03/16/2025	9.3%
REPUBLIC OF THE PHILIPPINES 6.375% 10/23/2034	8.9%
REPUBLIC OF THE PHILIPPINES 7.75% 01/14/2031	8.6%
REPUBLIC OF THE PHILIPPINES 3.950% 01/20/2040	7.3%

Fund Manager's Commentary

In December, the Philippine USD-denominated sovereign bond rallied with a gain of 2.24%, as proxied by the JPMorgan EMBI Global Philippine index. The USD sovereign bond market benefitted from the significant declines in US interest rates over the month, even as moderate sovereign credit spread widening offset some of the gains.

In the US, broad declines were seen in the treasury yield curve, led by the long end, as growing investor unease over global growth resulted in more dovish monetary policy expectation. While the US Federal Reserve ("Fed") hiked policy rate by 25bp for the fourth time this year, its projection of Fed rate for 2019 was lowered from three to two hikes. Growth forecast for 2019 was also cut from 2.5% to 2.3%. Further, the equity market rout, coupled with ongoing trade uncertainties and the US government shutdown, exacerbated the risk sentiment, driving flight to quality flows. In this environment, the 10-year US Treasury yield fell significantly from a high of 3.24% in early November to end the month at 2.68%.

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Fund Manager's Commentary on PRUlink US dollar bond fund

However, the external macro concerns dampened risk sentiment, resulting in continued outflows from Emerging Market sovereign bond markets and pressured EM sovereign credit spreads wider, including the Philippines. Domestically, growth condition remained generally resilient; Purchasing Managers' Index for the Philippines for November remained in the expansionary territory, while overseas remittances rebounded as it rose 8.7% YoY in October. In December, Bangko Sentral ng Pilipinas (BSP) kept policy rate unchanged after raising policy rate by 175 bp rate this year. However, continued strength in imports across major products, coupled with soft export growth, resulted in a deterioration in the country's trade deficit, which widened to a record high of USD4.21bn in October.

The Fund's duration overweight contributed positively to relative returns given the broad rally of the bond market.

We pared more long-dated bonds in December on outflows, maintaining a slight overweight duration positioning. We now expect the Fed's rate hiking cycle to moderate, on the back of recent comments from various policymakers. We are cautious of downside risks stemming from trade tensions, partial government shutdown in US and a potential extended period of uncertainty surrounding Brexit.

PRUink growth fund

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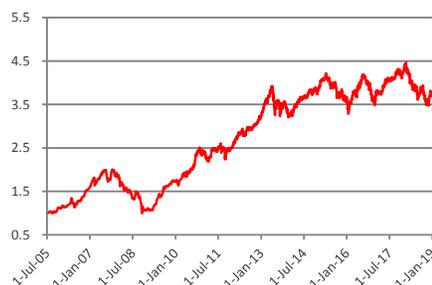
Launch Date	22 July 2005	Fund Classification	Diversified
NAVpu (PHP)	3.74267	Minimum Risk Rating	3 (Aggressive)
Fund Size	PHP 12.35 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	2.25% p.a.
Financial Year End	31 st December	Benchmark	20% Markit 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



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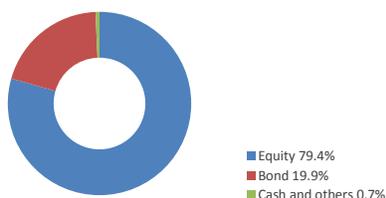
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	1.25%	-12.83%	2.78%	-12.83%	10.30%

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

Philippine equities gained during the month, with the Philippine Stock Exchange Index (PSEi) rising by 1.3% in local currency terms. For the full year 2018, the PSEi was down 12.8%, while the Peso depreciated by almost 5% against the greenback.

During the month, the Philippine domestic bonds delivered a positive return on the back of accrual income and yield declines at the long end of the government bond curve. This saw the Markit iBoxx ALBI Philippine Bond index rising by 1.14% in local terms over the month.

November inflation surprised positively, moderating to 6% year-on-year from 6.7% in the previous month. The central bank kept its policy rate at 4.75% in December following five rate hikes over the year. The country posted a balance of payment surplus in the month of November, but remains in deficit for the first 11 months of the year.

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Fund Manager's Commentary on PRUlink growth fund

From a global perspective, our central scenario remains one of benign inflation, combined with moderate economic and earnings growth, although we recognise that markets have become increasingly bearish on the economic outlook in recent months.

US-China trade tensions and a Fed tightening environment are creating a difficult environment for risk assets globally, with financial conditions characterised by heightened global macro risks and growth concerns, increased monetary policy uncertainty and an uptick in volatility.

It is unclear whether the Philippines equity market can deliver positive absolute returns purely due to an improved domestic inflation situation, whilst the global economy is fretting about the outlook for growth. It appears likely that inflation has peaked domestically, aided by base effects, a weaker oil price and a slightly stronger Peso. However, the central bank has become less hawkish of late, and left rates unchanged in December, so the rate cycle may be close to peaking. Therefore, equity markets may become concerned if inflation fails to fall back sufficiently quickly. Inflation's downward trajectory could be tempered from January when the delayed fuel duty increase takes effect.

PRUink equity fund

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Key Information and Investment Disclosure

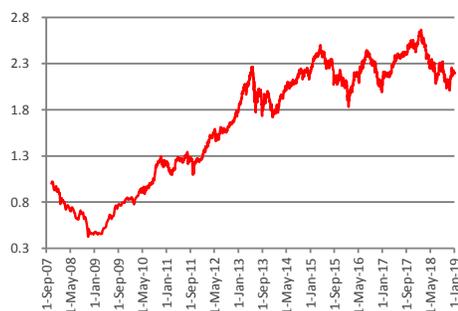
(all data as at 02 January 2019 unless otherwise stated)

Launch Date	23 October 2007	Fund Classification	Diversified
NAVpu (PHP)	2.19837	Minimum Risk Rating	3 (Aggressive)
Fund Size	PHP 44.84 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	2.25% p.a.
Financial Year End	31 st December	Benchmark	Philippines Composite Index

Fund Objective

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

Performance Chart



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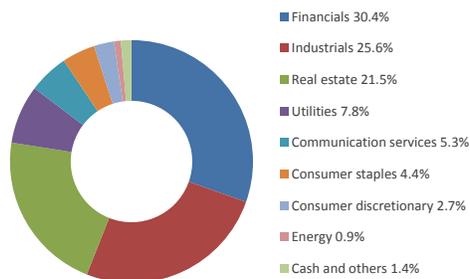
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	1.53%	-13.81%	4.47%	-13.81%	7.28%

Fund Statistics

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

Sector Allocation



Top 5 Holdings:

SM INVESTMENTS CORP	9.7%
AYALA LAND INC.	8.4%
SM PRIME HOLDINGS INC.	7.9%
BDO UNIBANK INC	6.7%
AYALA CORP	6.3%

Fund Manager's Commentary

Philippine equities gained in the month of December, with the Philippine Stock Exchange Index (PSEi) rising by 1.3% in local currency terms. For the full year 2018, the PSEi was down 12.8%, while the Peso depreciated by almost 5% against the greenback.

November inflation surprised positively, moderating to 6% year-on-year from 6.7% in the previous month. The central bank kept policy rate at 4.75% in December following five rate hikes over the year. The country posted a balance of payment surplus in in the month of November, but remains in deficit for the first 11 months of the year.

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Fund Manager's Commentary on PRUlink equity fund

The overweight in First Gen and First Philippine Holdings and the underweight position in San Miguel Corp contributed to relative performance in December. First Gen's share price has been trending up since mid-October as the agreement with Tokyo Gas to develop an LNG terminal in Batangas reduces the uncertainty of future gas supply for its power plants. Share price of its parent, First Philippine Holdings, also reacted positively to the development. The underweight position in San Miguel also aided relative performance in December as the conglomerate's share price corrected following the secondary offering of subsidiary, San Miguel Food and Beverage.

The overweight position in Filinvest Land and the underweight in JG Summit and Jollibee Foods detracted from relative performance in December. Filinvest Land's share price drifted lower in December, hurting the fund's relative performance. JG Summit's share price jumped in December on expectations of lower input costs on the back of lower oil prices and recent recovery of the Peso. The underweight position in Jollibee Foods detracted from relative performance. The fast-food company announced that it will acquire the remaining 15% of Smashburger for US\$10 million.

There were no notable trades in December.

Philippines' macro fundamentals remain intact, underpinned by strong domestic demand.

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

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

PRUink proactive fund

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Key Information and Investment Disclosure

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Launch Date	17 February 2009	Fund Classification	Diversified
NAVpu (PHP)	2.02404	Minimum Risk Rating	3 (Aggressive)
Fund Size	PHP 16.78 billion	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	2.25% p.a.
Financial Year End	31 st December	Benchmark	50% Markit iBoxx ALBI Philippines + 50% PCI

* PCI - Philippines Composite Index

Fund Objective

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

Performance Chart



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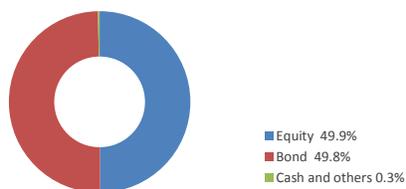
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	0.90%	-11.34%	0.16%	-11.34%	7.40%

Fund Statistics

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

Asset Allocation



Fund Manager's Commentary

Philippine equities gained during the month, with the Philippine Stock Exchange Index (PSEi) rising by 1.3% in local currency terms. For the full year 2018, the PSEi was down 12.8%, while the Peso depreciated by almost 5% against the greenback.

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Fund Manager's Commentary on PRUlink proactive fund

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PRUink Asian Local bond fund

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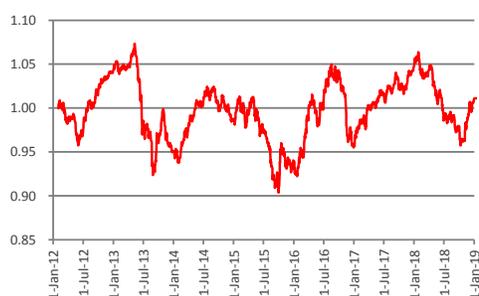
(all data as at 02 January 2019 unless otherwise stated)

Launch Date	28 January 2012	Fund Classification	Diversified
NAVpu (USD)	1.01100	Minimum Risk Rating	2 (Moderate)
Fund Size	USD 11.86 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.80% p.a.
Financial Year End	31 st 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



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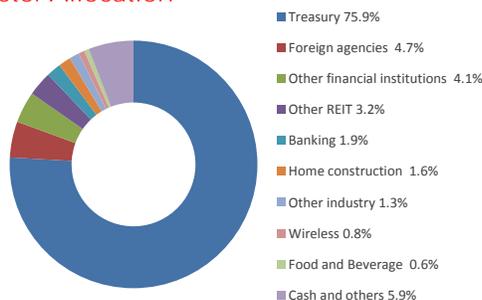
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	1.07%	-3.57%	1.24%	-3.57%	0.16%

Fund Statistics

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

Sector Allocation



Top 5 Holdings:

KOREA (REPUBLIC OF)	2.125%	1.5%
06/10/2027		
INDONESIA (REPUBLIC OF)	5.625%	1.5%
05/15/2023		
INDIA (REPUBLIC OF)	7.17%	1.2%
01/08/2028		
INDIA (REPUBLIC OF)	7.16%	1.1%
05/20/2023		
INDONESIA (REPUBLIC OF)	6.125%	1.1%
05/15/2028		

Fund Manager's Commentary

Asian local currency bond markets delivered a positive return in December amid broad declines in government bond yields. Asian currencies also saw moderate gains against the US dollar over the month, although performance was uneven across the region.

Overall, outperformers over the month included Singapore, Thailand and India local bond markets (in USD terms), while Indonesia underperformed.

Against this backdrop, the Fund registered a positive return over the month. The fund benefitted from the overall duration overweight, as well as the overweight in Chinese Renminbi. This helped to offset underperformance due to the overweight in Indonesia where both bond and currency lagged after the sharp gains in November. The currency underweight in Korean Won, Thai Baht and Malaysian Ringgit also detracted from performance.

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Fund Manager's Commentary on PRULink Asian local bond fund

During the month, we reduced the currency overweight in Chinese Renminbi, Indian Rupee and Indonesian Rupiah, switching to Korean Won. While we have reduced the underweight in Korean Won, worsening trade data as well as a more challenging global growth outlook will impede further Korean Won outperformance and we maintain a moderate underweight position.

We expect the investment environment to remain volatile in early 2019, as investors struggle with an uncertain economic outlook amidst expectations of a more benign policy path from the Fed. We maintain moderate duration overweight but will look to increase risk exposure in currencies and credit on opportunity.

PRUlink Asia Pacific equity fund

Fund Fact Sheet December 2018

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 02 January 2019 unless otherwise stated)

Launch Date	26 February 2013	Fund Classification	Diversified
NAVpu (USD)	0.94698	Minimum Risk Rating	3 (Aggressive)
Fund Size	USD 23.63 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	2.05% p.a.
Financial Year End	31 st 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.

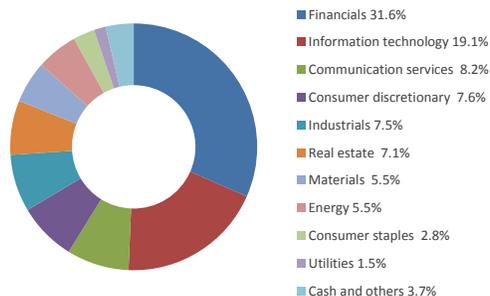
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	-3.51%	-17.45%	-0.20%	-17.45%	-0.93%

Fund Statistics

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

Sector Allocation



Top 5 Holdings:

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	5.2%
TENCENT HOLDINGS LTD	4.4%
SAMSUNG ELECTRONICS LTD	4.2%
CHINA CONSTRUCTION BANK CORP H	4.2%
INFOSYS LTD	3.2%

Fund Manager's Commentary

In a year of extreme equity market movements, December took the prize as the most volatile month of all for global equity markets. The driver for the sell off was largely down to politics in the US as it lost its Defense Secretary and a question mark suddenly appeared over Fed Chairman Jerome Powell after the Fed increased rates by 25 basis points.

The volatility in the US was not repeated in Asia to the same extent although the north Asia markets exposed to trade with the US did underperform versus south-east Asia, which gained on a modestly weaker dollar. A brief truce in the trade war between the US and China was halted after the arrest of a Huawei executive, which sent stocks lower again, while economic data pointed to a potential slowing of growth in the US, and continued weakness in China, again providing a negative catalyst for stocks.

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Fund Manager's Commentary on PRUlink Asia Pacific equity fund

In Asia, the MSCI Asia Pacific ex Japan index was 2.7% lower for December, in line with the broader Emerging Markets index. For the full year, the index was down 13.7%. The arrest of a Huawei executive caused the brief rally in China and Korea to end, with both indices ending the month as underperformers once again, as fears mounted that a permanent trade deal between the US and China was out of reach.

Korea fell 1.5% to end the year almost at its lowest level as earnings continued to fall and Samsung Electronics and Hynix began to brace themselves for a downturn in the global chip market. Elsewhere, while Thai markets also fell after the central bank unexpectedly raised rates for the first time since 2011, other south-east Asia markets fared better with Malaysia, Indonesia and the Philippines returning small gains.

India markets proved robust against news that its Reserve Bank of India governor had resigned as well as three defeats of its ruling party in state elections. Both events sparked hopes of a stimulus ahead of elections in 2019 and sent stocks back to almost breakeven point by the end of the month.

Australia had a weak month as the Australia dollar depreciated 3.5% against the US dollar, leading the MSCI Australia index to fall 3.2%; the local currency based ASX200 fell 0.4%. A sharp fall in commodity prices, ex iron ore, was largely to blame for the currency weakness while communications and IT stocks led individual names lower.

The Fund is underweight Alibaba and the stock's 15% fall over the month added on a relative basis. As well as the general slowdown in the markets, Alibaba came under pressure after data showed online sales growth continued to slow in November.

The Fund is overweight Hyundai Motor and the stock's 11% gain over the month contributed to the Fund's performance. In December, the company surprised the market with moves to diversify its leadership team including promoting a number of foreign executives to senior roles. The changes signaled to the market that shareholder pressure to restructure the chaebol structure was having an effect. The Fund is also overweight Korea Electric Power (Kepeco) which saw a 12% rise over the month. A steep fall in the price of oil and coal benefitted the company as it uses both as principal feedstocks, leading to several brokers upgrading the stock on the increased chances of better margin products. Even post the rally, Kepeco valuation remains compelling and the Fund retains its overweight position.

The Fund's overweight in China Merchants Bank detracted as the stock fell almost 12% in a month when many China financials fell sharply. In addition, a local media report said the bank had been set a "window guidance" for profits in 2019 effectively setting zero percent growth for the year. The company denied the story but the stock price reacted negatively while we retain our overweight position. The Fund's overweight in Catcher Technology cost the fund some value after the stock fell 15% on news of order cuts for the iPhone XR in late November. Then in December, the company missed the market's expectations for its November revenue estimates after saying revenue was down 25% month on month. The Fund is overweight China's search engine giant Baidu, which detracted from performance after a 16% fall in its stock price over the month. Data that showed slowing online sales growth hurt the stock as did the general market gloom over the slowing of the growth in the overall Chinese economy.

In December, the Fund trimmed a holding in Hengan International Group.

Following recent equity market weakness, Asian equities are trading well below their long-term averages and are very cheap relative to the developed markets of the west. Despite market volatility and geopolitical concerns, we still see a backdrop of structural economic growth and corporate earnings delivery across Asia which can support sentiment for the region's shares over the long term.

Investors have ignored the price they are paying for growth and quality over the past years creating a valuation anomaly within Asian equity markets between value and quality / growth. Over recent months we have seen this trend pivoting back to value and the Fund is well positioned to exploit this reversal.

PRUlink Global emerging markets dynamic fund

Fund Fact Sheet December 2018



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Key Information and Investment Disclosure

(all data as at 02 January 2019 unless otherwise stated)

Launch Date	01 April 2014	Fund Classification	Diversified
NAVpu (USD)	0.97451	Minimum Risk Rating	3 (Aggressive)
Fund Size	USD 14.46 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	2.05% p.a.
Financial Year End	31 st 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.

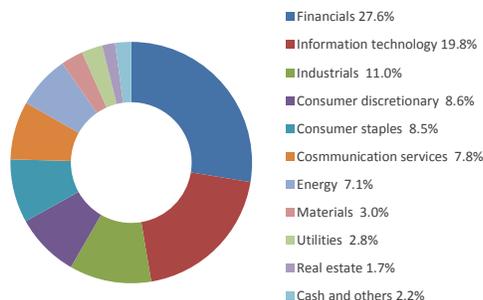
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	-2.65%	-14.09%	n.a.	-14.09%	-0.54%

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:

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	5.6%
SAMSUNG ELECTRONICS LTD	4.8%
CHINA CONSTRUCTION BANK CORP-H	4.0%
NASPERS LTD	3.4%
INFOSYS ADR	3.2%

Fund Manager's Commentary

In a year of extreme equity market movements, December took the prize as the most volatile month of all for global equity markets. The driver for the sell off was largely political in nature as the US lost its Defense Secretary and a question mark suddenly appeared over Fed Chairman Jerome Powell following the Fed's 25 basis points interest rate increase.

Meanwhile, a brief truce in the trade war between the US and China was halted after the arrest of a Huawei executive while economic data pointed to a potential slowing of growth in the US, and continued weakness in China. Markets were driven higher into the close of the month after buoyant retail sales figures in the US but by then the damage had been done and most Developed Market indices were substantially lower.

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

In contrast, Emerging Markets outperformed as the US dollar weakened slightly against most EM currencies. Latin America was again the outperforming region within EM although it still fell 0.7%, followed by EMEA (down 1.6%) and Asia ex Japan (down 2.7%).

Mexico was the standout performer in Latam after the new government announced a more fiscally responsible budget than had been feared by the market, the central bank raised rates by 25 basis points, and a deal was reached over the payback of bonds that had paid for the cancelled airport project. Brazil fell with the drop in oil and other commodity prices, while Chile fell in line with a weakening copper price.

EMEA was also down in December although a weakening dollar helped most markets on a relative basis, with South Africa a notable outperformer. Turkey lost more ground on weaker than expected economic growth data, and Russia fell 3.4% after its central bank raised rates by 25 basis points which weighed on the ruble.

Asia was again driven lower by China and Korea on concerns over the increasingly volatile US-Sino trade dispute and more evidence of an economic slowdown in China. South east Asia outperformed with Thailand a notable exception after it raised rates by 25bps, the first such rise since 2011. India fell just 0.1% despite the unexpected resignation of its reserve bank chief.

The Fund does not own Alibaba as we regard it as expensive and the stock's 15% fall over the month added on a relative basis. As well as the general slowdown in the markets, Alibaba came under pressure after data showed online sales growth continued to slow in November. The overweight in Mexico's industrial group Alfa Group added value to the Fund post its 14% rise in December as Mexican stocks recovered strongly. We like all the underlying businesses of Alfa including aluminium, auto parts, refining and processed foods, and we believe the company has learned its lessons from previous mistakes in Energy. Thus we retain our overweight position. The Fund is overweight Brazil's MRV Engenharia e Participacoes, which saw its stock rise 15% in December following the spin off of its warehouse subsidiary Log Commercial. MRV's stock has been underperforming for months by the pending listing and spiked in December following the long-awaited pricing of Log, which eventually was listed at R16/share. This was higher than most in the market was expecting, which sent MRV stock higher. Post the spin off, MRV still has a good quality balance sheet, improving product mix and higher ROE and we thus maintain our overweight position. The stock is not an index constituent.

The Fund is overweight China's search engine giant Baidu, which detracted from performance after a 16% fall in its stock price over the month. Data that showed slowing online sales growth hurt the stock as did the general market gloom over the slowing of the growth in the overall Chinese economy. The Fund is overweight China Petroleum and Chemical (Sinopec) but it detracted value over the month as crude oil prices dropped sharply which negatively impacts the company. A Reuters report that its trading arm had sustained losses also weighed on the stock. The Fund's overweight in transport operator CCR weighed after a 14% fall over the month, following two months in which the stock more than doubled. Although there was little in the way of fresh newsflow, the market took the opportunity of a pause in the broader Brazilian market to take some profits in the stock. We retain our overweight position as with a strong balance sheet, 8% dividend yield and sensible strategy, we see value in the stock at these levels.

In December, the Fund added to holdings in Tingyi, GPO Financiero Banorte and Tofas, while closing a position in Banco do Brasil.

Following recent equity market weakness, Global Emerging Market equity valuations are trading well below their historical averages. Behind these headline valuations we see many stock specific opportunities available to a disciplined value investor. Relative to developed markets, emerging markets remain very cheap and within emerging markets there is extreme dispersion between cheap and expensive stocks as well as between value relative to growth / quality stocks, having been driven wider by expensive names outperforming.

Despite recent market volatility and geopolitical concerns, we see structural economic growth and a robust corporate backdrop across Global Emerging Markets, which can continue to support many stock specific value opportunities over time.

PRUink cash flow fund

Fund Fact Sheet December 2018

PRU LIFE U.K. 

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Key Information and Investment Disclosure

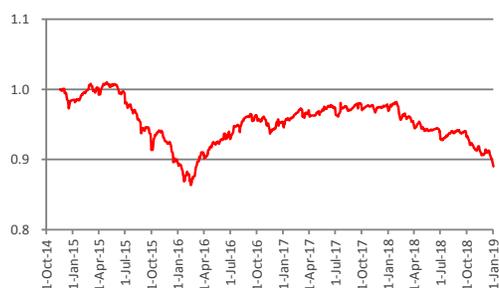
(all data as at 02 January 2019 unless otherwise stated)

Launch Date	17 November 2014	Fund Classification	Diversified
NAVpu (USD)	0.89000	Minimum Risk Rating	2 (Moderate)
Fund Size	USD 144.14 million	Fund Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.95% p.a.
Financial Year End	31 st 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.

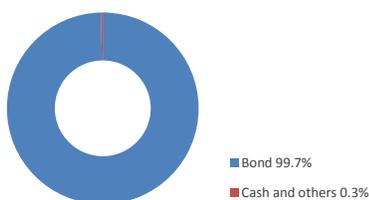
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	-2.10%	-8.17%	n.a.	-8.17%	-2.78%

Fund Statistics

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

Asset Allocation



Top 5 Holdings:

EASTSPRING INVESTMENTS US HIGH YIELD BOND - D CLASS	49.9%
EASTSPRING INVESTMENTS ASIAN BOND - D CLASS USD	49.8%
USD CASH (Alpha Committed)	0.3%

Fund Manager's Commentary

Global equities declined sharply in December as investor sentiment weakened on increasing concerns around the outlook for global growth, compounded by further evidence of a slowdown in China's economic activity, the ongoing path of Fed rate hikes – despite a more dovish tone from the Fed – and falling oil prices.

Markets were also unsettled by political issues in the US, notably the prospect of a prolonged government shutdown if the President does not receive funding for his border wall, as well as criticism of Fed Chairman Jerome Powell. In addition, whilst the start of the month saw some improvement in US-China trade relations, with a 90-day truce announced at the recent G20 summit, a lack of any significant progress during the month further contributed to the uncertain backdrop during December. While all major markets declined, the US took the brunt of the selling, with US equities recording the worst December since the Great Depression of 1931.

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Fund Manager's Commentary on PRUlink cash flow fund

Asian markets fared better, although Chinese equities led the overall declines as monthly economic data pointed to a further softening of growth, whilst Japan was also sharply lower in part due to yen strength amid safe-haven buying.

Europe declined on weak economic data, a falling oil price dragging on the oil majors and political issues – notably the ongoing protests in France and continued uncertainty around Brexit.

In the context of fixed income, returns were broadly positive in December, with the risk-off environment supporting appetite for fixed income assets during the month. Sovereign bonds and high quality credit outperformed, whilst US High Yield posted declines. The US Fed raised rates during December and, whilst the Fed's forecast for 2019 was lowered to two hikes (from three previously), the market's expectation was for a more dovish Fed going forward. Longer duration assets rallied in this environment, with long duration US Treasuries posting significant gains during the month.

US-China trade tensions and a Fed tightening environment are creating a difficult environment for risk assets globally, with financial conditions characterised by heightened global macro risks and growth concerns, increased monetary policy uncertainty and an uptick in volatility.

Our central scenario remains one of benign inflation, combined with moderate economic and earnings growth.

The Fund is broadly neutrally weighted towards both US High Yield Bonds and Asian Bonds.

PRUlink Asian balanced fund

Fund Fact Sheet December 2018

PRU LIFE U.K. 

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Key Information and Investment Disclosure

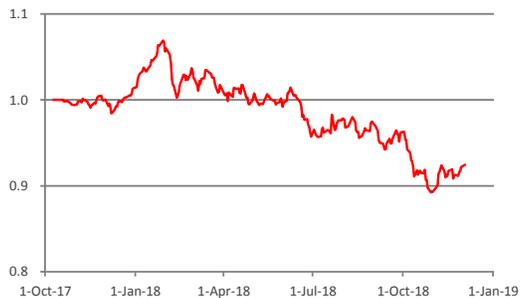
(all data as at 02 January 2019 unless otherwise stated)

Launch Date	09 October 2017	Fund Classification	Diversified
NAVpu (USD)	0.91351	Minimum Risk Rating	2 (Moderate)
Fund Size	USD 1.28 million	Manager	Eastspring Investments Limited
Fund Currency	US Dollar	Annual Management Fee	1.95% p.a.
Financial Year End	31 st December	Benchmark	50% MSAP XJ + 25% JACI + 25% Markit iBoxx ALBI x CT

Fund Objective

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

Performance Chart



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

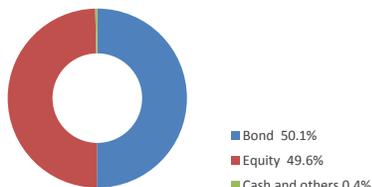
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	-1.18%	-10.01%	n.a.	-10.01%	-7.07%

Fund Statistics

Highest NAVPU reached	(29 Jan 18)	1.06900
Lowest NAVPU reached	(29 Oct 18)	0.89236
Initial NAVPU	(09 Oct 17)	1.00000

Asset Allocation



Top 5 Holdings:

EASTSPRING INVESTMENTS ASIA PACIFIC EQUITY	49.6%
EASTSPRING INVESTMENTS ASIAN BOND -D CLASS	25.2%
EASTSPRING INVESTMENTS ASIAN LOCAL BOND - D CLASS USD	24.8%
USD CASH (Alpha Committed)	0.4%

Fund Manager's Commentary

Global equities declined sharply in December as investor sentiment weakened on increasing concerns around the outlook for global growth, compounded by further evidence of a slowdown in China's economic activity, the ongoing path of Fed rate hikes – despite a more dovish tone from the Fed – and falling oil prices.

Markets were also unsettled by political issues in the US, notably the prospect of a prolonged government shutdown if the President does not receive funding for his border wall, as well as criticism of Fed Chairman Jerome Powell. In addition, whilst the start of the month saw some improvement in US-China trade relations, with a 90-day truce announced at the recent G20 summit, a lack of any significant progress during the month further contributed to the uncertain backdrop during December. While all major markets declined, the US took the brunt of the selling, with US equities recording the worst December since the Great Depression of 1931.

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Fund Manager's Commentary on PRUlink Asian balanced fund

Asian markets fared better, although Chinese equities led the overall declines as monthly economic data pointed to a further softening of growth, whilst Japan was also sharply lower in part due to yen strength amid safe-haven buying.

Europe declined on weak economic data, a falling oil price dragging on the oil majors and political issues – notably the ongoing protests in France and continued uncertainty around Brexit.

In the context of fixed income, returns were broadly positive in December, with the risk-off environment supporting appetite for fixed income assets during the month. Sovereign bonds and high quality credit outperformed, whilst US High Yield posted declines. The US Fed raised rates during December and, whilst the Fed's forecast for 2019 was lowered to two hikes (from three previously), the market's expectation was for a more dovish Fed going forward. Longer duration assets rallied in this environment, with long duration US Treasuries posting significant gains during the month.

US-China trade tensions and a Fed tightening environment are creating a difficult environment for risk assets globally, with financial conditions characterised by heightened global macro risks and growth concerns, increased monetary policy uncertainty and an uptick in volatility.

Our central scenario remains one of benign inflation, combined with moderate economic and earnings growth.

The Fund maintains its neutral equity position and is now broadly neutrally weighted towards both Asian Bonds and Asian Local Bonds.

PRUlink cash flow fund - PHP hedged share class

Fund Fact Sheet December 2018

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Key Information and Investment Disclosure

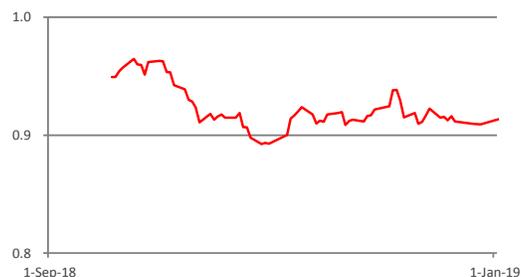
(all data as at 02 January 2019 unless otherwise stated)

Launch Date	03 September 2018	Fund Classification	Diversified
NAVpu (PHP)	0.95748	Minimum Risk Rating	2 (Moderate)
Fund Size	PHP 439.87 million	Fund Manager	Eastspring Investments Limited
Fund Currency	Philippine Peso	Annual Management Fee	1.95% p.a.
Financial Year End	31 st 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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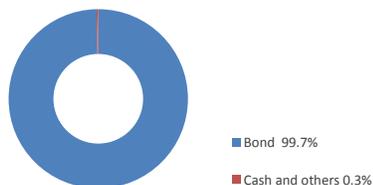
Annualized Performance

	1-Month	1-Year	5-Year	Year-to-date	Since Inception
Fund	-2.43%	n.a.	n.a.	n.a.	-4.25%

Fund Statistics

Highest NAVPU reached	(28 Sep 18)	1.00271
Lowest NAVPU reached	(02 Jan 19)	0.95748
Initial NAVPU	(03 Sep 18)	1.00000

Asset Allocation



Top 5 Holdings:

EASTSPRING INVESTMENTS US HIGH YIELD BOND - D CLASS	49.9%
EASTSPRING INVESTMENTS ASIAN BOND - D CLASS USD	49.8%
USD CASH (Alpha Committed)	0.3%

Fund Manager's Commentary

Global equities declined sharply in December as investor sentiment weakened on increasing concerns around the outlook for global growth, compounded by further evidence of a slowdown in China's economic activity, the ongoing path of Fed rate hikes – despite a more dovish tone from the Fed – and falling oil prices.

Markets were also unsettled by political issues in the US, notably the prospect of a prolonged government shutdown if the President does not receive funding for his border wall, as well as criticism of Fed Chairman Jerome Powell. In addition, whilst the start of the month saw some improvement in US-China trade relations, with a 90-day truce announced at the recent G20 summit, a lack of any significant progress during the month further contributed to the uncertain backdrop during December. While all major markets declined, the US took the brunt of the selling, with US equities recording the worst December since the Great Depression of 1931.

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Fund Manager's Commentary on PRUlink cash flow fund - PHP hedged share class

Asian markets fared better, although Chinese equities led the overall declines as monthly economic data pointed to a further softening of growth, whilst Japan was also sharply lower in part due to yen strength amid safe-haven buying.

Europe declined on weak economic data, a falling oil price dragging on the oil majors and political issues – notably the ongoing protests in France and continued uncertainty around Brexit.

In the context of fixed income, returns were broadly positive in December, with the risk-off environment supporting appetite for fixed income assets during the month. Sovereign bonds and high quality credit outperformed, whilst US High Yield posted declines. The US Fed raised rates during December and, whilst the Fed's forecast for 2019 was lowered to two hikes (from three previously), the market's expectation was for a more dovish Fed going forward. Longer duration assets rallied in this environment, with long duration US Treasuries posting significant gains during the month.

US-China trade tensions and a Fed tightening environment are creating a difficult environment for risk assets globally, with financial conditions characterised by heightened global macro risks and growth concerns, increased monetary policy uncertainty and an uptick in volatility.

Our central scenario remains one of benign inflation, combined with moderate economic and earnings growth.

The Fund is broadly neutrally weighted towards both US High Yield Bonds and Asian Bonds.