

**PRUlink bond fund**

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

**FUND DETAILS**

Launch Date 24 September 2002  
 Manager Eastspring Investments (Singapore) Limited  
 Fund Size PHP 18.58 billion  
 Fund Currency Philippine Peso  
 Risk Classification of Investment Diversified  
 Financial Year End 31<sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee 1.53% p.a.

**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

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

**Fund Manager's Commentary**

In January, the Philippine domestic government bond market (represented by the Markit iBoxx Philippine Local Bond Index) was one of the top performers in the Asian Local bond market, rising by 2.05% over the month. The Philippine bond market was supported by favourable technicals on the back of substantial bond maturity during the month. The 10-year government bond yield fell by 33 basis points to close at 4.3%.

Headline inflation hit its two-year high in December, coming in at 2.6% year-on-year. The Philippines' Central Bank Governor Tetangco noted that inflation has been on a generally upward trajectory throughout 2016, but added that inflation is likely to return gradually to a path consistent with the Central Bank inflation target in 2017-2018. Monetary policy settings were left unchanged in December.

Fourth quarter GDP growth in the Philippines was up by 6.6% year-on-year, bringing full year growth to 6.8%. Private consumption continues to show resilience, buoyed up by strong personal remittances and strong domestic liquidity. Personal remittances from Overseas Filipino Workers (OFWs) for the first eleven months of the year reached US\$26.9 billion, equivalent to a 5.1% growth year-on-year. Bank lending also continues to grow at a fast pace, rising by 18.6% year-on-year in November.

On a gross basis, the Fund returned 2.40%, outperforming the benchmark by 35 basis points. Net of the fees, the Fund returned 2.27%. Government bonds continued their rally in the month. The fund outperformed due to its overall duration overweight.

In January, we took some profit from select bonds and switched into shorter-tenor bonds. Philippines' growth is still going strong, buoyed by domestic demand even as election-related stimulus fades. Inflation is expected to settle within BSP's target range, though on balance, risks are to the upside. In the near future, we do not expect BSP to move yet, and will maintain a moderate duration overweight.

**Fund Fact Sheet**

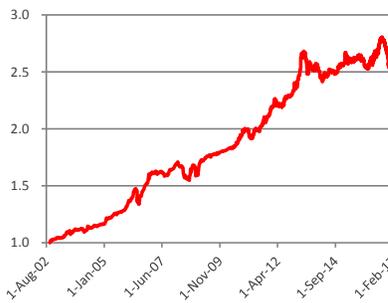
January 2017

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

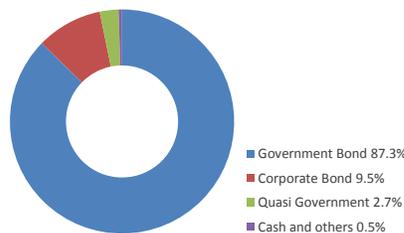
**Fund Objective**

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

**Performance Chart**



**Asset Allocation**



**Performance**

1-Month	Actual yr-on-yr	Since Inception (annualized)
2.27%	2.93%	6.99%

Based on unit price as of 01 Feb 2017: PHP2.63967

**Notes:**

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

**Top 5 Holdings**

PHILIPPINE GOVERNMENT 8.000000% 07/19/2031	9.5%
PHILIPPINE GOVERNMENT 8.125000% 12/16/2035	6.9%
PHILIPPINE GOVERNMENT 6.125000% 10/24/2037	5.4%
PHILIPPINE GOVERNMENT 5.875000% 03/01/2032	5.4%
PHILIPPINE GOVERNMENT 3.625000% 09/09/2025	4.2%

**PRUlink managed fund**

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

**FUND DETAILS**

Launch Date 24 September 2002  
 Manager Eastspring Investments (Singapore) Limited  
 Fund Size PHP 6.96 billion  
 Fund Currency Philippine Peso  
 Risk Classification of Investment Diversified  
 Financial Year End 31<sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee 1.79% p.a.

**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

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

**Fund Fact Sheet**

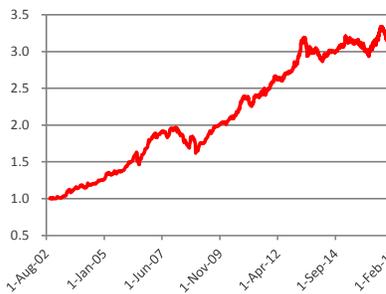
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**Fund Objective**

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

**Performance Chart**



**Performance**

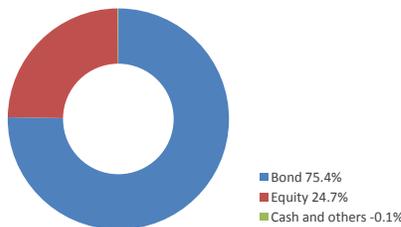
1-Month	Actual yr-on-yr	Since Inception (annualized)
3.00%	3.64%	8.22%

Based on unit price as of 01 Feb 2017: PhP3.11111

Notes:

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

**Asset Allocation**



**Fund Manager's Commentary**

Domestic markets got off to a good start for the year as strong economic growth and progress on tax reforms lifted the market.

As a team, we have been highlighting the improvement in cyclical and earnings momentum globally during 2016 amid a backdrop of continued monetary accommodation which has supported equities and credit outperformance. As such, we have been close to maximum overweight equities for most of 2H 2016 as the cyclical recovery theme reasserts itself over negative geopolitical uncertainty. The signs of economic recovery and rising inflationary pressures show no signs of abating at the moment as the recovery broadens out across regions and sectors. While we note that short term equity sentiment is now a tad over optimistic, the growth momentum and reasonable equity valuations keep us bullish on equities.

Looking forward, we remain vigilant to some key risks: 1) disorderly unwind of high private sector leverage in China and Emerging Markets, 2) a more hawkish than expected shift of US monetary policy, 3) rising European political risk premia, and 4) rising US-China tensions.

While valuations seem elevated and investors have showed concerns over the erratic behaviour of the new president, Rodrigo Duterte, positive growth momentum domestically and globally favours equities over bonds.

As such, the fund manager continues to target an overweight to equities.

**PRUlink US dollar bond fund**

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

**FUND DETAILS**

Launch Date 03 June 2003  
 Manager Eastspring Investments (Singapore) Limited  
 Fund Size USD 0.20 billion  
 Fund Currency US Dollar  
 Risk Classification of Investment Diversified  
 Financial Year End 31<sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee 1.53% p.a.

**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

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

**Fund Fact Sheet**

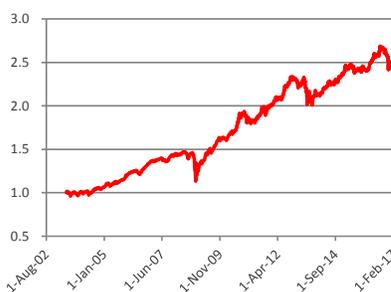
January 2017

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**Fund Objective**

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

**Performance Chart**



**Performance**

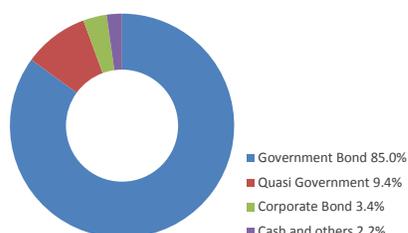
1-Month	Actual yr-on-yr	Since Inception (annualized)
0.96%	-0.59%	6.80%

Based on unit price as of 01 Feb 2017: USD2.4595

**Notes:**

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

**Asset Allocation**



**Top 5 Holdings**

PHILIPPINES(REP) 06.375%	10.8%
10/23/2034	
REPUBLIC OF PHILIPPINES 7.750000%	10.2%
01/14/2031	
REPUBLIC OF PHILIPPINES 9.500000%	9.2%
02/02/2030	
REPUBLIC OF PHILIPPINES 10.625000%	7.6%
03/16/2025	
PHILIPPINES(REP) 03.950%	6.6%
01/20/2040	

**Fund Manager's Commentary**

Philippine USD sovereign bonds posted a return of 0.94% (as represented by JPMorgan EMBI Global Philippines Index) over the month as spreads tightened along with buoyant investor sentiment. This year started on a positive note, with major economic and growth numbers generally beating expectations.

After rising sharply post US Presidential elections in 2016, US Treasury (UST) yields drifted lower leading up to President Trump's first day in office as investors looked to gain more clarity on the new president's fiscal policy plans. Nonetheless, UST yields continued to face upward pressure on expectations of tighter monetary policy ahead on the back of strong US economic data. As a result, 10-year UST yields edged up to 2.45% in January, closing the month 1 basis point higher than the previous month.

Fourth quarter GDP growth was up by 6.6% year-on-year, bringing full year growth to 6.8%. Private consumption continues to show resilience, buoyed up by strong personal remittances and strong domestic liquidity. Personal remittances from Overseas Filipino Workers (OFWs) for the first eleven months of the year reached US\$26.9 billion, equivalent to a 5.1% growth year-on-year. Bank lending also continues to grow at a fast pace, rising by 18.6% year-on-year in November.

On a gross basis, the Fund returned 1.09%, outperforming the benchmark by 15 basis points. Net of the 1.5% p.a. fees, the Fund was relatively flat to the benchmark. The fund participated in the debt switch and tendered its short dated bonds in exchange for the new 25-year Republic of Philippines bonds (ROP). The tender price for the short dated bonds helped the fund to outperform the benchmark.

The duration of the fund appeared to have extended due to the fund's participation in the new 25-year ROP. This would come down to close to benchmark weight once the new ROP is included in the benchmark next month. We will look to go long duration if we see that the UST were to overshoot our expectations.

**PRUlink growth fund**

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

**FUND DETAILS**

Launch Date	19 July 2005
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 10.55 billion
Fund Currency	Philippine Peso
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

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

Initial (19 Jul 05)	1.00000
Highest (13 Apr 15)	4.21563
Lowest (28 Oct 08)	0.99584

**Fund Fact Sheet**

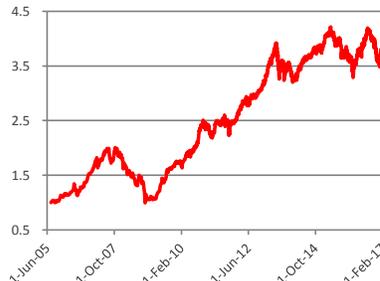
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**Fund Objective**

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

**Performance Chart**



**Performance**

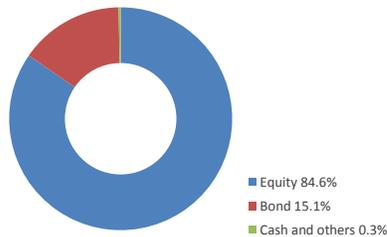
1-Month	Actual yr-on-yr	Since Inception (annualized)
4.81%	7.10%	12.17%

Based on unit price as of 01 Feb 2017: PHP3.76867

**Notes:**

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

**Asset Allocation**



**Fund Manager's Commentary**

Domestic markets got off to a good start for the year as strong economic growth and progress on tax reforms lifted the market.

As a team, we have been highlighting the improvement in cyclical and earnings momentum globally during 2016 amid a backdrop of continued monetary accommodation which has supported equities and credit outperformance. As such, we have been close to maximum overweight equities for most of 2H 2016 as the cyclical recovery theme reasserts itself over negative geopolitical uncertainty. The signs of economic recovery and rising inflationary pressures show no signs of abating at the moment as the recovery broadens out across regions and sectors. While we note that short term equity sentiment is now a tad over optimistic, the growth momentum and reasonable equity valuations keep us bullish on equities.

Looking forward, we remain vigilant to some key risks: 1) disorderly unwind of high private sector leverage in China and Emerging Markets, 2) a more hawkish than expected shift of US monetary policy, 3) rising European political risk premia, and 4) rising US-China tensions.

While valuations seem elevated and investors have showed concerns over the erratic behaviour of the new president, Rodrigo Duterte, positive growth momentum domestically and globally favours equities over bonds.

As such, the fund manager continues to target an overweight to equities.

**PRUlink equity fund**

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

**FUND DETAILS**

Launch Date	23 October 2007
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 40.04 billion
Fund Currency	Philippine Peso
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

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

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

**Fund Fact Sheet**

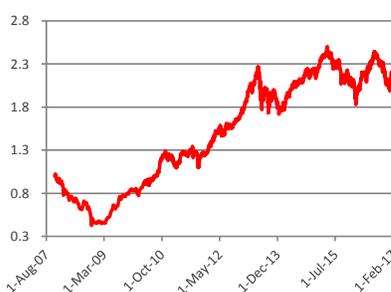
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**Fund Objective**

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

**Performance Chart**



**Performance**

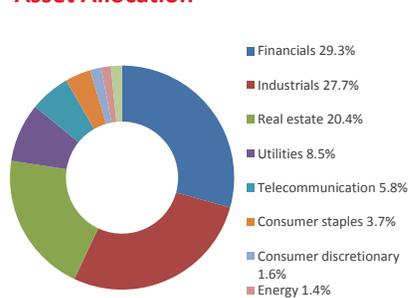
1-Month	Actual yr-on-yr	Since Inception (annualized)
5.32%	8.83%	8.72%

Based on unit price as of 01 Feb 2017: PhP2.17385

**Notes:**

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

**Asset Allocation**



**Top 5 Holdings**

SM INVESTMENTS	10.1%
AYALA LAND	7.9%
SM PRIME HOLDINGS	7.1%
JG SUMMIT HOLDINGS INC.	5.7%
AYALA CORPORATION	5.3%

**Fund Manager's Commentary**

Philippines equities got off to a good start for the year as strong economic growth and progress on tax reforms lifted the market. The PSE index rose 5.6% in January.

Telecom stocks gained the most following massive underperformance in 2016. Banks, which could potentially benefit from higher interest rates and infrastructure-related borrowing, also outperformed the broader market.

Driven by private and government consumption, 4Q16 real GDP expanded 6.6% year-on-year (yoy). For the full year 2016, the economy grew 6.8%. Vehicle sales in the Philippines continued to be robust, up 24.6% from a year ago.

Growth in overseas Filipino workers' remittances remained volatile, recovering sharply in November. Remittances increased 18.5% yoy in the month, largely supported by remittances from land-based workers and a low base in the same period last year.

Rising food prices and transportation cost drove inflation up to 2.6% yoy in December 2016.

The underweight positions in Petron Corporation (PCOR), Universal Robina Corporation (URC) and Emperador were among the larger contributors to the Fund's relative performance in January.

PCOR is the largest oil refining and distribution company in the Philippines. Petron Corp's plan to invest in new refining facility pressured its share price, which fell more than 6% in January. Investors are concerned that the company might have to raise equity to partly fund the US\$10 billion new refining facility, thus diluting earnings per share.

URC is one of the largest food and beverage companies in the Philippines. Its share price declined for a third straight month amid fears of intense competition and rising raw material costs. The Fund has an underweight in the stock due to expensive valuations.

The share price of Emperador ended lower in January in an otherwise buoyant market. Intense market competition amid rising packaging cost has resulted in the share price declining for the third consecutive month in January.

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

The overweight position in First Gen Corp (FGEN), and the off-benchmark positions in Vista Land and Lifescapes (VLL) and the underweight in Security Bank (SECB) were among the larger detractors from the Fund's relative performance in January.

FGEN is one of the largest independent power producers in the Philippines. The share price ended higher in January but trailed the benchmark. In our opinion, the stock's valuation is attractiveness on healthy financial position and growth outlook.

VLL is a leading property company in the Philippines. VLL is a beneficiary of infrastructure development in the Philippines, which is expected to improve the accessibility of its landbank. The company is expecting a higher contribution from recurring rental income and is planning to build 10 new malls in the next two years. The stock price gained in January, albeit underperformed the benchmark.

SECB's share price rose in line with other banks, which rallied on hopes of potential interest margins in a rising interest rates regime. In our opinion, the bank's valuation is unattractive.

**PRUlink proactive fund**

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

**FUND DETAILS**

Launch Date	17 February 2009
Manager	Eastspring Investments (Singapore) Limited
Fund Size	PHP 17.62 billion
Fund Currency	Philippine Peso
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

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

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

**Fund Fact Sheet**

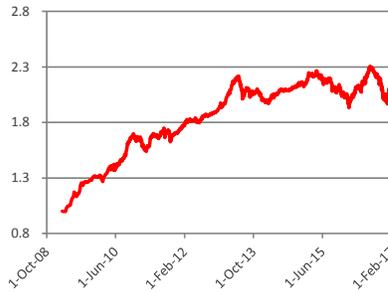
January 2017

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**Fund Objective**

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

**Performance Chart**



**Performance**

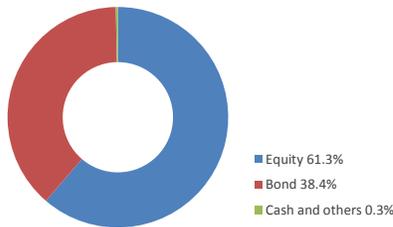
1-Month	Actual yr-on-yr	Since Inception (annualized)
4.12%	4.48%	9.78%

Based on unit price as of 01 Feb 2017: PhP2.10176

**Notes:**

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

**Asset Allocation**



**Fund Manager's Commentary**

Domestic markets got off to a good start for the year as strong economic growth and progress on tax reforms lifted the market.

As a team, we have been highlighting the improvement in cyclical and earnings momentum globally during 2016 amid a backdrop of continued monetary accommodation which has supported equities and credit outperformance. As such, we have been close to maximum overweight equities for most of 2H 2016 as the cyclical recovery theme reasserts itself over negative geopolitical uncertainty. The signs of economic recovery and rising inflationary pressures show no signs of abating at the moment as the recovery broadens out across regions and sectors. While we note that short term equity sentiment is now a tad over optimistic, the growth momentum and reasonable equity valuations keep us bullish on equities.

Looking forward, we remain vigilant to some key risks: 1) disorderly unwind of high private sector leverage in China and Emerging Markets, 2) a more hawkish than expected shift of US monetary policy, 3) rising European political risk premia, and 4) rising US-China tensions.

While valuations seem elevated and investors have showed concerns over the erratic behaviour of the new president, Rodrigo Duterte, positive growth momentum domestically and globally favours equities over bonds.

As such, the fund manager continues to target an overweight to equities.

**PRUlink asian local bond fund**  
(all data as at 31 January 2017 unless otherwise stated)

**FUND DETAILS**

Launch Date	30 January 2012
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 19.66 million
Fund Currency	US Dollar
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

Annual Management Fee	1.80% p.a.
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**HIGHEST & LOWEST UNIT PRICE ACHIEVED**

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

**Fund Fact Sheet**

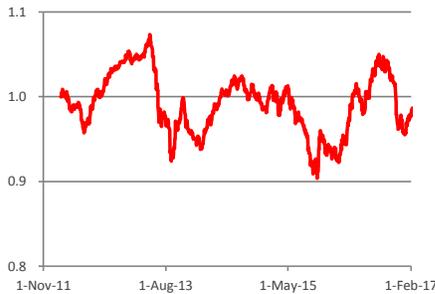
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**Fund Objective**

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

**Performance Chart**



**Performance**

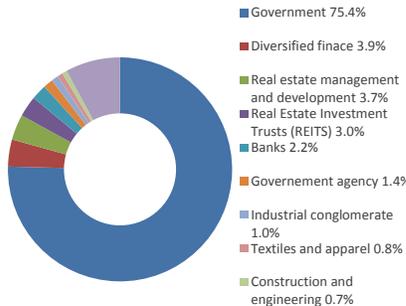
1-Month	Actual yr-on-yr	Since Inception (annualized)
2.39%	4.30%	-0.40%

Based on unit price as of 01 Feb 2017: USD0.98009

**Notes:**

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

**Asset Allocation**



**Top 5 Holdings**

THAILAND GOVT 01.875% 06/17/2022	1.6%
KOREA TREASURY BOND 1.875000% 06/10/2026	1.4%
INDONESIA GOVERNMENT 8.375000% 03/15/2024	1.3%
INDONESIA GOVERNMENT 8.375000% 03/15/2034	1.2%
INDIA GOVT BOND 07.160% 05/20/2023	1.1%

**Fund Manager's Commentary**

Asian domestic bond markets started the year on a positive note. Government bond yields fell broadly across the region, while Asian currencies generally strengthened against the US dollar. This contributed to an overall gain of 2.5% in the customized Markit iBoxx Asian Local Bond index in January (USD terms).

The declines in Asian government bond yields occurred amid a more stable US interest rate and Asian currency backdrop. During the month, US Treasury (UST) yields mostly traded sideways after the sharp spike in yields in 4Q 16. Nevertheless, the generally robust set of US economic data continued to underpin expectation of continued interest rate normalization by the US Federal Reserve (Fed). Despite this, market's unease over the policy direction of President Trump led to periods of softer risk appetite, which helped cap the upward pressure on UST yields. Over the month, the 10-year UST yields edged higher by 1 bp to 2.45%.

In comparison, Asian domestic government bond markets mostly outperformed the US Treasuries. The Philippine and Indonesian government bond markets were the key outperformers with 10-year yields falling by more than 30 bps. During the month, the Philippine bond market was supported by favourable technicals on the back of substantial bond maturity. In Indonesia, its bond market also benefitted from higher portfolio inflows into emerging markets, while new government bond issuances were also well received. This was despite Bank Indonesia keeping policy rate unchanged at 4.75% at its January meeting as it cited lingering global risk factors and a likely pick-up in inflation. In contrast, performance of Korea and Thailand bond markets were muted with flattish returns over the month.

On the currency front, Asian currencies generally fared well during the month. Continued improvements in export and manufacturing data in a number of Asian economies were supportive of investor sentiment, which helped mitigate niggling concerns over the increasing protectionist bias of the US administration. President Trump's comments on US dollar being "too strong" also contributed to broad weakness of the greenback, including against Asian currencies. Overall, the Korean won rebounded strongly following its underperformance last month with a gain of 3.8% against the US dollar. The Singapore also did well with a gain of 2.6%. The Philippine peso, however, underperformed with the currency slipping slightly lower against the US dollar over the month.

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

Over the month, the Fund gained from the overweight in Indonesian Rupiah and underweight in Hong Kong Dollar. The underweight in Singapore Dollar and Korean Won, however, was negative for relative performance. This was partially offset by the overall duration overweight which benefitted from lower yields during the month.

Outlook for Asian currencies continue to be challenging amidst higher US interest rates and a rise in market volatility. However, we maintain our overweight in Indonesia and India, in both currencies and duration, as we expect improved fundamentals to lead these two markets to outperform. We maintain overall duration overweight in the fund, as we see value in government bonds at current levels.

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

**FUND DETAILS**

Launch Date	26 February 2013
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 24.88 million
Fund Currency	US Dollar
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

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

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

**Fund Fact Sheet**

January 2017

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**Fund Objective**

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

**Performance Chart**



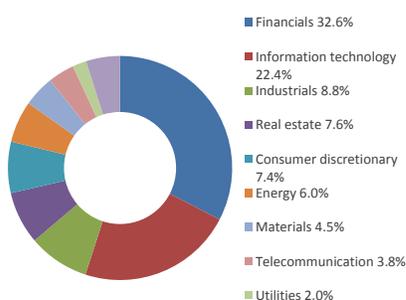
**Performance**

1-Month	Actual yr-on-yr	Since Inception (annualized)
6.59%	24.82%	-2.20%

Based on unit price as of 01 Feb 2017: USD0.91636

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

**Asset Allocation**



**Top 5 Holdings**

SAMSUNG ELECTRONICS	5.5%
TAIWAN SEMICONDUCTOR MANUFACTURING	4.7%
AUSTRALIA AND NEW ZEALAND BANKING GROUP	3.9%
CHINA CONSTRUCTION BANK-H	3.6%
NATIONAL AUSTRALIA BANK	3.0%

**Fund Manager's Commentary**

The MSCI AC Asia Pacific ex Japan index rose 5.8% in USD terms in January. Gains were seen in all equity markets with the exception of Indonesia, which remained largely flat. The largest increases were seen in Singapore and Korea, while Malaysia and Indonesia lagged the index.

The Singapore equity market outperformed in January with the Straits Times Index breaking through the psychologically important 3,000 points, for the first time in 14 months to reach 3,046 by month end. Investors' sentiment was buoyed by positive macro data, as Singapore's advance estimate of real GDP growth in Q4 2016 surprised on the upside at 1.8% as compared to 1.2% year-on-year growth in the third quarter. This was driven by a sharp rebound in manufacturing and an expansion in the services sector, a reversal from the contractions seen in the previous three quarters. The Korean equity market has also outperformed in January, mainly due to the close to 10% rise in Samsung Electronics, a heavy weight in the KOSPI index. The company's share price was up on the announcement of strong 4Q results and higher prices in semiconductors and display panels.

The Malaysia equity market, though positive, was an underperformer in January, as investors remained concerned about weakness in the Malaysian ringgit and potential policy tightening in the United States, which could lead to pressure on emerging market currencies and capital outflows. Similar to Malaysia, the Indonesia equity market was a key underperformer, as investors remained wary of currency weakness and capital outflows from the country. Indonesia's central bank, Bank Indonesia, kept its benchmark interest rate unchanged at its first meeting this year with policymakers remaining on guard against the risk of capital outflows.

Standard Chartered Bank is an international banking and financial services company with a large footprint in emerging markets and Asia. It was a major contributor to performance in January, having risen close to 18%. The sharp rise was in tandem with the price rise seen in most banks on rising interest rate expectations and hopes of deregulation led by the Trump administration. The Fund has an overweight position in this stock due to its attractive valuations and restructuring program.

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

Catcher Technology is a Taiwan-based manufacturer of aluminum and magnesium die casting products, used in consumer electronics such as laptops and mobile phones. Its share price was up almost 14% on a month-on-month basis, after announcing a new investment of US\$100million to build a new plant in China. Production in the new plant is expected to start in 2018, and the market expects production to be specifically for iPhone casing. This aids in dispelling market concerns over possible contraction in iPhone volumes and uncertainty on ASP impact from the change of iPhone casing in 2017. The fund remains constructive on the stock as valuation remains attractive.

Alibaba Group Holdings is a holding company that provides internet infrastructure, e-commerce, online financial and internet content through its subsidiaries. It was a key detractor to our fund's performance in January as our fund does not own a position in this stock due to its elevated valuation. The company's share price rose on positive earning results indicating 54% revenue growth and improved margins.

China Construction Bank is a leading commercial bank in China providing a comprehensive range of commercial banking products and services trading at an attractive valuation. Its share price declined in January having performed well at the end of 2016 on the back of stabilization of its asset quality and an improvement in outlook of credit growth. We continue to like the stock for its attractive valuation.

Huabao International Holdings produces and supplies flavours and fragrances for tobacco, food and household related products. Subsequent to the cash offer of HKD3.30 per share offered by the founder/Chairman of the firm, the Fund has closed off all positions in this stock, accepting the cash offer.

Samsung Electronics is a global leader in the manufacturing of high-tech electronic products and digital media. We continue to trim some of our holdings in January given the substantial outperformance over the past 12 months. We continue to like the stock given the company's dominant global positioning and diverse business model across mobile, memory and household appliances and its improving dividend policy. Valuations also remain attractive.

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

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

**PRUlink global emerging markets dynamic fund**

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

**FUND DETAILS**

Launch Date	01 April 2014
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 13.48 million
Fund Currency	US Dollar
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

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

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

**Fund Fact Sheet**

January 2017

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**Fund Objective**

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

**Performance Chart**



**Performance**

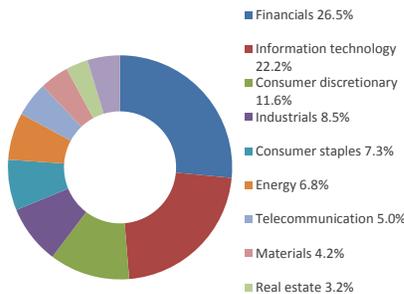
1-Month	Actual yr-on-yr	Since Inception (annualized)
4.79%	31.60%	-3.32%

Based on unit price as of 01 Feb 2017: USD0.90852

Notes:

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

**Asset Allocation**



**Top 5 Holdings**

SAMSUNG ELECTRONICS	6.0%
TAIWAN SEMICONDUCTOR MANUFACTURING	5.1%
CHINA CONSTRUCTION BANK-H	3.7%
BAIDU INC - SPON ADR	3.3%
IND & COMM BK OF CHINA-H	3.2%

**Fund Manager's Commentary**

The MSCI Emerging Markets Index returned 5.5% (in USD) in January and outperformed Developed Markets where the "Trump rally" in equities and the USD is losing steam. Investors shrugged off fears of protectionism and trade wars as indicators suggest a pick up in global growth. Cyclical sectors, led by materials, outperformed defensive sectors in Emerging Markets (EM) with all sectors posting gains during the month.

The dispersion of returns across markets suggests the drivers of performance were country or sector specific.

Among major markets, China, the worst performer last month, was a top performer in January along with Brazil and Korea.

China's strong performance came on the back of better-than-expected growth in the final quarter of 2016 coupled with the gradual easing of the liquidity squeeze that gripped markets in December 2016. In Brazil, the Central Bank aggressively cut the benchmark interest rate by 0.75% in a surprise move to try and rescue a faltering economy. In Korea, reversal in the Won, which appreciated circa 4%, boosted USD returns. Also, positive earnings revisions and positive guidance lifted shares in the Korean tech companies that led market gains. Samsung electronics gained circa 10% in USD terms.

The worst performers, all from the EMEA\* region, were Greece, Egypt and Russia. In Greece, shares fell as the International Monetary Fund is still deliberating its participation in the third bailout program. Russia was flat as positive market sentiment was negated by the slippage in energy prices (Brent: -3.3%, Natural Gas: -15.4%). In Egypt, political uncertainty is still clouding investors' sentiment.

\*EMEA - Europe, Middle East and Africa

**PRUlink cash flow fund**

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

**FUND DETAILS**

Launch Date	14 November 2014
Manager	Eastspring Investments (Singapore) Limited
Fund Size	USD 0.09 billion
Fund Currency	US Dollar
Risk Classification of Investment	Diversified
Financial Year End	31 <sup>st</sup> December

**FUND FEES & CHARGES**

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

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

**Fund Fact Sheet**

January 2017

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**Fund Objective**

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

**Performance Chart**



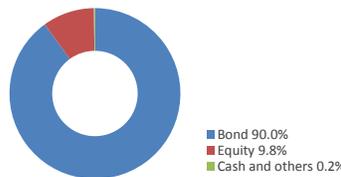
**Performance**

1-Month	Actual yr-on-yr	Since Inception (annualized)
1.40%	8.88%	-1.87%

Based on unit price as of 01 Feb 2017: USD0.95896

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

**Asset Allocation**



**Top 5 Holdings**

ESIN-US HY BD D	55.2%
ESIN-ASIAN BD D	34.9%
ESIN-ASIAN EQUITY INC D	4.9%
ESIN-WORLD VALUE EQ D	4.9%
Tradeable United States Dollar - Currency	0.2%

**Fund Manager's Commentary**

World equity markets started off 2017 strongly, although the rally that had begun after the conclusion of the US election cooled towards the end of January as investors tried to assess more deeply the implications of President Trump's policy statements. The President's proposals to reduce taxes and regulation were welcomed; uncertainty around increased tariffs and stronger immigration policies, however, concerned investors. Whilst all regional equity markets posted positive returns (in USD terms), Asia and Latin America were the standout performers with returns from developed market equity softer by comparison. In Asia, better than expected GDP figures buoyed sentiment around China and Singapore; in Latin America, a larger than expected rate cut by Brazil's central bank supported its equity market. In the environment of increasing growth and inflation expectations, returns from fixed income assets were muted compared to equity. In the US, High Yield Bonds posted the strongest returns, whilst returns from long dated US Treasuries were very mildly negative. Asian credit and Singapore Government bonds saw mildly positive returns whilst European fixed income saw price declines. The improved European and global growth expectations stoked concern that the European Central Bank (ECB) may withdraw its monetary stimulus, although the ECB President sought to reassure the market that there would be no immediate policy change.

As a team, we have been highlighting the improvement in cyclical and earnings momentum globally during 2016 amid a backdrop of continued monetary accommodation which has supported equities and credit outperformance. As such, we have been close to maximum overweight equities for most of 2H 2016 as the cyclical recovery theme reasserts itself over negative geopolitical uncertainty. The signs of economic recovery and rising inflationary pressures show no signs of abating at the moment as the recovery broadens out across regions and sectors. While we note that short term equity sentiment is now a tad over optimistic, the growth momentum and reasonable equity valuations keep us bullish on Equities.

Looking forward, we remain vigilant to some key risks: 1) disorderly unwind of high private sector leverage in China and Emerging Markets, 2) a more hawkish than expected shift of US monetary policy, 3) rising European political risk premia, and 4) rising US-China tensions.

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