PRULink Fund Information Booklet

May 2024

PRULink Asian Income Fund
PRULink Asian Fixed-Income Fund
PRULink Global Dividend Wealth Fund
PRULink Global Equity Growth Fund

IMPORTANT INFORMATION

Capitalised terms used below, unless otherwise defined, shall have the same meanings ascribed to them under Glossary of Terms of this Fund Information Booklet.

This Fund Information Booklet is for information only and is not a contract of assurance. Investors should refer to the Policy Document for specific policy details applicable to their PRULink investment-linked policies. **Investors should note that this Fund Information Booklet must be read together with the accompanying Product Summary and Product Highlights Sheet as one document.**

This Fund Information Booklet is published for informational purposes only, without regard to the specific investment objectives, financial situation and particular needs of any specific person and should not be construed as an advice or recommendation to invest in the Fund. Investors may wish to seek advice from their Prudential Financial Consultants before making a commitment to purchase the product. In the event an investor chooses not to seek advice from a Prudential Financial Consultant, he/she should consider whether the product in question is suitable for him/her. Investors are advised to read the Fund Information Booklet, the accompanying Product Summary and the Product Highlights Sheet, before deciding whether to subscribe for units in this Fund.

Investors should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange transactions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile and which may be relevant to the subscription, holding or disposal of units in the Fund and/or Underlying Fund. Each investor will assume and be solely responsible for any and all tax of any jurisdiction or governmental or regulatory authority, including without limitation any state or local taxes or other like assessment or charges that may be applicable to any payment to him/her in respect of the Fund and/or Underlying Fund. Neither the Fund nor Underlying Fund will pay any additional amounts to investors to reimburse them for any tax, assessment or charge required to be withheld or deducted from any payments made to them.

The Fund and/or Underlying Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended. The units of the Fund and/or Underlying Fund have not been and will not be registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") or under the securities laws of any state of the United States of America and such units may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws. The units of the Fund and/or Underlying Fund may not be offered or sold within the United States or to or for the account of any US Person as defined in Rule 902 of Regulation S under the Securities Act. Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to Investors other than individuals, (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term “US Person” also means any entity organised principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed: (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, unless it is formed and owned by “accredited investors” (as defined in Rule 501 (a) under the Securities Act of 1933) who are not natural persons, estates or trusts.

“United States” means the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction. Prudential Singapore is an indirect subsidiary of Prudential plc of the United Kingdom. Prudential Singapore and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

This Fund Information Booklet does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such an offer or solicitation. Investors should also consider the risks of investing in the Fund which are summarised in Section 5 of this Fund Information Booklet.

This Fund Information Booklet does not represent a contract.

PRULink Funds

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PRULink Funds

1. The PRULink Funds

The following funds are currently being offered:

(a) PRULink Asian Income Fund;

(b) PRULink Asian Fixed-Income Fund;

(c) PRULink Global Dividend Wealth Fund; and

(d) PRULink Global Equity Growth Fund

The above funds are to be collectively referred to in this Fund Information Booklet as the "**Funds**" and each a "**Fund**". Each Fund has its own investment objective and risks.

2. The Product Provider

Prudential Assurance Company Singapore (Pte) Limited ("**Prudential Singapore**") [Company Registration No. 199002477Z], 30 Cecil Street, #30-01, Prudential Tower, Singapore 049712 Tel: 1800-333 0 333 is the product provider of the Funds ("**Product Provider**" includes the correlative meanings "**we**", "**us**" and "**our**") in respect of the Funds.

3. The Manager, the Investment Manager, the Management Company and the Sub-Manager

3.1 The Manager and the Investment Manager

The manager of the Funds is Eastspring Investments (Singapore) Limited, [Company Registration No.199407631H]. The Manager is regulated by the Authority.

Eastspring Investments (Singapore) Limited is the investment manager (the "**Investment Manager**") of the following underlying funds (the "**Underlying Funds**") which is domiciled in Luxembourg. The Underlying Funds are Sub-Funds of Eastspring Investments SICAV (the "**SICAV**").

Fund	**Underlying Funds**
PRULink Asian Income Fund	Eastspring Investments – Asian Equity Income Fund
PRULink Asian Fixed-Income Fund	Eastspring Investments – Asian Local Bond Fund
PRULink Global Dividend Wealth Fund	Eastspring Investments – Global Multi Asset Income Plus Growth Fund
PRULink Global Equity Growth Fund	Eastspring Investments – Global Dynamic Growth Equity Fund

The Manager and Investment Manager was incorporated in Singapore in 1994 and is Eastspring's Singapore office. The Investment Manager has been managing discretionary funds since 1995. The Investment Manager manages SGD185.6 billion of assets under management, of which approximately S$165.48 billion are discretionary funds managed in Singapore as at 31 December 2023.

The Manager and Investment Manager are ultimately wholly-owned subsidiaries of Prudential plc ("**Prudential**"). The Manager and Prudential are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America or with the Prudential Assurance Company, a subsidiary of M&G plc, a company incorporated in the United Kingdom.

Source: Eastspring Investments (Singapore) Limited as at 31 December 2023

3.2 The Management Company of the Underlying Funds

Eastspring Investments (Luxembourg) S.A. is a public limited company incorporated under the laws of the Grand Duchy of Luxembourg. Eastspring Investments (Luxembourg) S.A. was incorporated on 20 December 2012 and has been appointed to act as the management company of the Luxembourg-domiciled Eastspring Investments.

Eastspring Investments (Luxembourg) S.A. is regulated by the Commission de Surveillance du Secteur Financier ("**CSSF**").

Past performance of the Manager, the Investment Manager and the Management Company is not necessarily indicative of their future performance.

3.3 The Sub-Manager

3.3.1 AGF Investments Inc.

AGF Investment Inc. ("AGF Investments") is the sub-manager of the following Underlying Investment of the Underlying Fund:

Fund	Underlying Fund
PRULink Global Equity Growth Fund	Eastspring Investments – Global Dynamic Growth Equity Fund

AGF Investments Inc.'s parent company, AGF Management Limited ("AGF"), is an independent and globally diverse asset management firm delivering excellence in investing in the public and private markets through its three distinct business lines: AGF Investments, AGF Private Capital and AGF Private Wealth. The firm's investment solutions, driven by its fundamental, quantitative and private investing capabilities, extends globally to a wide range of clients. Founded in 1957 and headquartered in Toronto, Canada, AGF has investment operations and client servicing teams in North America and Europe.

AGF has managed discretionary funds since the inception of the firm in 1957 and its primary regulator is the Ontario Securities Commission.

Source: Eastspring Investments (Singapore) Limited as at 2 October 2023

Past performance of the Manager, the Investment Manager, the Management Company and the Sub-Manager(s) is not necessarily indicative of their future performance.

The above sub-manager(s) are to be collectively referred to in this Fund Information Booklet as the "**Sub-Manager**".

4. The Auditor

The auditor of the accounts for the Fund is Ernst & Young LLP (the "**Auditor**") whose registered office is at One Raffles Quay North Tower, Level 18 Singapore 048583.

5. Risks

The risks set out in this section are in relation to the Funds and the Underlying Funds. Given that the Funds feeds into the Underlying Funds, it is acknowledged that the risks inherent in the Underlying Funds will also impact the Funds. As such investors should carefully consider the risks set out in this section before investing into the Funds.

5.1 General Market Risk

The investment portfolio of the Underlying Funds may fall in value due to any of the key risk factors below and therefore investor's investment in the Underlying Funds may suffer losses. The investments of the Underlying Funds are subject to normal market fluctuations and, accordingly, it is emphasised that the price of assets in any of the Underlying Funds and the income from them can fluctuate. The following statements are intended to inform investors of the uncertainties and risks associated with investments and transactions in transferable securities and other financial instruments. Investors should remember that the price of units and any income from them may fall as well as rise and that investors may not get back the full amount invested. Past performance is not necessarily a guide to future performance and units should be regarded as a medium to long-term investment. Although the Board of Directors of the Underlying Funds makes every effort to achieve the investment objectives of the Underlying Funds to the best of its knowledge, no guarantee can be given as to whether the investment objectives will be achieved. As a result, the Net Asset Value of the units may be higher or lower, and therefore different levels of positive as well as negative income may be earned.

Investors in equities will be subject to the risks associated with equity and equity-related securities, including fluctuations in market prices, change in investment sentiment, political and economic conditions and issuer-specific factors or market information and the fact that equity and equity-related interests are subordinate in the right of payment to other corporate securities, including debt securities.

Likewise, investors in fixed income securities will be subject to the risk associated with debt securities including normal market fluctuations, credit and interest rate risk, and the additional risks associated with high yield debt securities, loan participations and derivative securities.

In addition, investors should be aware of the risks associated with the active management techniques that are expected to be employed by the Underlying Funds. An investment in an Underlying Funds does not constitute a complete investment program. Investors may wish to complement an investment in an Underlying Funds with other types of investments.

5.2 Specific Risks

Investors should carefully consider the following:

5.2.1 Foreign Exchange / Currency Risk

As the Underlying Funds will invest in securities which are denominated in currencies other than the reference currency of its class, fluctuations in the exchange rates of these foreign currencies may have an impact on the income and value of the Underlying Funds. Generally, the Investment Manager does not hedge the foreign currency exposure (if any) of the Underlying Funds although it may have the discretion to do so. Investors will be exposed to exchange rate risks if the Investment Manager does not hedge the foreign currency exposure (if any) of the Underlying Funds. Also, in the event a currency hedging strategy executed does not meet its intended objective this could have adverse impact to the value of the Underlying Funds. The Net Asset Value of the Underlying Funds may be affected unfavourably by adverse movements in foreign currency exchange rates between the currencies of the underlying assets and the base currency of the Underlying Funds and the currency of the units held by investors, as well as by changes in exchange rate controls. Hedging will not eliminate all the risk of loss due to currency fluctuations.

5.2.2 Equity Risk

The Underlying Funds may invest in equities and will be subject to risks such as fluctuations in market prices.

5.2.3 Derivatives Risk

The Underlying Funds may invest in derivatives which will be subject to risks. While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. The Underlying Funds may use financial derivative instruments ("FDIs") for hedging and efficient portfolio management purpose, however, the Underlying Funds 'use of derivatives may become ineffective in such endeavours and the Underlying Funds may suffer significant losses. The leverage element of a "FDI" can result in a loss significantly greater than the amount invested in the FDI by the Underlying Funds. Some of the risks associated with derivatives are market risk, management risk, credit risk, counterparty risk, liquidity risk, volatility risk, over-the-counter ("OTC") transaction risk, operational risk and leverage risk.

Investments in derivatives may require the deposit of initial margin and additional margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely. The Investment Manager and the relevant Sub-Manager have the necessary controls for investments in derivatives and has in place systems to monitor the derivative positions for the Underlying Funds.

The Investment Manager or relevant Sub Manager does not intend to use derivative transactions for speculation or leverage but may use them for efficient portfolio management and/ or risk management. Investors should refer to Appendix 1 for further information on the risks associated with derivatives and the risk management and compliance procedures and controls adopted by the Investment Manager or relevant Sub-Manager in this respect. In particular, the investment in credit default swaps, volatility derivatives, asset backed securities and mortgage backed securities are subject to the following risk.

(a) Management Risk

- Financial derivative instruments ("FDIs") are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of an FDI requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

(b) Counterparty Risk

- The use of FDIs involves the risk that a loss may be sustained as a result of the failure of another party to the contract (usually referred to as a "counterparty") to make required payments or otherwise comply with the contract's terms. Additionally, in respect of certain instruments such as credit default swaps losses could result if the Underlying Fund does not correctly evaluate the creditworthiness of the company on which the credit default swap is based.
- The Underlying Fund will be exposed to credit risk on the counterparties with which it trades particularly in relation to options, futures, contracts and other derivatives such as total return swap that are not traded on a Regulated Market.

A total return swap is an agreement in which one party makes payments based on the total return of an underlying asset, which includes both the income it generates and any capital gains or losses, in exchange for payments based on an interest rate, either fixed or variable, from the other party. Such instruments are not afforded the same protection as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Underlying Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which it trades, which could result in substantial losses to the Underlying Fund.

(c) Liquidity Risk

- The Underlying Fund may lose money or be prevented from earning capital gains if or when particular derivatives are difficult to purchase or sell, possibly preventing the Underlying Fund from selling such securities at an advantageous time or price that would have been most beneficial to the Underlying Fund, or possibly requiring the Underlying Fund to dispose of other investments at unfavourable times and prices in order to satisfy its obligations.

(d) Lack of Availability

- Because the markets for certain FDIs are relatively new and still developing, suitable FDI transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, the portfolio manager may wish to retain the position of the Underlying Funds in the FDIs by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Underlying Funds will engage in FDI transactions at any time or from time to time. The ability to use FDIs may also be limited by certain regulatory and tax considerations.

(e) Market and Other Risks

- Like most other investments, FDIs are subject to the risk that the market value of the instrument will change in a way detrimental to the interest of the Underlying Fund. If a portfolio manager incorrectly forecasts the values of securities, currencies or interest rates or other economic factors in using FDIs, the Underlying Fund might have been in a better position if it had not entered into the transaction at all. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments. The Underlying Fund may also have to buy or sell a security at a disadvantageous time or price because the Underlying Fund is legally required to maintain offsetting positions or asset coverage in connection with certain FDI transactions.

- Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular, privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Underlying Fund. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may cause the Underlying Fund to realise higher amounts of short-term capital gains (generally taxed at ordinary income tax rates) than if the Underlying Fund had not used such instruments.

5.2.4 Political and/or Regulatory Risks

The value of the assets of the Underlying Funds may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which an investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which an investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Foreign ownership restrictions in some markets may mean that corporate action entitlements in relation to any collective investment schemes or other investments the Underlying Funds are invested into may not always be secured or may be restricted.

5.2.5 Emerging Markets Risk

Potential investors should be aware that investment in emerging markets may involve, due to the economic and political development process which some of these countries are undergoing, a higher degree of risk and special consideration not typically associated with investment in more developed markets which could adversely affect the value of the investments. Among other things, investment in emerging markets involves risks such as the restriction on foreign investment, currency risk, political and economic uncertainties, legal and taxation risks, foreign exchange controls, regulatory risk, counterpart risk, higher market volatility, less public information about companies and the illiquidity of the companies' assets depending on the market conditions in certain emerging markets. Moreover, companies may be subject to considerably less state supervision and less differentiated legislation. Their accounting and auditing do not always match western standards.

Investments in some emerging countries are also exposed to higher risks in respect of the possession and custody of securities. Ownership of companies is for the most part determined by registration in the books of the company or its registrar (who is not, however, an agent of the custodian nor liable to the latter). Certificates evidencing the ownership of companies are frequently not held by the depository, any of its correspondents or an efficient central depositary. As a result and due to lack of efficient regulation by government bodies, the Underlying Funds may lose the possession of or the registration of shares in companies through fraud, serious fault or negligence. Debt instruments involve a higher custody risk and settlement risk as, in accordance with market practice, such paper is held by local institutions which are not, however, always sufficiently insured against loss, theft, destruction or insolvency while holding the assets.

Investment in fixed income securities issued by Emerging Market sovereigns and corporations would usually carry lower credit ratings. These securities usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry.

When the Investment Manager and/or the Sub-Manager(s) make investments in less developed markets, where accounting and other standards may be lower than seen elsewhere, their usual rigorous standards will be applied to endeavour that quality investments are purchased. The following statements are intended to illustrate the risks which in varying degrees are present in investing in emerging markets and less developed market instruments and the statement do not offer advice on the suitability of investments.

(a) Legal Environment

- The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.
- Legislation could be imposed retrospectively or may be issued in the form of internal regulations not generally available to the public.
- Judicial independence and political neutrality cannot be guaranteed.
- State bodies and judges may not adhere to the requirements of the law and the relevant contract. There is no certainty that investors will be compensated in full or at all for any damage incurred.
- Recourse through the legal system may be lengthy and protracted.

(b) Currency Risk

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.

(c) Taxation

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which the Underlying Funds invests or may invest in the future is not clearly established. It is therefore possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. As a result, the Underlying Funds could become subject to additional taxation in such countries that is not anticipated either at the date of Prospectus or when investments are made, valued or disposed of.

5.2.6 Portfolio/Market Risk

The Underlying Funds are intended for investors who can accept the risks associated with investing primarily in the securities of the type held in the Underlying Funds.

5.2.7 Volatility and Liquidity Risk

Securities in certain markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of such securities may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Underlying Funds may incur significant trading costs.

The Underlying Funds could face liquidity risk arising from investments in securities that have low trading volumes, imposed trading restrictions or temporary suspensions from trading. Investments in securities that have high liquidity risk may reduce return or incur substantial losses to the Underlying Funds if the Underlying Funds is unable to sell the securities at opportune times or prices. Liquidity could dry up in a very short time especially during a crisis.

5.2.8 Counterparty and Settlement Considerations

The Underlying Funds will be exposed to credit risk on the counterparties with which it trades particularly in relation to fixed income securities, options, futures, contracts and other financial derivative instruments that are traded over-the-counter. Such financial derivative instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

The Underlying Funds will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which it trades, which could result in substantial losses to that Underlying Funds.

The Underlying Funds will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. Investors should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Underlying Funds in respect of investments in emerging markets.

5.2.9 Market Suspension Risk

Each securities exchange or commodities contract market typically has the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Underlying Funds, to liquidate positions and, accordingly, expose the Underlying Funds to losses and delays in its ability to redeem shares. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Underlying Funds.

5.2.10 Interest Rate and Credit Risk

Investments in fixed income portfolios will be subject to the usual risks of investing in bonds and other fixed income securities. Bonds and other fixed income securities are subject to interest rate fluctuations and credit risks, such as risk of default by issuers. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Investments in fixed income securities are subject to credit risk and adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to meet its debt obligations, especially if the issuer is highly leveraged, which may lead to potential default by the issuer. Such issuer’s ability to meet its debt obligations may also be adversely affected by specific projected business forecasts, or the unavailability of additional funding. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

Valuation of the Underlying Funds’ investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Underlying Fund.

5.2.11 Risks from investing in Bonds Below Investment Grade or are Unrated

Bonds or fixed income securities that are below-investment grade or are unrated are more susceptible to credit risk, and in particular high yield bonds or fixed income securities offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated fixed income securities.

5.2.12 Underlying Funds Investing in Defaulted Securities and Distressed Securities

The Underlying Funds may seek exposure to securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, involved in or the target of acquisition attempts or tender offers or in companies involved in liquidations, spin-offs, reorganizations or similar transactions or issuers that are involved in bankruptcy or reorganization proceedings. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution the value of which will be less than the initial purchase price. Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in investments in troubled issuers is the fact that information as to the conditions of such issuers may be limited, thereby reducing the ability of the Investment Manager and/or the Sub-Manager(s) of the Underlying Funds to monitor the performance and to evaluate the advisability of continued investments in specific situations. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value. In accordance with CSSF Circular 02/77 and other applicable laws and regulations, where the investment limit in Defaulted Securities and Distressed Securities is breached due to passive reasons, the Underlying Funds will take corrective actions in the best interest of the investors as soon as practically possible.

5.2.13 Risks Associated with the Shanghai-Hong Kong Stock Connect ("SHHK Stock Connect") and Shenzhen-Hong Kong Stock Connect ("SZHK Stock Connect") (each, a "Stock Connect" and together the "SHHK and SZHK Stock Connect")

Certain Underlying Funds, as indicated in their Key Investor Information Documents (KIIDs), may invest in eligible China A-Shares through the SHHK Stock Connect, the SZHK Stock Connect, or other similar scheme(s) established under applicable laws and regulations from time to time, as appropriate.

Overview of the SHHK and SZHK Stock Connect

The SHHK Stock Connect is a securities trading and clearing linked program operational since 17 November 2014 and developed by the Stock Exchange of Hong Kong Limited ("SEHK"), Shanghai Stock Exchange ("SSE"), Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depository and Clearing Corporation Limited ("CSDCC"), with an aim to achieve mutual stock market access between mainland China (Shanghai) and Hong Kong.

The SZHK Stock Connect is a similar securities trading and clearing linked program developed by SEHK, Shenzhen Stock Exchange ("SZSE"), HKSCC and CSDCC for the establishment of mutual stock market access between mainland China (Shenzhen) and Hong Kong. The SZHK Stock Connect became operational since 5 December 2016.

The SSE, SZSE and SEHK will enable investors to trade eligible shares listed on the other’s market, as applicable, through local securities firms or brokers, subject to rules and regulations issued from time to time.

Additional information about the SHHK and SZHK Stock Connect is available online at the website: https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en.

Risk factors

(i) Quota limitations

Each of SHHK Stock Connect and SZHK Stock Connect is subject to daily quota ("Daily Quota"). The Daily Quota limits the maximum net buy value of cross-boundary trades under the relevant Stock Connect each day. SEHK will monitor the usage of the Northbound daily quota ("Northbound Daily Quota") for each of SHHK Stock Connect and SZHK Stock Connect, publish the remaining balance of the Northbound Daily Quota on Hong Kong Exchanges and Clearing Limited’s (“HKEx”) website.

Once the remaining balance of the Northbound Daily Quota drops to zero or the Daily Quota is exceeded during the opening call session, new buy orders will be rejected on the relevant Stock Connect (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance) and during the continuous auction session (or closing call auction session) for SZSE, no further buy orders will be accepted for the remaining of the day. Therefore, quota limitations may restrict a relevant Underlying Fund's ability to invest in China A-Shares through SHHK and SZHK Stock Connect on a timely basis.

The Daily Quota may change from time to time without prior notice and investors should refer to the SEHK website and other information published by the SEHK for up-to-date information.

(ii) Suspension risk

It is contemplated that SEHK, SSE and SZSE would reserve the right to suspend Northbound (for investment in PRC shares) and/or Southbound (for investment in Hong Kong shares) trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the SHHK Stock Connect or the SZHK Stock Connect is affected, a Underlying Fund's ability to access the PRC market will be adversely affected.

(iii) Differences in trading day

The SHHK and SZHK Stock Connect will only operate on days when both the relevant PRC and Hong Kong markets are open for trading and when banks in the relevant markets are open on the corresponding settlement days. The relevant Underlying Funds which invest through the SHHK and SZHK Stock Connect may be subject to a risk of price fluctuations in China A-Shares during the time when the relevant Stock Connect is not trading as a result.

(iv) Operational risk

The SHHK and SZHK Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in the relevant program subject to meeting certain information technology capabilities, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The SHHK and SZHK Stock Connect requires market participants to configure and adapt their operational and technical systems. Further, it should be appreciated that the securities regimes and legal systems of each of the PRC and Hong Kong markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the SHHK and SZHK Stock Connect requires routing of orders across PRC and Hong Kong. The SEHK has set up an order routing system to capture, consolidate and route the cross-boundary orders input by exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in each market. In the event that the relevant systems fail to function properly, trading in each market through the program could be disrupted. In such a case, the relevant Underlying Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) through the SHHK and SZHK Stock Connect will be adversely affected.

(v) Restrictions on selling imposed by front-end monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in that investor's account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If a relevant Underlying-Fund wishes to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its brokers before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the relevant Underlying Fund may not be able to dispose of its holdings of China A-Shares in a timely manner. PRC regulations may impose certain other restrictions on selling and buying which results in a relevant Underlying Fund not being able to dispose of holdings of China A-Shares in a timely manner. This also raises concerns as to counterparty risks as securities may need to be kept by brokers overnight.

To facilitate investors whose China A-Shares invested through SHHK and SZHK Stock Connect ("SC Securities") are maintained with custodians to sell their SC Securities without having to pre-deliver the SC Securities from their custodians to their executing brokers, the SEHK introduced an enhanced pre-trade checking model in March 2015, under which an investor may request its custodian to open a Special Segregated Account (SPSA) in the Central Clearing And Settlement System to maintain its holdings in SC Securities. An investor will only need to transfer all relevant SC Securities from its SPSA to its designated broker's account after execution and not before placing the sell order. This enhanced model is novel and initial market reaction is varied. If a relevant Underlying Fund is unable to utilise this model, it would have to deliver SC Securities to brokers before the trading day and the above risks may still apply.

(vi) Recalling of eligible stocks

When a stock is recalled from the scope of eligible stocks for trading via SHHK Stock Connect or SZHK Stock Connect, the stock can only be sold but will be restricted from being bought. This may affect the investment portfolio or strategies of a relevant Underlying Fund, for example, when it wishes to purchase a stock which is recalled from the scope of eligible stocks.

(vii) Clearing and settlement risk

HKSCC and CSDCC have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, CSDCC operates a comprehensive network of clearing, settlement and stock holding infrastructure. CSDCC has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission ("CSRC").

Should the remote event of CSDCC default occur and CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound (for investment in China A-Shares) trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against CSDCC. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from CSDCC through available legal channels or through CSDCC's liquidation. In such an event, affected relevant Underlying Funds may suffer delay in the recovery process or may not be able to fully recover their losses from CSDCC.

Under the SHHK and SZHK Stock Connect, Hong Kong and overseas investors, including the relevant Underlying Funds which have acquired SC Securities should maintain such SC Securities with their brokers' or custodians' stock accounts with the Central Clearing and Settlement System ("CCASS") operated by HKSCC.

There are risks involved in dealing with the custodians or brokers who hold the Underlying Fund's investments or settle the relevant Underlying Funds' trades. It is possible that, in the event of the insolvency or bankruptcy of a custodian or broker, the relevant Underlying Funds would be delayed or prevented from recovering their assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets.

The selling brokerage and custody services may also be provided by one entity, and the relevant Underlying Fund may be exposed to risks resulting from potential conflict of interests which will be managed by appropriate internal procedures.

(viii) Regulatory risk

The SHHK and SZHK Stock Connect will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the SHHK and SZHK Stock Connect.

It should be noted that the regulations are untested in any judicial precedent and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the SHHK and SZHK Stock Connect will not be abolished. Relevant Underlying Funds which may invest in the PRC markets through SHHK and SZHK Stock Connect may be adversely affected as a result of such changes.

(ix) Foreign shareholding restrictions

There are limits on the total shares held by all underlying foreign investors and/or a single foreign investor in one PRC listed company based on thresholds as set out under the PRC regulations (as amended from time to time), and the capacity of the relevant Underlying Funds (being a foreign investor) to make investments in China A-Shares will be affected by the relevant threshold limits and the activities of all underlying foreign investors.

It will be difficult in practice to monitor the investments of the underlying foreign investors since an investor may make investment through different permitted channels under PRC laws.

Should the shareholding of a single foreign investor in a China A-Share listed company exceed the above restrictions, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE/SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit of the aggregate foreign investor shareholding limit.

(x) Beneficiary ownership

China A-Shares acquired by Hong Kong and overseas investors (including the relevant Underlying Fund) through the SHHK and SZHK Stock Connect are held in CSDCC and HKSCC is the "nominee holder" of such China A-Shares. Applicable PRC rules, regulations and other administration measures and provisions (the "Stock Connect Scheme Rules") generally provide for the concept of a "nominee holder" and recognise the concept of a "beneficial owner" of securities. In this respect, a nominee holder (being HKSCC in relation to the relevant China A-Shares) is the person who holds securities on behalf of others (being Hong Kong and overseas investors (including the relevant Underlying Funds) in relation to the relevant China A-Shares). HKSCC holds the relevant China A-Shares on behalf of Hong Kong and overseas investors (including the relevant Underlying Funds) who are the beneficial owners of the relevant China A-Shares. The relevant Stock Connect Scheme Rules provide that investors enjoy the rights and benefits of the China A-Shares acquired through the SHHK and SZHK Stock Connect in accordance with applicable laws. Based on the provisions of the Stock Connect Scheme Rules, it is the Hong Kong and overseas investors (including the relevant Underlying Funds) who would be recognised under the laws and regulations of the PRC as having beneficial ownership in the relevant China A-Shares. Separately, under applicable rules of the CCASS all proprietary interests in respect of the relevant China A-Shares held by HKSCC as nominee holder belong to the relevant CCASS participants or their clients (as the case may be).

However Hong Kong and overseas investors (including the relevant Underlying Funds) shall exercise their rights in relation to the China A-Shares through the CCASS clearing participant and HKSCC as the nominee holder. With respect to certain rights and interests of China A-Shares that can only be exercised via bringing legal actions to PRC competent courts, it is uncertain whether such rights could be enforced since under the CCASS rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the China A-Shares in PRC or elsewhere.

The precise nature and rights of the Hong Kong and overseas investors (including the relevant Underlying Funds) as the beneficial owner of China A-Shares through HKSCC as nominee is less well defined under PRC law and the exact nature and methods of enforcement of the rights and interests of such investors under PRC law are not free from doubt.

(xi) Short swing profit rule and disclosure of interests

Short swing profit rule risk

According to the mainland China securities law, an investor holding more than 5% of shares, aggregating its positions with other group companies, of the total issued shares (a "Substantial Shareholder") of a PRC incorporated company which is listed on a stock exchange in mainland China (a "PRC Listco") has to return any profits obtained from the purchase and sale of shares or other securities of equity nature of such PRC Listco if both transactions occur within a six-month period As a result, in the event of becoming a Substantial Shareholder, any relevant Underlying Fund who buys then sells (or sells then buys) any shares or other securities of equity nature of a PRC Listco within any six month period may be required to give up any profit it makes to the issuer. The profits that a relevant Underlying Fund may derive from such investments may be limited, and thus the performance of a relevant Underlying Fund may be adversely affected.

Disclosure of interests risk

Under the PRC disclosure of interest requirements, in the event the SICAV becomes a Substantial Shareholder of a PRC Listco it may be subject to the risk that the SICAV's holdings may have to be reported in aggregate with the holdings of such other persons mentioned above. This may expose the SICAV's holdings to the public with an adverse impact on the performance of the relevant Underlying Funds.

(xii) RMB liquidity risk

RMB is currently not a freely convertible currency. The purchase of SSE/SZSE stocks is funded by offshore RMB (CNH). The demand for CNH may increase and when there is a net drain of offshore RMB, the liquidity of offshore RMB could tighten. This could lead to the rise of CNH funding cost. Relevant Underlying Funds seeking to invest through the SHHK and SZHK Stock Connect may not able to secure sufficient CNH to execute their transactions or may only be able to do so at significant cost. Also, should the PRC government tighten the foreign exchange controls, such Underlying Fund may be exposed to greater liquidity risk of offshore RMB and may not be able to effectively pursue their investment strategies.

(xiii) Restriction on Day Trading

Day (turnaround) trading is not permitted on the China A-Share market. Therefore, the Underlying Fund buying SC Securities on T day may only sell the shares on and after T+1 day subject to any Stock Connect Scheme Rules. This will limit the Underlying Fund' investment options, in particular where a relevant Underlying Fund wishes to sell any SC

Securities on a particular trading day. Settlement and pre-trade checking requirements may be subject to change from time to time.

(xiv) Order Priority

Where a broker provides SHHK and SZHK Stock Connect trading services to its clients, proprietary trades of the broker or its affiliates may be submitted to the trading system independently and without the traders having information on the status of orders received from clients. There is no guarantee that brokers will observe client order priority (as applicable under relevant laws and regulations).

(xv) Best Execution Risk

SC Securities trades may, pursuant to the applicable rules in relation to the SHHK and SZHK Stock Connect, be executed through one or multiple brokers that may be appointed in relation to the relevant Underlying Funds for trading via the SHHK and SZHK Stock Connect. In order to satisfy the pre-trade checking requirements, the Underlying Fund may determine that they can only execute SC Securities trades through certain specific broker(s) or exchange participant(s) and accordingly may affect best execution of such trades.

In addition, the broker may aggregate investment orders with its and its affiliates' own orders and those of its other clients, including the relevant Underlying Funds. In some cases, aggregation may operate to the relevant Underlying Funds' disadvantage and in other cases aggregation may operate to the relevant Underlying Funds' advantage.

5.2.14 Risk Associated with Investments in China Interbank Bond Market and Bond Connect (“CIBM”)

CIBM Direct Access Program

China interbank Bond Market ("**CIBM")** is the over-the-counter market for bonds issued and traded in mainland China. A new scheme was launched in 2016 to open up CIBM to eligible foreign institutional investors to access onshore bonds directly ("**CIBM Direct Access Program").** Under this scheme, foreign institutions can trade bonds directly through onshore settlement agents (i.e. banks) in mainland China. There are no specific quota limits imposed on the foreign institutional investor.

Participation in the CIBM by foreign institutional investors (such as the relevant Underlying Fund) is governed by rules and regulations as promulgated by the Mainland Chinese authorities, i.e., the People’s Bank of China (**"PBOC")** and the State Administration of Foreign Exchange ("**SAFE").** Such rules and regulations may be amended from time to time and include (but are not limited to):

(a) the "Implementation Rules for Filing by Foreign Institutional Investors for Investment in Interbank Bond Markets" issued by the Shanghai Head Office of PBOC on 27 May 2016;

(b) the "Circular concerning the Foreign Institutional Investors’ Investment in Interbank bond market in relation to foreign currency control" issued by SAFE on 27 May 2016; and

(c) the "Announcement on Matters concerning Filing Management by Foreign Investors for Investment in China Interbank Bond Markets” (關於境外投資者進入中國銀行間債券市場備案管理有關事項的公告)” issued by the Shanghai Head Office of PBOC on 19 June 2018; and

(d) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in mainland China, foreign institutional investors who wish to invest directly in the CIBM may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities.

In terms of fund remittance and repatriation, foreign investors (such as the relevant Underlying Fund) may remit investment principal in RMB or foreign currency into Mainland China for investing in the CIBM. For repatriation, where a relevant Underlying Fund repatriates funds out of mainland China, the ratio of RMB to foreign currency ("**Currency Ratio")** should generally match the original Currency Ratio when the investment principal was remitted into Mainland China, with a maximum permissible deviation of 10%.

Please note that the relevant rules governing the CIBM Direct Access Program will generally apply to investments in CIBM through the QFII/RQFII by reference (to the extent applicable), so the risks below are generally relevant to the Underlying Funds' investment in CIBM, either through the CIBM Direct Access Program or QFII/RQFII.

Risk Factors

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The relevant Underlying Funds investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Underlying Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the relevant Underlying Fund transacts in the CIBM, the relevant Underlying Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the relevant Underlying Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Investing in the CIBM is also subject to certain restrictions imposed by the mainland Chinese authorities on fund remittance and repatriation which may potentially affect the Underlying Fund 's performance and liquidity. Any non-compliance with or failure to meet the fund remittance and repatriation requirements may result in regulatory sanctions which in turn may have an adverse impact on the portion of the relevant Underlying Fund's investment via the CIBM Direct Access Program. Further, there is no assurance that the fund remittance and repatriation requirements in relation to investment in CIBM will not be changed as a result of change in government policies or foreign exchange control policies. The relevant Underlying Fund may incur loss in the event such change in the fund remittance and repatriation requirements in relation to investment in CIBM occurs.

Since the relevant filings and account opening for investment in the CIBM have to be carried out via an onshore settlement agent, the relevant Underlying Fund is subject to the risks of default or errors on the part of the onshore settlement agent. The relevant Underlying Fund may also incur losses due to the acts or omissions of the onshore settlement agent in the process of settling any transactions. As a result, the Net Asset value of the Underlying Fund may be adversely affected.

In addition, investors should note that cash deposited in the cash account of the relevant Underlying Fund with the relevant onshore settlement agent will not be segregated. In the event of the bankruptcy or liquidation of the onshore settlement agent, the relevant Underlying Fund will not have any proprietary rights to the cash deposited in such cash account and may face difficulty and/or encounter delays in recovering such assets, or may not be able to recover it in full or at all, in which case the relevant Underlying Fund will suffer losses.

The CIBM is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the relevant Underlying Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the relevant Underlying Fund may suffer substantial losses as a result.

Risks associated with Bond Connect

Overview of the Bond Connect

Bond Connect is a mutual bond market access between Hong Kong and mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House (together, the "**Mainland Financial Infrastructure Institutions"),** and HKEx and Central Moneymarkets Unit (together, the "**Hong Kong Financial Infrastructure Institutions").** China bond market primarily consists of CIBM. Under the Northbound Trading, eligible foreign investors will be allowed to invest in the CIBM through Bond Connect. Northbound Trading will follow the current policy framework for overseas participation in the CIBM. There will be no investment quota for Northbound Trading.

Under the prevailing regulations in mainland China, eligible foreign investors who wish to invest in the CIBM via Bond Connect are required to appoint China Foreign Exchange Trade System & National Interbank Funding Centre or other institutions recognised by PBOC to apply for filings with the Shanghai Head Office of PBOC. An offshore custody agent approved by the Hong Kong Monetary Authority ("**HKMA")** shall open omnibus nominee accounts with the relevant onshore custody agents approved by PBOC. All bonds traded by eligible foreign investors will be registered in the name of Central Money markets Unit, which will hold such bonds as a nominee owner.

Since the relevant filing for investment in the CIBM via Bond Connect has to be carried out via a third party, the relevant Underlying Fund is subject to the risks of default or errors on the part of such third party.

Trading through Bond Connect is performed through the trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The relevant Underlying Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected.

Bond Connect is a programme novel in nature and will be subject to regulatory risks. The relevant rules and regulations on investment via Bond Connect is subject to change which may have potential retrospective effect. In the event that the relevant Chinese authorities suspend account opening or trading via Bond Connect, the Underlying Fund's ability to invest in CIBM will be limited and, may have an adverse effect on the relevant Underlying Funds' performance as the relevant Underlying Fund's may be required to dispose of its CIBM holdings. The relevant Underlying Fund may also suffer substantial losses as a result.

b) Taxation Risk

There is no specific written guidance by the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in CIBM by eligible foreign institutional investors via Bond Connect. Hence it is uncertain as to the relevant Underlying Fund's tax liabilities for trading in CIBM via Bond Connect.

5.2.15 Redemption Risk

There is no ready secondary market for the Underlying Fund. Investors may consequently only redeem their units in the manner set out in this fund information booklet.

There may be a 10% limit on the number of units of the Underlying Fund that can be redeemed and converted on a Valuation Day. Therefore, a realisation request may be deferred to the next Valuation Day (which is subject to the same limit) if realisations exceed the limit on that day.

Investors should also note that their right to redeem units may be temporarily suspended.

5.2.16 Risk of Distribution and Risk of Distribution out of Capital

Distributions of interim dividends are at the discretion of the manager and there is no guarantee that any distribution will be made and if distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance/distribution of the Underlying Funds. The making of any distributions shall not be taken to imply that further distributions will be made. The Manager may also vary the frequency and/or amount of the distributions made.

When distributions are declared and paid out with respect to the Underlying Funds, the net assets attributable to the units will stand reduced by an amount equivalent to the product of the number of units outstanding and distribution amount declared per unit. The distribution amount may be sourced from gross income, net realised capital gains and from capital from time to time. When dividends are paid out of gross income, all or part of the Underlying Funds' fees and expenses are effectively charged to the capital.

The Manager may at its discretion pay dividends out of the capital of the Underlying Funds or pay dividends out of gross income while charging/paying all or part of the Underlying Fund's fees and expenses to/out of the capital, resulting in an increase in distributable income for the payment of dividends by the Underlying Funds and therefore, the Underlying Funds may effectively pay dividends out of capital.

Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Underlying Funds' capital or payment of dividends effectively out of the Underlying Fund's capital (as the case may be) may result in an immediate reduction of the Net Asset Value per share. However, the payment of distributions will never result in the net assets of the SICAV falling below the legal minimum of EUR 1,250,000. An income equalisation amount may be calculated so that the distribution of dividends corresponds to the actual entitlement.

5.2.17 Contingent Convertible Bond Risk

In the framework of new banking regulations, banking institutions are required to increase their capital buffers and with this in mind have issued certain types of financial instrument known as contingent convertible bonds ("CoCos"). The main feature of a CoCo is its ability to absorb losses as required by global bank regulators as part of a banks regulatory capital requirements and new debt global bail-in regimes such as the European Special Resolution Regime (SRR), but other corporate entities may also choose to issue them.

Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos.

In addition to the liquidity risk detailed above, CoCos have specific risks associated such as:

(a) Unknown risk

CoCos are innovative and currently still untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, it is uncertain whether the market will view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, activation of a trigger or suspension of coupon payments could cause a broader sell-off of contingent convertible instruments, thereby decreasing liquidity in the market. In an illiquid market, price formation may be increasingly stressed.

(b) Coupon cancellation risk

Coupon payments on CoCos are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. As a result of the uncertainty surrounding coupon payments, CoCos may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

(c) Trigger level risk

Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Manager and/or the Investment Sub-Manager(s) of the relevant Underlying Funds to anticipate the triggering events that would require the debt to convert into equity.

(d) Valuation and write-down risks

The value of CoCos may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, Underlying Funds may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

(e) Capital structure inversion risk

Contrary to classic capital hierarchy, investors in CoCos may suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g. when a high trigger principal write-down contingent convertible instrument is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

(f) Call extension risk

CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the issuer. It cannot be assumed that the perpetual CoCo will be called on call date. CoCos are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

(g) Conversion risk

It might be difficult for the Investment Manager and/or the Investment Sub-Manager(s) of the relevant Underlying Funds to assess how the securities will behave upon conversion. In case of conversion into equity, the Investment Manager and/or the Investment Sub-Managers might be forced to sell these new equity shares since the investment policy of the relevant Underlying Funds does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.

(h) Industry concentration risk

As the issuers of CoCos may be unevenly distributed across sectors of industry, contingent convertible instruments may be prone to industry concentration risks.

(i) Subordinated instruments

CoCos will, in the majority of circumstances, be issued in the form of subordinated debt instruments. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion, the Underlying Fund 's rights and claims against the issuer in respect of or arising under the terms of the CoCos shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

5.2.18 Risk Associated with Asset Backed Securities ("ABS"), Mortgage Backed Securities (“MBS”), and Commercial Mortgage Backed Securities (“CMBS”)

ABS, including mortgage backed securities are generally limited recourse obligations of the issuers thereof payable solely from the underlying assets ("ABS Assets") of the relevant issuer or proceeds thereof. Consequently, holders of ABS including where applicable, Underlying Funds, must rely solely on distributions on the ABS Assets or proceeds thereof for payment in respect thereof. In addition, interest payments on ABS (other than the most senior tranche or tranches of a given issue) are generally subject to deferral. If distributions on the ABS Assets (or, in the case of a market value ABS security – as explained hereinafter) – proceeds from the sale of the ABS Assets) are insufficient to make payments on the ABS, no other assets will be available for payment of the deficiency and following realisation of the underlying assets, the obligations of the issuer of the related ABS security to pay such deficiency including to the relevant Underlying Funds will be extinguished.

With a market value ABS deal, principal and interest payments to investors come from both collateral cash flows as well as sales of collateral. Payments to tranches are not contingent on the adequacy of the collateral’s cash flows, but rather the adequacy of its market value. Should the market value of collateral drop below a certain level, payments are suspended to the equity tranche. If it falls even further, more senior tranches are impacted. An advantage of a market value ABS is the added flexibility they afford the portfolio manager. It is not constrained by a need to match the cash flows of collateral to those of the various tranches.

ABS Assets may be highly illiquid and private in nature. ABS Assets are subject to greater liquidity, market value, credit interest rate, reinvestment and certain other risks compared to other debt securities. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular ABS Assets. ABS Assets are typically actively managed by an investment manager, and as a result ABS Assets will be traded, subject to rating agency and other constraints, by such investment managers. The aggregate return on the ABS Assets will depend in part upon the ability of the relevant investment manager to actively manage the related portfolio of the ABS Assets.

The ABS Assets will be subject to certain portfolio restrictions. However, the concentration of the ABS Assets in any one security type subjects the holders of ABS to a greater degree of risk with respect to defaults on the ABS Assets.

Prices of the ABS Assets may be substantially volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the ABS Assets. In addition, the ability of the issuer to sell ABS Assets prior to maturity is subject to certain restrictions set forth in the offering and constitutive documents of the relevant ABS. The ABS Assets are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the value of the securities.

The abovementioned risks described of ABS also apply to MBS and CMBS.

Certain bond Underlying Funds may invest their assets in ABS, MBS and CMBS.

5.2.19 Sector-Specific Risk

The Underlying Funds may also be investing in specific sectors. As the policy of the Investment Manager and the relevant Sub-Manager is to take a more concentrated approach in order to take a greater advantage of successful investments, there is a greater than usual risk. As the investment potential is long term, prices may be subject to above-average volatility. Investors should be aware that there can be no assurance that an Underlying Fund's investment will be successful or that the investment objectives of a particular Underlying Fund will be attained.

5.2.20 Specific Risk Consideration in relations to the Manager's Environmental, Social and Governance (ESG) and Investment Approach

The Investment Manager's ESG Principles and eligibility criteria may affect the Underlying Fund's investment performance and, as such, the Underlying Fund may perform differently compared to similar funds that do not use such criteria. Such ESG principles and eligibility criteria may result in the Underlying Funds foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their environmental and social characteristics when it might be disadvantageous to do so. The Underlying Fund may have a concentration in investments with an ESG focus, and its value may be more volatile than that of funds having a more diverse portfolio of investments.

In assessing a potential investment's alignment with the Investment Manager's ESG Principles and eligibility for inclusion, the Investment Manager may rely on information and data from internal research inputs and external research data providers. Such information or data may be incomplete, inaccurate or inconsistent. The selection of securities may involve the Investment Manager's subjective judgement. The lack of a standardised taxonomy of ESG evaluation methodology may also affect the Investment Manager's ability to measure and assess the environment and social impact of a potential investment.

The securities held by the Underlying Funds may be subject to style drift which no longer aligns with the Investment Manager's ESG Principles. The Investment Manager might need to dispose of such securities when it might be disadvantageous to do so. This may lead to a fall in the Underlying Fund's net asset value. While the investments of the Underlying Fund may be subject to ESG risks, such ESG risks may or may not have a positive impact on the Underlying Fund's returns, as it would also depend on other factors, such as issuers' fundamentals and investor sentiment.

5.2.21 Exchange Traded Commodities ("ETC")

Underlying Funds may invest in commodities linked securities or instruments traded on regulated market. ETCs track the performance of an underlying commodity, commodity future or commodity index, and offers investors quick, cost effective and transparent access to commodities without the need to purchase forward contracts or physically possess the commodity. Legally, ETCs constitute undated notes from the respective issuer, thus subject to the credit risk of the issuer, and not special assets in the form of a fund structure. The prices of the commodities may be affected by various risk factors including but not limited to monetary policies, government reserves, supply and demand disruptions, inflation expectations, interest rates and foreign exchange rates movements, political (embargoes, regulations, government policies etc), environmental (drought, floods, weather, disease, etc) and/or commercial (tariffs, dominant position, etc) factors. The Underlying Funds may be exposed to greater volatility of their assets and their Net Asset Value may be affected unfavourably by adverse movements in the commodity prices due to these risk factors. The Underlying Funds may invest in gold ETCs.

5.2.22 Income-producing Securities

Although the Underlying Funds will generally invest in income-producing securities, it is not guaranteed that all underlying investments will generate income. To the extent that underlying investments of the Underlying Funds are income producing, higher yields generally mean that there will be (a) reduced potential for capital appreciation for equity securities; and (b) increased potential for capital appreciation and/or depreciation for fixed income securities.

5.2.23 Investment in shares of Prudential plc

Investors should note that the Underlying Funds may invest in shares of Prudential plc. or any affiliated entities. Any conflict of interests arising thereto will be managed in accordance with the conflict of interests policy of Eastspring Group.

5.2.24 Custody Risk

Assets of the Underlying Fund are safe kept by the Depositary and investors are exposed to the risk of the Depositary not being able to fully meet its obligation to restitute in a short time frame all of the assets of the Underlying Fund in the case of bankruptcy of the Depositary. The assets of the Underlying Fund will be identified in the Depositary's books as belonging to the Depositary. Securities held by the Depositary will be segregated from other assets of the Depositary which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy. The Depositary does not keep all the assets of the Underlying Fund itself but uses a network of third-party delegates which are not necessarily part of the same group of companies as the Depositary. Investors are exposed to the risk of bankruptcy of the third-party delegates in the same manner as they are to the risk of bankruptcy of the Depositary.

5.2.25 Specific risk considerations in relation to the Asian property securities

Investors should be aware that investment in property is a long-term undertaking and there are specific risks associated with investment in real estate investment trusts and property related securities of companies. These include the cyclical nature of the real estate market, exposure to domestic and global macroeconomic cycles, increases in interest rates, fluctuations in security prices owing to stock market movements and changes in investor sentiment, increases in property taxes and operating expenses, depreciation in the value of buildings over time, variations in property prices and rental income, changes in district values, changes in government policies with regard to real estate, regulatory limits on rents, changes in zoning laws, environmental risks, related party risks, losses generating from casualty and natural catastrophes (e.g. earthquakes), and changes in other real estate capital market factors.

The prices of REITs are affected by changes in the value of the underlying properties owned by the REITs and may subject the Underlying Fund to risks similar to those from direct ownership of real property.

Real estate investments invested in by REITs are relatively illiquid and may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate markets or other conditions.

Returns from REITs are dependent on management skills in managing the underlying properties. REITs are subject to risk of defaults by borrowers or tenants. In the event of a default, a REIT may experience delays in enforcing its rights and may suffer losses as a result.

The dividend/payout policy of the Underlying Fund is not representative of the dividend/payout policy of the underlying REITs.

5.2.26 Risk relating to dynamic asset allocation strategy

The investments of the Underlying Fund may be adjusted from time to time and therefore the Underlying Fund may incur greater transaction costs than a fund with static allocation strategy. Such dynamic asset allocation of the Underlying Fund 's investments may not achieve the desired results under all circumstances and market conditions.

5.2.27 Country Specific Risk

The Underlying Fund may invest in securities of one country or a limited number of countries. Underlying Fund that invest in one or a few, select countries will be exposed to market, currency, and other risks related specifically to the economies of those countries. Government regulations and limitations on transactions and capital flows could negatively impact the Underlying Fund's performance. Country specific issues could magnify the negative performance of the Underlying Fund. The Underlying Fund may be subject to volatility and structural risks associated with specific countries, and performance may lag the performance of Underlying Fund that invest in a diversified portfolio across many countries. Exposure to one or a limited number of countries market also increases the potential volatility of such Underlying Fund due to the increased concentration risk as they are less diversified compared to exposure to specific regional or global markets.

High market volatility and potential settlement difficulties in markets in certain countries or regions may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Underlying Fund.

5.2.28 Concentration Risk

The Underlying Fund's investments may be concentrated in a specific geographical location. The value of the Underlying Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

The value of the Underlying Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant market or a particular sector that the Underlying Fund may invest into.

5.2.29 Credit Default Swaps Risk

A credit default swap ("CDS") allows the transfer of default risk. This allows the Underlying Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy (or sell) protection on a reference obligation it does not physically own in the expectation that the credit will decline (increase) in quality.

In a CDS transaction, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties).

If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid.

If the buyer or seller terminates the CDS transaction before maturity of the contract, the buyer and seller will face market risk from the changes in the price of the CDS driven by changes in the credit quality of the reference obligation since the inception of the trade.

If there is a credit event and the buyer does not hold the underlying reference obligation, the buyer may face market risk as the buyer may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the buyer may not recover the full amount due to it from the counterparty.

The risk of the seller is the loss in value of the reference obligation, net of CDS premiums received and the final value of the reference obligation.

The amount at risk is limited to the sum insured on the reference obligation. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Investment

Manager will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

Total Return Swaps

A total return swap is an over-the-counter ("OTC") derivative contract in which the total return payer transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to the total return receiver. In exchange, the total return receiver either makes an upfront payment to the total return payer, or makes periodic payments based on set rate which can be either fixed or as well as counterparty risk.

(a) Liquidity risk

Due to the periodic settlement of outstanding amounts and/or periodic margin calls under the relevant contractual agreements, a counterparty may, under unusual market circumstances, have insufficient funds available to pay the amounts due. Moreover, each total return swap is a bespoke transaction among others with respect to its reference obligation, duration, and contractual terms, including frequency and conditions for settlement. Such lack of standardisation may adversely affect the price or conditions under which a total return swap can be sold, liquidated or closed out. Any total return swap therefore involves certain degree of liquidity risk. which may have a significant effect, either negative or positive, on the Underlying Fund's NAV and on the ability of the Underlying Fund to meet redemption requests, security purchases or, more generally, reinvestment.

(b) Counterparty Risk

As any OTC derivative, a total return swap is a bilateral agreement which involves a counterparty which may, for any reason, not be in a position to fulfil its obligations under the total return swap. Each party to the total return swap is therefore exposed to counterparty risk.

(c) Operational risk

The risks arising from the use of total return swaps will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of total return swaps will generally not have a material impact on the Underlying Fund's performance.

(d) Legal risk

The use of total return swaps and their consequences for the Underlying Fund, are substantially affected by legal requirements. No assurance can be given that future legislation, administrative rulings or court decisions will not adversely affect the Underlying Fund . Furthermore, considering that certain transactions are entered into on the basis of complex legal documents, such documents may be difficult to enforce in certain jurisdictions or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (including without being limited to insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions consisting in total return swaps.

(e) Custody risk

The Underlying Fund's assets are held in custody by the Depositary, which exposes the Underlying Fund to custodian risk. In consequence, the Underlying Fund may be exposed to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraudulent trading by the Depositary.

5.2.30 Securities Lending Risks

The underlying fund may enter into securities lending transactions, which exposes the Underlying Fund to certain operational, liquidity, counterparty, custody and legal risks.

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

(a) Operational risk

The risks arising from the use of securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. It is expected that the use of securities lending transactions will generally not have a material impact on the Underlying Fund’s performance.

(b) Liquidity risk

The use of securities lending transactions may have a significant effect, either negative or positive, on the Underlying Fund’s NAV. The use of such techniques may have an impact on the ability of the Underlying Fund to meet redemption requests, security purchases or, more generally, reinvestment.

(c) Counterparty risk

Securities lending transactions involve counterparty risk, including the risk that the lent securities may not be returned or returned in a timely manner, thereby restricting the ability of the Underlying Fund to meet delivery obligations under security sales. Should the borrower of securities fail to return the securities lent by a Underlying Fund, there is a risk that the collateral received may be realized at a lower value than the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements, decrease in the credit rating of the issuer of the collateral or the illiquidity of the market in which the collateral is traded, which could adversely impact the performance of the Underlying Fund.

(d) Custody risk

The Underlying Fund’s assets are held in custody by the Depositary, which exposes the Underlying Fund to custodian risk. This means that the Underlying Fund may be exposed to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraudulent trading by the Depositary.

(e) Legal risk

The use of securities lending transactions and their consequences for the Underlying Fund, are substantially affected by legal requirements. No assurance can be given that future legislation, administrative rulings or court decisions will not adversely affect the Underlying Fund. Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions consisting in securities lending transactions.

5.2.31 Risks from investing in Investment Grade Bond/Fixed Income Securities

The Underlying Funds may invest in investment grade bonds or fixed income securities where there is a risk that the rating of the bonds held by the Underlying Funds may be downgraded at any time. In the event of such downgrading, the value of the Underlying Funds may be adversely affected. The Investment Manager may or may not be able to dispose of the debt instruments that are being downgraded. The Underlying Funds may continue to hold securities that are downgraded below the minimum indicated rating after purchase but may not make additional purchases of such securities.

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

Further, unrated fixed income securities which the Investment Manager considers to be of comparable quality to a security rated investment grade may exhibit quality and behaviour (e.g. liquidity, pricing, default probability) that are similar to securities which are below investment grade. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.

5.2.32 Risks from investing in Sovereign Bonds

The Underlying Funds may invest in fixed income/debt securities issued or guaranteed by the government or the government-related entities of one country or a number of countries. Investment in fixed income/debt securities is subject to political, social, economic, interest rate, sector, security and credit risks and exposure to one or a number of countries will augment the potential volatility of the Underlying Funds due to increased country specific and concentration risk. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Underlying Funds to participate in restructuring such debts. The Underlying Funds may suffer significant loses when there is a default of sovereign debt issuers.

5.2.33 Risks from investing in Non-Investment Grade Sovereign Bonds

The Underlying Funds may invest in fixed income/debt securities issued or guaranteed by the government or the government-related entities of countries that are non-investment grade. Lower-rated sovereign bonds are subject to increased risk of credit and default, which may result in greater volatility compared to investment grade sovereign bonds. The Underlying Funds may potentially suffer substantial losses if the non-investment grade sovereign issuer/s default. These lower-rated sovereign bonds may offer higher yields to compensate for the increased risks.

5.2.34 Risks from investing in Green Bonds

Investment in green bonds involves additional risks compared to other bonds: (1) the market for green bonds is likely to be smaller and less liquid than markets for other types of bonds; (2) projects for which the proceeds of green bonds are used are not always precisely defined; (3) green bonds may produce a lower yield than other types of bonds; and (4) prices of green bonds may be less transparent and more affected by fluctuations in oil and other commodities prices.

5.2.35 Convertible Bond Risk

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. Convertible bonds are subject to the risks associated with both fixed income securities and equities. Convertibles will also be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds that are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

5.2.36 Risk associated with instruments with loss absorption features

The Underlying Funds may invest in instruments with loss absorption features which are subject to greater risks when compared to traditional debt instruments as such instruments typically include terms and conditions which may result in them being partly or wholly written off, written down, or converted to ordinary shares of the issuer upon the occurrence of a pre-defined trigger event (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level). Such trigger events are likely to be outside of the issuer's control, and are complex and difficult to predict and can result in a significant or total reduction in the value of such instruments. In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk. The Underlying Funds may invest in contingent convertible debt securities, commonly known as CoCos, which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The Underlying Funds may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

For example, an Underlying Fund may invest in:

(a) CoCos with loss absorption features (such as Additional Tier 1 capital and Tier 2 capital instruments with mechanical triggers); and

(b) non-preferred senior debt and other subordinated debts with loss absorption features. Such trigger events are likely to be outside of the issuer's control and commonly include a reduction in the issuer's capital ratio below a specified level or upon specific government or regulatory action being taken as a result of the issuer's ongoing financial viability. Trigger events are complex and difficult to predict and can result in a significant or total reduction in the value of such instruments, giving rise to consequential loss of the Underlying Fund.

5.2.37 Underlying Funds Investing in Participation Notes

Investment in Participation Notes involves an OTC transaction with a third party. Therefore, The Underlying Funds investing in Participation Notes are exposed not only to movements in the value of the underlying equity, but also to the risk of counterparty default, which may in the event of counterparty default result in the loss of the full market value of the equity.

5.2.38 Risks of credit-linked notes

Credit-linked notes involve a counterparty structuring a note whose value is intended to move in line with the underlying instrument specified in the note. Investment in credit-linked notes may involve certain risks, including the credit risk of the issuer and the common risks of price fluctuations in response to changes in interest rates and credit qualities. These instruments may be less liquid compared to other types of debt securities, and may be more volatile than their underlying reference instrument.

5.2.39 Risk of Investing in other collective investment schemes and exchange traded funds

The Underlying Funds will be subjected to the risks associated with other collective investment schemes and exchange traded funds in which it may invest. The Underlying Funds do not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the Net Asset Value of the Underlying Funds.

There may be additional costs involved when investing into such collective investment schemes and exchange traded funds. There is no guarantee that the underlying funds will always have sufficient liquidity to meet the Underlying Funds' redemption requests as and when made.

5.2.40 PRC Risk

(a) General

The Underlying Fund may be subject to the economic, political and social development and risks in the PRC. In recent years the Chinese government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy. Although many of such reforms have resulted in significant economic growth and social progress, some of them are unprecedented or experimental and are subject to adjustment and modification. Other political, economic and social factors existing in mainland China can also lead to further adjustment of the reform measures. It is uncertain whether or not such reforms will be positive to the stock markets as well as the performance of the Underlying Fund .

Companies in the PRC are required to follow the Chinese accounting standards and practice which, to a certain extent, follow international accounting standards. The financial statements prepared by accountants following the Chinese accounting standards and practice may differ from (or are less stringent than) those prepared in accordance with international accounting standards.

The PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organization and governance, foreign investment, commerce, taxation and trade, however, these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve uncertainties. In addition, the PRC laws for investor protection are still in developing stage and may be less sophisticated than those in developed countries.

(b) PRC securities markets and exchanges

The PRC securities markets, including the PRC stock exchanges, currently are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. In addition, the regulation of, and enforcement activity in, the PRC securities markets may not be equivalent to that in markets in OECD countries. There may not be equivalent regulation and monitoring of the PRC securities markets and activities of investors, brokers and other participants to that in certain OECD markets.

The PRC stock exchanges may have lower trading volumes than some OECD exchanges and the market capitalisations of listed companies may be smaller compared to those on more developed exchanges in developed markets. The listed securities of many companies in the PRC may accordingly be materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD countries. Government supervision and regulation of the PRC securities markets and of quoted companies may also be less developed than in some OECD countries. In addition, there is a high measure of legal uncertainty concerning the rights and duties of market participants when compared to investments made through securities systems of established markets.

The PRC stock market has in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the Underlying Fund, the ability of investors to redeem units and the price at which units may be redeemed.

(c) Risks associated with the Offshore Market

RMB which is traded within the Onshore Market (i.e. the CNY) may trade at a different rate compared to RMB which is traded within the Offshore Market (i.e. the CNH) even though CNH and CNY are the same currency. The Underlying Fund investments may be exposed to both the CNY and the CNH, and the Underlying Fund may consequently be exposed to greater exchange risks and/or higher costs of investment (for example, when converting other currencies to the RMB at the rate of exchange prevailing in relation to the CNH).

Underlying Fund whose base currency is not RMB may also be exposed to currency risk due to the need for the conversion into RMB for investments in onshore PRC Securities. During any such conversion, the Underlying Fund may also incur currency conversion costs. The currency exchange rate may be subject to fluctuation and where RMB has depreciated, the Underlying Fund may incur a loss when it converts the sale proceeds of the onshore PRC Securities into its operating currency.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Underlying Fund. The NAV of the Underlying Fund may also be affected unfavourably by adverse movements in foreign currency exchange rates between RMB and the base currency of the Underlying Fund .

5.2.41 PRC Tax Consideration

By investing in onshore Renminbi debt securities, China A-Shares and other onshore permissible securities ("PRC Securities"), the Underlying Fund may be subject to withholding and other taxes imposed in the PRC. The tax laws, regulations and practice in the PRC are constantly changing, and they may be changed with retrospective effect.

The interpretation and applicability of the tax law and regulations by PRC tax authorities are not as consistent and transparent as those of more developed countries and may vary from region to region.

5.2.42 PRC Debt Instruments Risk

The Underlying Fund may invest its assets in Renminbi-denominated debt instruments in the PRC through the inter-bank bond market or the exchange-traded bond market in the PRC.

(a) General

Debt securities associated with the PRC and investment in Chinese bond market may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of such securities may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Underlying Fund may incur significant trading costs.

Investors should note that as the PRC financial market is nascent, most of the Renminbi-denominated debt instruments may be unrated. Renminbi-denominated debt instruments can be issued by a variety of issuers inside or outside the PRC including commercial banks, state policy banks, corporations, etc. These issuers may have different risk profiles and their credit quality may vary. Furthermore, Renminbi-denominated debt instruments are generally unsecured debt obligations not supported by any collateral. The Underlying Fund may be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

(b) Liquidity risk

Renminbi-denominated debt instruments are not regularly traded and may have lower trading volumes than other more developed markets. An active secondary market for these instruments is yet to be developed. The bid and offer spread of the price of Renminbi-denominated debt instruments may be large and the Underlying Fund may incur significant trading and realisation costs.

(c) Interest rate risk

Changes in macroeconomic policies of the PRC (i.e. monetary policy and fiscal policy) will have an influence over capital markets affecting the pricing of debt instruments and thus, the return of the Underlying Fund. The value of Renminbi-denominated debt instruments held by the Underlying Fund generally will vary inversely with changes in interest rates and such variation may affect the value of the Underlying Fund's assets accordingly. Typically, when interest rates increase, the value of fixed income assets tend to depreciate. On the contrary, when interest rates decrease, the value of fixed income assets tends to appreciate.

(d) Valuation risk

Renminbi-denominated debt instruments are subject to the risk of mispricing or improper valuation, i.e. operational risk that the debt instruments are not priced properly. Valuations are primarily based on valuations from independent third party sources where prices are available, accordingly valuations may sometimes involve uncertainty and judgemental determinations and independent pricing information may not be available at all times.

(e) Credit rating risk

Many of the debt instruments in the PRC do not have a rating assigned by international credit agencies. The credit appraisal system in the PRC is at an early stage of development; there is no standard credit rating methodology used in investment appraisal and the same rating scale may have a different meaning in different agencies. The assigned ratings may not reflect the actual financial strength of the appraised asset.

Rating agencies are private services that provide ratings of the credit quality of debt instruments. Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes to credit ratings and an issuer's current financial condition may be better or worse than a rating indicates.

(f) Credit rating downgrading risk

An issuer of Renminbi-denominated debt instruments may experience an adverse change in its financial condition which may in turn result in a decrease in its credit rating. The adverse change in financial condition or decrease in credit rating of an issuer may result in increased volatility in, and adverse impact on, the price of the relevant Renminbi-denominated debt instruments and negatively affect liquidity, making any such debt instruments more difficult to sell.

(g) Unrated or high yield debt instruments

Subject to the PRC regulations and the investment objective of the Underlying Fund, where the assets of the Underlying Fund may be invested in unrated or low grade debt instruments, such instruments are subject to greater risk of loss of principal and interest than higher rated debt instruments.

The lower ratings of certain debt instruments or unrated debt instruments held for the account of the Underlying Fund reflect a greater possibility that adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. Such debt instruments generally carry a higher degree of default risk which may affect the capital value of an investment. Unrated debt instruments may be less liquid than comparable rated debt instruments and involve the risk that the Underlying Fund may not accurately evaluate the debt instrument’s comparative credit rating.

(h) Risk of investing in urban investment bonds

Urban investment bonds are debt securities issued by local government agencies’ financing vehicles (“LGFVs”) in PRC and are listed or traded in the interbank bond market. LGFVs are separate legal vehicles established by the local government or their affiliates to raise funds for public welfare investment or infrastructure projects. Although urban investment bonds are issued by LGFVs and appear to be connected with local government bodies, the debt is backed by tax revenues or cash flow of investment projects and such debts are typically not guaranteed by local governments or the central government of the PRC. Such local governmental bodies or the central government are not obligated to provide financial support in case of default. Where the Underlying Fund may invest its assets in urban investment bonds and in the event that the LGFVs default on payment of principal or interest of the urban investment bonds, in such case, the Underlying Fund could suffer significant loss and the Underlying Fund ’s net asset value could be adversely affected. The credit risk and price volatility of these bonds may be higher when compared with other bonds such as central bank bonds and policy bank bonds. Besides, liquidity may be low during adverse market situations.

(i) "Dim Sum" bond (i.e. bonds issued outside of PRC but denominated in RMB) market risks

The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. Where the Underlying Fund may invest its assets in "Dim Sum" bonds, the operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the NAV of the Underlying Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s).

(j) PRC interbank bond market

The PRC interbank bond market is a quote-driven over-the counter (OTC) market, where deals are negotiated between two counterparties through a trading system. It will be subject to risks associated with OTC markets, including counterparty default risks on parties with whom the Underlying Fund trades and when placing cash on deposit. The Underlying Fund will also be exposed to the risk of settlement default by a counterparty. The risk of default of a counterparty is linked to the credit worthiness of the counterparty.

(k) Credit and counterparty risks

Investment in Renminbi-denominated debt instruments is subject to the risk the counterparty which may be unable or unwilling to make timely payments on principal and/or interest. The financial market of the PRC, including the PRC interbank bond market, is at an early stage of development. In the event of a default of a counterparty of the Renminbi-denominated debt instruments, the Underlying Fund's value will be adversely affected. The Underlying Fund may also encounter difficulties or delays in enforcing its rights against the counterparties of Renminbi-denominated debt instruments.

Renminbi-denominated debt instruments may be offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if a counterparty becomes bankrupt or insolvent, proceeds from the liquidation of the counterparty's assets will be paid to the holders of Renminbi-denominated debt instruments only after all secured claims have been satisfied in full. In addition, the Underlying Fund may experience delays in liquidating its positions and may incur significant losses or the inability to redeem any gain on investment during the period in which the Underlying Fund seeks to enforce its rights.

5.2.43 Risks associated with the QFII/RQFII Investments

Overview of QFII/RQFII Investments

The Underlying Fund, as indicated in their Key Investor Information Documents (KIIDs), may invest directly in China A-Shares and/or PRC fixed income securities and other permitted securities (as relevant) in the PRC via the QFII/RQFII License granted by CSRC to the QFII/RQFII Licence Holder. On 7 May 2020, the PBOC and SAFE issued the Provisions on the Administration of Funds of Foreign Institutional Investors for Domestic Securities and Futures Investment, which took effect on 6 June 2020 ("Funds Administration Provisions"). On 25 September 2020, the CSRC, PBOC and SAFE jointly issued the Measures for the Administration of Domestic Securities and Futures Investment by QFII and RQFII ("QFII/RQFII Measures") and the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by QFII and RQFII ("QFII/RQFII Provisions"), which will take effect from 1 November 2020. Based on the above QFII/RQFII regulations, the QFII regime and RQFII regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC may apply to the CSRC for the QFII/RQFII License. A foreign institutional investor having held a RQFII license will automatically be regarded as having QFII/RQFII License and there is no need for such foreign institutional investor to re-apply for the QFII/RQFII License. Since the Investment Manager has been granted with RQFII license by CSRC, the Investment Manager shall be regarded as a QFII/RQFII License Holder, and may freely select to use funds in foreign currencies which can be traded on CFETS and/or offshore RMB funds to be remitted in to carry out PRC domestic securities and futures investment as long as separate cash accounts for receiving such cash are duly opened.

According to the Funds Administration Provisions, for remittance of foreign currencies, a QFII/RQFII License Holder shall open foreign exchange account(s) for the remitted funds in foreign currencies and a corresponding RMB special deposit account for each relevant foreign exchange account; for remittance of offshore RMB funds, a QFII/RQFII License Holder shall open RMB special deposit account(s) for the remitted funds in offshore RMB. QFII/RQFII License Holders are not subject to investment quota limits.

The Underlying Fund may obtain access to China A-Shares and/or China onshore bonds in the PRC or other permissible investments directly using the status of a QFII/RQFII License Holder. The Underlying Fund may invest directly in QFII/RQFII eligible securities investment via the QFII/RQFII status of the Investment Manager.

Risk factors

(a) QFII/RQFII Investment Restrictions Risk

The Underlying Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.

Although the QFII/RQFII License Holder does not anticipate that QFII/RQFII investment restrictions will impact on the ability of the Underlying Fund to achieve their investment objectives, investors should note that the relevant PRC laws and regulations may limit the ability of a QFII/RQFII License Holder to acquire China A-Shares in certain PRC issuers from time to time. This may occur in a number of circumstances, such as (i) where an underlying foreign investor such as the QFII/RQFII License Holder holds in aggregate 10% of the total share capital of a listed PRC issuer (regardless of the fact that the QFII/RQFII License Holder may hold its interest on behalf of a number of different ultimate clients), and (ii) where the aggregated holdings in China A-Shares by all underlying foreign investors (including other QFII/RQFII License Holder and investors through Shanghai/Shenzhen-Hong Kong Stock Connect and whether or not connected in any way to the Underlying Fund) already equal 30% of the total share capital of a listed PRC issuer. In the event that these limits are exceeded the relevant underlying foreign investors will be required to dispose of the China A-Shares in order to comply with the relevant requirements and, in respect of (ii), each underlying foreign investor will dispose of the relevant China A-Shares on a “last in first out” basis.

Such disposal will affect the capacity of the Underlying Fund in making investments in China A-Shares through the QFII/RQFII.

Although at the current stage a Underlying Fund's investment through the QFII/RQFII is not subject to any mandatory investment allocation requirement under the relevant PRC regulations, there can be no guarantee that the PRC regulatory authorities would not provide such requirement in the future whereby affecting the Underlying Fund’s ability to achieve its investment allocation accordingly.

An Underlying Fund may also suffer substantial losses if the approval of the QFII/RQFII Licence is being revoked/terminated or otherwise invalidated as the Underlying Fund may be prohibited from trading of relevant securities and repatriation of the Underlying Fund ’s monies.

(b) QFII/RQFII Custody Risk

Subject to the relevant PRC regulations, the Investment Manager (as a QFII/RQFII License Holder) could be the party entitled to the securities (albeit that this entitlement does not constitute an ownership interest), such PRC securities investment of the Underlying Fund may be vulnerable to a claim by a liquidator of the Investment Manager and may not be as well protected as if they were registered solely in the name of the Underlying Fund. In particular, there is a risk that creditors of the Investment Manager may incorrectly assume that the Underlying Fund ’s assets belong to Investment Manager and such creditors may attempt or seek to gain control of the Underlying Fund ’s assets to meet the Investment Manager’s liabilities owed to such creditors. In such circumstances the Underlying Fund may experience delays and/or incur additional expense to enforce the Underlying Fund ’s rights and ownership over such assets.

(c) Suspensions, Limits and other Disruptions affecting Trading of China A-Shares

Liquidity for China A-Shares will be impacted by any temporary or permanent suspensions of particular stocks imposed from time to time by the Shanghai and/or Shenzhen stock exchanges or pursuant to any regulatory or governmental intervention with respect to particular investments or the markets generally. Any such suspension or corporate action may make it impossible for the Underlying Fund to acquire or liquidate positions in the relevant stocks as part of the general management and periodic adjustment of the Underlying Fund ’s investments through the QFII/ RQFII or to meet redemption requests. Such circumstances may also make it difficult for the Net Asset Value of the Underlying Fund to be determined and may expose the Underlying Fund to losses.

In order to mitigate the effects of extreme volatility in the market price of China A-Shares, the Shanghai and Shenzhen stock exchanges currently limit the amount of fluctuation permitted in the prices of China A-Shares during a single trading day. The daily limit is currently set at 10% and represents the maximum amount that the price of a security (during the current trading session) may vary either up or down from the previous day’s settlement price. The daily limit governs only price movements and does not restrict trading within the relevant limit. However, the limit does not limit potential losses because the limit may work to prevent a liquidation of any relevant securities at the fair or probable realisation value for such securities which means that the Underlying Fund may be unable to dispose of unfavourable positions. There can be no assurance that a liquid market on an exchange would exist for any particular China A-Share or for any particular time.

(d) Counterparty Risk to the PRC Custodian and other Depositaries for PRC assets

Any assets acquired through the QFII/RQFII will be maintained by the PRC Custodian, in electronic form via the securities account(s) and any cash will be held in Renminbi cash account(s) with the PRC Custodian. Securities account(s) and Renminbi cash account(s) for the Underlying Fund in the PRC are maintained in accordance with market practice. Whilst the assets held in such accounts are segregated and held separately from the assets of the QFII/RQFII License Holder and belong solely to the Underlying Fund, it is possible that the judicial and regulatory authorities in the PRC may interpret this position differently in the future. The Underlying Fund may also incur losses due to the acts or omissions of the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

Cash held by the PRC Custodian in the Renminbi cash account(s) will not be segregated in practice but will be a debt owing from the PRC Custodian to the Underlying Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the PRC Custodian. In the event of insolvency of the PRC Custodian, the Underlying Fund will not have any proprietary rights to the cash deposited in the cash account opened with the PRC Custodian, and the Underlying Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. The Underlying Fund may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Underlying Fund will lose some or all of its cash.

(e) Counterparty Risk to PRC broker(s) / trading and settlement agent

The QFII/RQFII License Holder selects PRC broker(s), and trading and settlement agent, to execute transactions for the Underlying Fund in markets in the PRC. Pursuant to the relevant PRC regulations, securities trades under the QFII/RQFII regime may be executed through one or more PRC brokers / the trading and settlement agent that may be appointed for trading in any PRC stock exchange or inter-bank bond market for the Underlying Fund

If, for any reason, the RQFII is unable to use the relevant broker / trading and settlement agent in the PRC, the operation of the Underlying Fund may be adversely affected. The Underlying Fund may also incur losses due to the acts or omissions of any of the PRC broker(s) / trading and settlement agent in the execution or settlement of any transaction or in the transfer of any funds or securities.

However, the QFII/RQFII License Holder shall, in the selection of PRC brokers/ trading and settlement agent, have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the QFII/RQFII License Holder considers appropriate, it is possible that a single PRC broker/ trading and settlement agent will be appointed and the Underlying Fund may not necessarily pay the lowest commission available in the market.

There is a risk that the Underlying Fund may suffer losses from the default, insolvency or disqualification of a PRC broker/ trading and settlement agent. In such event, the Underlying Fund may be adversely affected in the execution of transactions through such PRC broker/ trading and settlement agent. As a result, the Net Asset Value of the Underlying Fund may also be adversely affected. To mitigate the SICAV's exposure to the PRC broker(s) / trading and settlement agent, the QFII/RQFII License Holder employs specific procedures to ensure that each PRC broker / trading and settlement agent selected is a reputable institution and that the credit risk is acceptable to the SICAV.

(f) Remittance and Repatriation of Renminbi

Applications for subscription, redemption and/or conversion of units may be subject to certain requirements under the QFII/RQFII regime and other relevant PRC regulations. The repatriation of invested capital and of income and capital gains of the Underlying Fund from the PRC is subject to the relevant PRC regulations in effect from time to time.

Repatriations of Renminbi by QFII/RQFII License Holders are currently permitted on a daily basis based on the net subscriptions and redemptions of units of the Underlying Fund (as an open-ended fund) and are not subject to repatriation restrictions, any lock-up period or prior regulatory approval; although there are requirements on the movement of onshore Renminbi offshore and authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the PRC Custodian. At present, there is no regulatory prior approval requirement for repatriation of funds under the above circumstances, however, there is no assurance that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Further, such changes to the PRC rules and regulations may be applied retroactively.

Foreign investment limits, and the regulations relating to the repatriation of capital and profits may potentially be applied in relation to the QFII/RQFII License Holder as a whole. Hence the ability of the Underlying Fund to make investments and/or repatriate monies may be affected adversely by the investments, performance and/or repatriation of monies invested by other investors through the QFII/RQFII License Holder.

Any requirement on repatriation imposed in respect of the Underlying Fund ’s cash may have an adverse effect on the Underlying Fund ’s ability to meet redemption requests.

Furthermore, as the PRC Custodian’s review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the PRC Custodian in case of non-compliance with the QFII/RQFII rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholder as soon as practicable and after the completion of the repatriation of funds concerned. The actual time required for the completion of the relevant repatriation will be beyond the QFII/RQFII License Holder’s control.

Risks associated with ChiNext market and/or STAR Board:

(a) Higher fluctuation on stock prices and liquidity risk: Listed companies on the ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. Listed companies on ChiNext market and/or STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on the these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and may be more thinly traded than companies listed on the main board.

(b) Over-valuation risk: Stocks listed on the ChiNext market and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. At the same time, stock price may be more susceptible to manipulation due to fewer circulating shares.

(c) Differences in regulation: The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main board.

(d) Delisting risk: It may be more common and faster for companies listed on the ChiNext market and/or STAR Board to delist. ChiNext market and STAR Board have stricter criteria for delisting compared to other boards. This may have an adverse impact on the Underlying Fund if the companies that it invests in are delisted.

(e) Concentration risk: STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the fund to higher concentration risk.

Investments in the ChiNext market and/or STAR Board may result in significant losses for the Underlying Fund and its investor.

5.2.44 Impact of Sustainability Risks

Sustainability Risks mean, as defined in the SFDR (as defined in Glossary Terms), an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Underlying Fund's investment.

In accordance with article 6(1) SFDR, the Management Company, in coordination with the relevant Underlying Funds' investment manager, shall, with respect to the Underlying Funds, describe (i) the manner in which Sustainability Risks are integrated into their investment decisions and (ii) the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Underlying Fund.

The Underlying Fund may be affected by a number of environmental, social and governance factors, referred to as ESG factors, which may adversely affect the value of the investments in which the Underlying Fund invests. It cannot be guaranteed that investments made by the Underlying Fund would not be subject to sustainability risks and ESG factors.

The Underlying Fund and their investments may be negatively affected by the exposure to environmental conditions such as climate change-related events, such as floods, storms and consequent destructions and famines. Losses related to these events may be material. In addition, the actions taken on investment positions to improve their environmental (such as energy efficiency, clean energy production and consumption, water and waste treatment, anti-pollution measures, resource management) or social (such as inclusion, health and wellbeing, safety and security) profile may impose significant short-term costs as well as material investments and effort where economic returns may be uncertain. Assessment of the impact of sustainability risks on the performance and returns of the Underlying Fund may be difficult to predict and is subject to inherent limitations such as the availability and quality of the data used.

Investors shall also take into consideration the adverse impacts that the Underlying Fund's investments may have on ESG factors: a negative impact or lack of positive contribution in these factors may lead to a number of negative fallouts ranging from reputational damages to fines and direct economic consequences. Investors should also be aware that if sustainability risks materialise in respect of Underlying Fund's investment, these may have further impacts on other type of risks, such as reputational risk for the SICAV, the Management Company and the Investment Manager.

5.2.45 Russian invasion of Ukraine

As a result of the Russian invasion of Ukraine, the European Union, the United States, the United Kingdom and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, government officials, legal persons and other individuals in Russia and Belarus. Because the situation is still evolving, the Board of Directors has adopted a strict approach according to which shares of the Underlying Fund cannot be subscribed directly by or for the ultimate benefit (through any kind of intermediaries, as the case may be) of Russian and Belarussian national investors or any natural person residing in Russia/Belarus or any legal person, entity or body established in Russia/Belarus or owned by a Russian/Belarussian national or a natural person residing in Russia/Belarus

5.2.46 Small-capitalisation/ Mid-capitalisation Risk

Investment in securities of small-capitalisation/ mid-capitalisation companies can involve greater risk than that normally associated with larger, more established companies. In particular, small-capitalisation/mid-capitalisation companies have limited product lines, markets or financial resources and may be dependent on their management comprising of a limited number of key individuals. Securities of small-capitalisation/ mid-capitalisation companies may also have lower liquidity and their prices are more volatile to adverse economic developments, than those of larger capitalisation companies in general, as a result of inadequate trading volume or restrictions on trading and this may result in fluctuations in the price of the units.

5.2.47 Dislocation of the European Union

There is a heightened risk of market instability and legal and regulatory change following the United Kingdom's (the "UK") exit from the European Union.

This may be characterised by: (i) market dislocation; (ii) economic and financial instability in the UK and European Union Member States; (iii) increased volatility and reduced liquidity in financial markets; (iv) an adverse effect on investor and market sentiment; (v) destabilisation of Sterling and of the Euro; (vi) reduced deal flow in the SICAV's target markets; (vii) increased counterparty risk; and (viii) reduced availability of capital.

The effects on the UK, European and global economies of the exit of the UK (and/or other European Union Member States) from the EU, or the exit of one or more European Union Member States from the European Monetary Area and/or the redenomination of financial instruments from the Euro to a different currency, are impossible to predict and protect fully against in view of: (i) economic and financial instability in the UK and in European Union Member States; (ii) the severity of the recent global financial crisis; (iii) difficulties in predicting whether the current signs of recovery will be sustained and at what rate; (iv) the uncertain legal position; (v) the impact of macro geopolitical considerations including concurrent European Union trade negotiations with other non-European Union states and heightened flows of displaced persons from outside the EU; (vi) the difficulty in the establishment of a legal framework for ongoing relations between the UK and European Union Member States; and (vii) the fact that many of the risks related to the business are totally, or in part, outside of the Management Company's control.

However, any such event may result in: (a) significant market dislocation, (b) heightened counterparty risk, (c) an adverse effect on the management of market risk and, in particular, asset and liability management due, in part, to redenomination of financial assets and liabilities, (d) a material adverse effect on the ability of the Management Company to market, raise capital for, manage, operate and invest the SICAV, and (e) increased legal, regulatory or compliance burden for the Management Company and/or the Underlying Fund, each of which may have a material adverse effect on the operations, financial condition, returns, or prospects of the Underlying Fund and/or the Management Company in general. Any adverse changes affecting the economies of the countries in which the Underlying Fund conducts its business (including making Investments) and any further deterioration in global macro-economic conditions could have a material adverse effect on the Underlying Fund 's prospects and/or returns.

5.2.48 Volatility Derivatives

The volatility of a security (or basket of securities) is a statistical measure of the speed and magnitude of changes in the price of a security (securities) over defined periods of time. Volatility derivatives are based on an underlying basket of shares, and the Underlying Fund may use volatility derivatives to increase or reduce volatility risk, in order to express an investment view on the change in volatility, based on an assessment of expected developments in underlying securities markets. For example, if a significant change in the market background is expected it is likely that the volatility of securities prices will increase as prices adapt to the new circumstances. The price of volatility derivatives may be highly volatile and may move in a different way from the other assets of the Underlying Fund, which could have a significant effect on the Net Asset Value of a unit.

5.2.49 Collateral Management

Where the Management Company on behalf of the Underlying Fund enters into OTC financial derivative and/or efficient portfolio management techniques, collateral may be used to reduce counterparty risk exposure. Collateral will be treated in accordance with the Underlying Fund 's Collateral Policy as set out in Appendix 1.

The exchange of collateral involves certain risks, including operational risk related to the actual exchange, transfer and booking of collateral and legal risk. Collateral received under a title transfer arrangement will be held by the Depositary in accordance with the usual terms and provisions of the Depositary Agreement. For other types of collateral arrangement, the collateral can be held by a third-party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral. The use of such third-party custodians may involve additional operational and clearing and settlement risk, as well as counterparty risk.

Cash collateral received may be re-invested to reduce counterparty risk exposure to the extent that such cash collateral is (i) placed on deposit with entities prescribed in Article 50 (f) of the UCITS Directive, (ii) invested in high-quality government bonds or (iii) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds dated 29 May 2010. Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. For the avoidance of doubt, non-cash collateral will not be re-invested.

Risks linked to the management of collateral and to the re-investment of cash collateral will be identified, managed and mitigated in accordance with the Management Company’s risk management process concerning the Underlying Fund.

5.2.50 Currency Hedged Share Class Risk

If the units of a Share Class can be subscribed and redeemed in a currency other than the Base Currency of the Underlying Fund, which is USD, EUR or JPY, a fluctuation in exchange rates could cause the value of an investment made by investors to diminish or increase irrespective of performance and therefore substantially impact the performance of such Share Class expressed in the corresponding Share Class currency. The Investment Manager may seek to mitigate such risks through hedging transactions. To the extent these hedging transactions are imperfect or are only placed over a portion of the foreign exchange exposure, such Share Class will bear the resulting benefit or loss. There is no guarantee that it will be possible to remove all currency exposure. Attention is further invited to the risk that with respect to the different currency Share Classes within the Underlying Fund, currency hedging transactions for one Share Class may in extreme cases adversely affect the Net Asset Value of the other Share Classes within the Underlying Fund since the single Share Classes do not constitute a legally independent portfolio.

5.2.51 Warrants

When the SICAV invests in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices. Warrants have an expiry day and therefore a limited life. There is a time decay, that is warrants are a wasting asset and if a purchased warrant expires worthless (i.e. out of the money), the purchaser will lose the total value paid for the warrant (known as the premium), plus transaction costs. Due to leverage, buying warrants may be to the Underlying Fund's advantage or disadvantage. A relatively small market movement may have a proportionately larger impact on the value of the contract. An Underlying Fund may sustain a total loss of funds in relation to the warrant and therefore it should be taken into consideration that leverage may lead to high return as well as loss.

5.2.52 Capital Gain Tax Risk

While carrying out transactions in certain jurisdictions, the SICAV may become subject to taxation and the amount may not be finally determined at the moment of the transaction. In such event and if no tax provisions has been made, the net asset value of the relevant Underlying Fund may only be impacted by the final amount of taxation at the moment when such amount will have been determined.

5.2.53 Foreign Account Tax Compliance ("FATCA") Risk

Although the SICAV, the Underlying Fund and/or the Management Company, Investment Manager or Investment Sub- Manager will attempt to satisfy any obligations imposed on it to avoid the imposition of any FATCA withholding tax, no assurance can be given that the SICAV, the Underlying Fund and/or the Management Company, Investment Manager or Investment Sub-Manager can satisfy the relevant FATCA obligations. If the SICAV or a Underlying Fund becomes subject to a FATCA withholding tax as a result of the FATCA regime, the value of the units held by investors may suffer material losses.

The above should not be considered to be an exhaustive list of the risks which potential policyholders should consider before investing into the Fund. Potential investors should be aware that an investment in the Fund may be exposed to other risks of an exceptional nature from time to time.

Detailed above are investment risks applicable to the Underlying Fund(s) as set out in the latest prospectus (the "Prospectus"). If you need more information, kindly visit the following website: http://www.eastspring.com/sg/.

6. Subscription of Units

6.1 Initial Purchase Price and Initial Offer Period

The PRULink Asian Income Fund was launched on 02 April 2009.

The PRULink Asian Fixed-Income Fund was launched on 19 January 2021.

The PRULink Global Dividend Wealth Fund was launched on 07 July 2022.

The PRULink Global Equity Growth Fund was launched on 07 May 2024 at an offer price of $1.00. The Fund has an initial offer period of 2 weeks from 07 May 2024 to 20 May 2024. During the period, the bid price will be fixed as $0.95.

6.2 How to Buy Units

When you apply for your policy, you can choose whether you want:

- all your allocated premium to be invested in one of the available PRULink Funds; or
- all your allocated premium to be invested in 2 or more of the available PRULink Funds.

You must invest a minimum of 5% of your premium in any PRULink Funds you choose and thereafter invest in multiples of 5% of the premium.

A percentage of your premium is used to buy units at the bid price[1] in the PRULink Fund or PRULink Funds you have chosen.

If the premiums are intended to be paid by cash, then the cash together with the proposal form should be submitted to the cashier, otherwise the proposal form should be accompanied by full payment in the form of a cheque or a banker's draft made payable to, or via telegraphic transfer to, Prudential Assurance Company Singapore (Pte) Limited.

If the premiums are intended to be paid with Supplementary Retirement Scheme ("**SRS**") monies, you should instruct the relevant SRS operator bank to withdraw from your SRS account monies in respect of the policy applied for.

If the premiums are intended to be paid with Central Provident Fund ("**CPF**") monies, you should instruct the CPF Board to withdraw from your CPF Ordinary Account ("**CPF-OA**") or CPF Special Account ("**CPF-SA**") (as the case may be) for credit to your CPF Investment Account with a CPF agent bank in respect of the policy applied for.

Units will generally be credited to your account only when the funds are cleared, although we may at our discretion issue units before receiving full payment in cleared funds.

For compliance with applicable anti-money laundering laws and guidelines, we or the Manager reserve the right to request such information as may, in the opinion of the Manager or its approved distributors, be necessary to verify the identity of an applicant.

6.3 Dealing Deadline and Pricing Basis

6.3.1 Pricing of PRULink Fund

Pricing of PRULink Funds is on a forward, bid-bid basis[1].

If we receive your premium:

a) by 3pm, we will use the bid price[1] calculated on the next Business Day; or

b) after 3pm, we will use the bid price[1] calculated on the second Business Day following the day we receive your premium/application.

Example

If we receive your premium by 3pm on Monday, we will use Tuesday's bid price[1] to buy units in your account. If we receive your premium after 3pm on Monday, we will use Wednesday's bid price[1].

6.3.2 Pricing of the Underlying Fund(s)

The Underlying Fund(s) are Sub-Funds of Eastspring Investments SICAV (the "SICAV").

The SICAV Board has determined that it is in the best interest of investors for the SICAV to implement a price adjustment policy ("swing pricing") from 1st April 2016.

The purpose of swing pricing is to protect existing investors in the SICAV Funds by preventing or reducing the performance dilution that may occur to the value of a Sub-Fund's shares, due to significant levels of net inflows or outflows on a given Business Day.

Swing pricing is part of the net asset valuation process and is not a separate fee. Swing pricing does not impact the investment management of the Sub-Funds and has a number of advantages for investors including:

[1] *Note: ILP Sub-Fund offered under some products are on bid-offer spread. Please refer to the Product Summary and relevant fund documentation for more information.*

- Protection against dilution costs – without swing pricing, large-scale redemptions or subscriptions of fund units result in transaction costs which must be borne by the remaining investors

- Liability Principle – swing pricing adaptation will only affect investors who buy or sell units on a given day

- Protection against speculation – transaction costs are borne only by those who caused them. Medium to long-term investors who retain their investments in the SICAV Funds are not affected

  The SICAV Board expects to implement swing pricing only where the net inflows or outflows of a Sub-Fund exceeds a specified level, which may vary among Sub-Funds.

6.4 Allotment of Units

Numerical example of units allotment:

$1,000	X	0%	=	$0
Your Initial Investment		Premium Charge*		Premium Charge

$1,000	-	$0	=	$1,000	÷	$1.00	=	1,000 units
Your Initial Investment		Premium Charge Amount		Net Investment Sum		Bid Price[1]		No. of units you will receive

** Please refer to the applicable Premium Charge in the Product Summary.*

7. Withdrawal of Units

7.1 How to Withdraw Units

You can make a partial or full withdrawal by asking us to sell some or all of the units in your account. We will sell the units as soon as practicable after accepting the application.

7.2 Minimum Holdings Amount and Minimum Withdrawal Amount

The minimum withdrawal amount is S$1,000.

If you make a partial withdrawal, the remaining units in the account must be worth at least S$1,000 based on the bid price at the time of withdrawal. If not, you will not be able to make a partial withdrawal. To apply, you must use the appropriate application form and meet the conditions on it. We will notify you if we accept the application.

7.3 Dealing Deadline and Pricing Basis

Pricing of PRULink Funds is on a forward, bid-bid basis[1].
If we receive the withdrawal application:

a) by 3pm, we will use the bid price calculated on the next Business Day; or

b) after 3pm, we will use the or bid price calculated on the second Business Day following the day we receive the withdrawal application.

<u>Example</u>

If we receive the withdrawal application by 3pm on Monday, we will use Tuesday's bid price to sell units in the account. If we receive the withdrawal application after 3pm on Monday, we will use Wednesday's bid price.

7.4 Calculation of Withdrawal Proceeds

Numerical example of withdrawal value based on withdrawal of 1,000 units:

1, 000	X	$0.95	=	$950
Number of Units Withdrawn		Bid Price		Withdrawal Value

7.5 Settlement for Withdrawal

We will pay the withdrawal proceeds within:

- T+ 4 Business Days in respect of bond and money market funds; and
- T+ 6 Business Days in respect of funds other than bond and money market, property and hedge funds.

If you decide to surrender the policy invested in a money market and equity fund at the same time the payment of the withdrawal proceeds shall not be later than T+ 6 Business Days.

If we receive your withdrawal request with all the documents and information:

a) by 3pm, T will be on the same Business Day we receive your withdrawal request;

b) after 3pm, T will be the next Business Day after we receive your withdrawal request. It is also considered paid on the day your account is credited or a cheque is mailed to you.

8. Switching of PRULink Fund(s)

You can switch the units in your account into other PRULink Fund(s) that are available. The minimum amount allowed to switch out of a PRULink Fund is currently S$200. The remaining units in the PRULink Fund that you are switching from must be worth at least S$200 based on the bid price at the time of switching. If not, you must switch all the units out of the PRULink Fund.

To make the switch, we sell the units in the old PRULink Fund at the bid price of that PRULink Fund and buy units in the new PRULink Fund at its bid price.

We currently do not charge for fund switches. However, we reserve the right to levy an administration charge but will not do so before giving 30 days' written notice.

To apply for switching, you must use the appropriate application form and meet the conditions on it. We will notify you if we accept your application.

9. Obtaining Prices of Units

The valuation of the Fund is dependent on the Underlying Fund and is valued correspondingly with the Underlying Fund on each Business Day ("**Pricing Date**") to work out the unit price. Prices of the PRULink Funds* may currently be obtained from www.prudential.com.sg or such other publications or media as may from time to time be available.

** The actual offer and bid prices are published at the end of the first Business Day after the relevant pricing date.*

From 1 April 2016, the Eastspring Investments SICAV implemented a price adjustment policy ("swing pricing") to PRULink Asian Income Fund.

The purpose of swing pricing is to protect existing investors in the SICAV Funds by preventing or reducing the performance dilution that may occur to the value of a Sub-Fund's shares, due to significant levels of net inflows or outflows on a given Business Day.

Swing pricing involves an adjustment to the net asset value of a Sub-Fund's shares on a given Business Day to adjust for transaction costs incurred as a result of a significant net inflows or outflows.

Such transaction costs may adversely affect existing investors in the Sub-Fund, an issue which is referred to as ‘dilution’. On the other hand, under a swing pricing adjustment, it is the investors transacting in a Sub-Fund’s shares that would bear the dealing costs of such transactions.

Swing pricing is part of the net asset valuation process and is not a separate fee. Swing pricing does not impact the investment management of the Sub-Funds and has a number of advantages for investors including:

- Protection against dilution costs – without swing pricing, large-scale redemptions or subscriptions of fund units result in transaction costs which must be borne by the remaining investors.
- Liability Principle – swing pricing adaptation will only affect investors who buy or sell units on a given day.
- Protection against speculation – transaction costs are borne only by those who caused them. Medium to long-term investors who retain their investments in the SICAV Funds are not affected.

We reserve the right to change the list of sources from which the unit price can be currently obtained. We shall not be responsible for any errors in the published prices or for any late or non-publication of the prices attributable to the publishers.

10. Suspension of Dealing

The ILP Sub-Fund is not listed and you can withdraw your units only on Business Days. There is no secondary market for the units in the ILP Sub-Fund. All withdrawal application should be submitted to the Product Provider.

We reserve the right to suspend immediately any issue, withdrawal, exchange or other dealing in relation to any of the PRULink Funds (or the units there under) if the Manager of the Fund or Investment Manager of the Underlying Fund (where applicable) suspends the issue, withdrawal, exchange or other dealing in the units or shares of the Fund or the Underlying Fund, or if we are required to do so by the Investment Manager or the Manager or any other government or regulatory body, or at our reasonable discretion, including but not limited to the following situations:

(i) during any period when any market for any Material Proportion of the calculation of the value of units the Investments for the time being constituting the relevant Deposited Property is closed otherwise than for ordinary holidays;

(ii) during any period when dealings on any such market are restricted or suspended;

(iii) during any period when, in the opinion of the Manager, there exists any state of affairs as a result of which withdrawal of deposits held for the account of the Fund or the realisation of any Material Proportion of the Investment for the time being constituting the relevant assets comprised in that PRULink Fund cannot be effected normally or without seriously prejudicing the interests of investors of that PRULink Fund as a whole;

(iv) during any period during which there is, in the opinion of the Manager, any breakdown in the means of communication normally employed in determining the value of any of the Investments or the amount of any cash for the time being comprised in the relevant Deposited Property or when for any other reason the value of any such Investment or the amount of any such cash or liability cannot be promptly and accurately ascertained, including any period when the fair value of a Material Proportion of the Investments for the time being constituting the relevant Deposited Property cannot be determined and for the purpose of this paragraph, “fair value” of an Investment is the price that the Fund would reasonably expect to receive upon a current sale of the Investment;

(v) during any period when, in the opinion of the Manager, the transfer of funds which will or may be involved in the realisation of any Material Proportion of the Investments for the time being constituting the relevant Deposited Property cannot be effected promptly at normal rates of the exchange;

(vi) where the PRULink Fund is a feeder fund or fund of funds, during any period when dealings in the units of the relevant fund or underlying fund(s) are restricted or suspended;

(vii) any period when dealing in units is suspended pursuant to any order or direction of the Authority;

(viii) any period when the business operations of the Product Provider/Manager in relation to the operation of the Fund or the Underlying Fund (as the case may be) is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of god,

and payment for any units of the Fund realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Product Provider so agree, be deferred until immediately after the end of such suspension. Such suspension shall take effect forthwith upon the declaration in writing thereof by the Product Provider and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist (and such cessation having been confirmed by the Manager). The Product Provider shall as soon as practicable after its declaration of any temporary suspension of realisation and of the termination of such suspension cause such information to be published in the major local newspaper in Singapore which published the daily issue and realisation pricing of units of the Fund.

11. Soft Dollar Commissions or Arrangements

The Manager and, where applicable, the Investment Manager of the Underlying Fund (together, the “Relevant Parties”) may be entitled to receive and/or enter into soft-dollar commissions/arrangements in respect of the Fund or the Underlying Fund (as the case may be). The Relevant Parties will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements shall include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, the conduct of research or analysis, or analysis of trade execution, and custodial service in relation to the investments managed for clients.

Soft-dollar commissions/arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees’ salaries or direct money payment.

The Relevant Parties shall not accept or enter into soft-dollar commission/arrangements unless (a) such soft-dollar commissions/arrangements would reasonably assist the Relevant Party concerned in the management of the Fund or the Underlying Fund (b) the Relevant Party shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and (c) no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

The Relevant Parties do not retain for its/their own account, cash or commission rebates arising out of transactions for the Fund or the Underlying Fund executed in or outside Singapore.

12. Conflicts of Interest

The Manager and the Investment Manager (where applicable) may own, hold, dispose or otherwise deal with units. In the event of any conflict of interest arising as a result of such dealing, the Manager and the Investment Manager (where applicable), following consultation, shall resolve such conflict in a just and equitable manner as they deem fi t which would not prejudice the interests of investors. The Manager and the Investment Manager (where applicable) shall conduct all transactions with or for the Fund and the Underlying Fund on an arm's length basis.

The Manager and the Investment Manager (where applicable) and their respective associates (collectively the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the Underlying Fund. These include management of other funds, purchases and sales of securities, investment and management counseling and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Underlying Fund may invest. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Parties shall endeavour to ensure that it is resolved fairly and in the interest of investors.

13. Reports

The financial year-end of the PRULink Funds is 31 December of each year. You will receive the Semi-Annual Report and Annual Audited Report within 2 months and 3 months respectively from the last date of the period to which the report dates. The Semi-Annual Report and Annual Audited Report may also be obtained from www.prudential.com.sg.

14. Other Material Information

14.1 Right to Change Investment Objective

We and the Manager reserve the right to change the investment objective of the Fund from time to time. The Investment Manager of the Underlying Fund reserves the right to change the investment objectives of the Underlying Fund. However, 30 days' written notice will be given before doing so.

14.2 Right to Change Underlying Fund(s)

The Manager or the Product Provider may at its sole discretion replace the Underlying Fund, subject to applicable regulatory approval having been obtained and 30 days' prior written notice having been provided to you.

14.3 Duties and Obligations

We may have to observe certain duties and obligations (which may require your co-operation and assistance):

- Under the agreements between us and the Manager, and
- Under certain statutory and regulatory requirements which may include but are not limited to notices and guidelines issued from time to time by various associations and authorities.

We may therefore require your co-operation, upon our request, to perform certain actions, so as to allow us to carry out these duties and obligations.

14.4 Distribution of Income and Capital

Distribution of income, net capital gains and/or capital of the Fund (where applicable) will be at the Manager's sole discretion. In the event where any distribution is made, such distribution will reduce the net asset value of the Fund.

14.5 Investment Guidelines

14.5.1 The investment guidelines for non-specialised funds (i.e. the Non-Specialised Funds Investment Guidelines) issued by the Authority under the Code, which may be amended from time to time, shall apply to the Fund (unless otherwise waived, exempted or not applied by the Authority).

14.5.2 The Manager and Investment Manager will ensure compliance with the investment guidelines issued by the Authority and the insurer, which may be amended from time to time. We reserve the right to make changes to or to change the Fund and/ or Underlying Fund as may be necessary for the compliance with the investment guidelines. The investment guidelines stipulated by the authorities include but are not limited to the MAS 307 Investment-Linked Policies issued by the Authority.

14.6 Termination of PRULink Funds

We reserve the right to terminate immediately (upon giving written notice) any of the PRULink Funds if the Manager or the Investment Manager terminates the Fund or Underlying Fund, or if we are required to do so by the Manager or Investment Manager (where applicable) or any other government or regulatory body, or at our reasonable discretion, including but not limited to the following situations:

(i) on any date if on such date the value of the relevant assets comprised in that PRULink Fund is less than S$5 million or its equivalent in any applicable foreign currency;

(ii) if any law is passed or any direction is given by the Authority which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue that PRULink Fund or if any approval or authorization of that PRULink Fund is revoked or withdrawn;

(iii) if the Manager or Investment Manager(s) is of the view that it is not in the best interest of policyholders in that PRULink Fund to continue the PRULink Fund; or

(iv) in the event of the amalgamation, reconstruction, reorganization, dissolution, liquidation, merger or consolidation of any one of the funds within the relevant Underlying Fund(s) that is corresponding to that PRULink Fund, if any, or a change in the Investment Manager(s) of the relevant Underlying Fund or the corresponding fund (as the case may be).

If we terminate a PRULink Fund, we will sell units in that PRULink Fund based on the bid price calculated after liquidating all Investments in that PRULink Fund. Upon completion, we will return you the value of units in your account.

Schedule 1 – PRULink Asian Income Fund

I. Structure

PRULink Asian Income Fund is a single fund and is classified as a Specified Investment Product. The Fund was launched on 2 April 2009 and it feeds into the Eastspring Investments – Asian Equity Income Fund, which is domiciled in Luxembourg.

All references to “Fund” in this Schedule 1 are references to the PRULink Asian Income Fund and all references to “Underlying Fund” in this Schedule 1 are references to the Eastspring Investments – Asian Equity Income Fund.

PRULink Asian Income Fund has a higher risk and narrowly focused risk classification. It is best suited to an investor with a medium to long-term investment horizon who seeks regular income.

The Fund offers one Class of units, namely Singapore Dollar (“S$”) Accumulation Class.

The benchmark for this Fund is MSCI AC Asia Pacific ex-Japan Index.

II. Investment Objective and Focus

The investment objective of the Fund is aims to generate long-term capital growth and income by investing into the Underlying Fund which then invests primarily in equity and equity-related securities of companies, which are incorporated, listed in or have their areas of primary activity in the Asia Pacific ex-Japan Region. The Underlying Fund may also invest in depository receipts including American Depository Receipts (**ADRs**) and Global Depository Receipts (**GDRs**), debt securities convertible into common shares, preference shares and warrants. The Underlying Fund may invest up to 20% of its net assets in the PRC by way of China A-shares directly through the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect. The Manager intends to achieve this investment objective by investing the assets of the PRULink Asian Income Fund into Eastspring Investments - Asian Equity Income Fund which shares the same investment objective.

The Underlying Fund does not have a specific ESG or sustainable investment objective, however in evaluating and researching securities within the investment process ESG factors are considered.

III. Investment Approach

The Fund feeds 100% into the Underlying Fund.

The first part of the investment process of the Underlying Fund is idea generation. This is a systematic starting point where the Investment Manager uses proprietary screens across a wide investment universe applying consistent anchors around and dividend yield. This allows the Investment Manager to be equipped to rapidly identify high yielding stocks that are also valuation outliers which may become investment candidates. The next stage is the fundamental analysis of these outliers. This fundamental analysis drives the Investment Manager’s investment approach and the Investment Manager employs a strong discipline around it’s valuation framework. The Investment Manager insists on challenge and debate to test the assumptions and help to achieve a level of conviction in the valuation of each security. The next stage is portfolio construction. In taking active risk, the Investment Manager considers the stock by stock relationships in the Underlying Fund to ensure sufficient diversification. The Investment Manager establishes an explicit link between risk and return which reinforces the Investment Manager’s ability to take long-term positions without being forced to close positions in response to excessive volatility. The last stage is review and control. This is a team-owned responsibility involving a formal peer review of all strategies which ensures the integrity of the Investment Manager’s process.

Note: Any past performance of the Manager and Investment Manager is not necessarily indicative of the future performance of the Manager and Investment Manager.

IV. Product Suitability

The Fund is only suitable for investors who:

- seek long-term capital growth and income;
- are comfortable with the risks of an equity fund that invests in the Asia Pacific ex Japan region; and
- appreciate that their capital will be at risk and that value of their investment and any derived income may fall as well as rise.

V. Distribution Policy

(a) As part of the investment objective of the Fund, the Fund targets to make semi-annual distributions. The semi-annual distribution shall be expressed as a percentage of the value of units at the prevailing bid price as at the relevant declaration date. The Manager intends to make a distribution on or around the first Business Day in April and October of every calendar year ("**Declaration Date**") or such other dates as the Manager may in its absolute discretion determine

(b) If investors have invested in the Fund before the Declaration Date, they will be entitled to distributions as long as they remain invested and have units credited and held in their accounts on the Declaration Date. Distributions shall be based on the value of units held by the investors as at the relevant Declaration Date as evidenced in our records. If an investor has made an application for any transactions (including surrender, withdrawal or switching), which is yet to be processed, the value of units meant to be processed will not be included in determining the distribution amount

(c) For investment with cash ("**Cash**") or SRS monies, i.e. not using Central Provident Fund ("**CPF**") monies, investors may choose at the time of application for investment in the Fund to either receive all (but not part) of the distributions as payouts or to have all (but not part) of the distributions reinvested in the Fund

(d) If investors wish to change the instructions for receiving distributions, they must write in to inform us at least 30 days before the Declaration Date. Please note that any such election will automatically supersede all prior instructions relating to receiving distributions and shall apply to all of the units then held by them

(e) If investors have chosen to receive the distributions as payouts, distributions will be credited to their designated bank account or SRS account (if investors have invested using their SRS monies) within 45 days from the relevant Declaration Date ("**Payout Date**"). The Manager and Prudential Singapore reserve the right to change the Payout Date

(f) If investors have chosen to reinvest the distributions, they will receive extra units which will be credited into their account within 45 days from the relevant Declaration Date at the prevailing bid price ("Reinvestment Date"). The Manager and Prudential Singapore reserve the right to change the Reinvestment Date

(g) If investors have chosen to receive the distributions as payouts, for any transaction (including surrender, withdrawal and switching) performed by them between the Declaration Date and Payout Date, the redemption proceeds will be calculated at the prevailing bid price (Refer to Section 9). Distributions due to the investors will be credited separately to their designated bank account or SRS account (if investors have invested using their SRS monies) on the Payout Date

(h) If investors have chosen to reinvest the distributions, for any transaction (including surrender, withdrawal and switching) performed by them between the Declaration Date and Reinvestment Date, the redemption proceeds will be calculated at the prevailing bid price (Refer to Section 9). Distributions due to them will be credited back into their account except for surrenders. For surrenders, distributions will be paid to them by cheque

(i) If investors have switched into another PRULink Fund between the Declaration Date and Reinvestment Date, they will receive the distributions which will be reinvested to the Fund

(j) Investors may cancel the policy within the review period (i.e. 14 days after receiving the policy document). If the policy is incepted before the Declaration Date, and should investors decide to cancel the policy after the Declaration Date but before the Payout Date or Reinvestment Date, they will receive a refund of premiums based on the premium refund formula as determined by us, less medical fees (if any). Any distributions due will be paid to investors on the Payout Date or Reinvestment Date (whichever is applicable)

(k) If investor's policy is incepted before the Declaration Date, and should they decide to cancel the policy after the Payout Date or Reinvestment Date, they will receive a refund of premiums based on the premium refund formula as determined by us, less medical fees (if any).

(l) If death or total and permanent disability of the insured occurs before the Declaration Date, they will not be entitled to the distributions. If death or total and permanent disability of the insured occurs between the Declaration Date and Payout Date or Reinvestment Date, they will be entitled to the unit value in the Fund at the prevailing bid price. Distributions due to investors will be paid to their estate on the Payout Date or Reinvestment Date (whichever is applicable).

Distribution payments shall, at the sole discretion of the Manager and/or Prudential Singapore, be made out of either (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination of (a) and/or (b) and/or (c).

Distributions are at the sole discretion of the Manager and/or Prudential Singapore and there is no guarantee, assurance and/or certainty that any distribution will be made and if distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance or distribution of the Fund. The making of any distribution shall not be taken to imply that further distributions will be made. The Manager and/or Prudential Singapore may also vary the frequency and/ or amount of the distributions made.

Investors should also note that distributions of the Fund may, in the event that income and net capital gains are insufficient, or due to fluctuations in exchange rates, be made out of the capital of the Fund. The exchange rates used will be determined solely at the discretion of the Manager and/or Prudential Singapore.

When distributions are declared and paid out (including out of capital) with respect to the Fund, the net assets of the Fund will reduce by an amount equivalent to the distributions declared. This will be reflected as a reduction in the unit price.

VI. Performance of the Fund

Past Performance of the Fund (as at 31 December 2023)

Fund / Benchmark	Inception Date	1 Year	3 Year*	5 Year*	10 Year*	Since Inception*
PRULink Asian Income Fund	15 May 2009	6.37%	-7.14%	-0.12%	1.11%	3.57%
MSCI AC Asia Pacific ex-Japan Index#		5.59%	-4.95%	3.97%	4.40%	6.15%

** Annualised*

#: With effect from 1 May 2012, the benchmark returns of MSCI AC Asia Pacific ex-Japan Index has been changed on a net dividend basis (instead of on a gross dividend basis) as the net asset value of the Fund is reflected on a net dividend basis.

The two series are chain-linked to derive the longer period benchmark returns.

Performance calculations of Fund is based on net asset value pricing, in Singapore Dollars with all dividends or distributions reinvested, taking into account all charges which would have been payable upon such reinvestment. Fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

Source: Standard Chartered Bank; SGD; net income reinvested.

Benchmark Source: Eastspring Investments (Singapore) Limited

Any past performance of the Fund is not necessarily indicative of the future performance of the Fund.

VII. Expense Ratio[2] of the Fund

PRULink Fund	Annualised Expense Ratio as at 31 December 2023
PRULink Asian Income Fund	1.60%

VIII. Turnover Ratio

Turnover ratio of the Fund

PRULink Fund	Turnover Ratio (for the year ended 31 December 2023)
PRULink Asian Income Fund	12.31%

Turnover ratio[3] of the Underlying Fund

Underlying Fund	Turnover Ratio (for the year ended 31 December 2023)
Asian Equity Income Fund – Eastspring Investments	46.09%

IX. Fees

<u>Fees payable directly by you</u>

Initial Investment Charge

There is a 5%* initial investment charge (bid-offer spread). This charge is reflected as the difference between the bid price and offer price of the Fund. The offer and bid prices are the

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2 *The expense ratio of the Fund is calculated in accordance with Investment Management Association of Singapore's guidelines on the disclosure of expense ratios and based on the PRULink Funds' latest audited accounts and includes the annualised expense ratio of the Underlying Fund but does not include the following expenses:*

a) brokerage and other transaction costs;
b) performance fee;
c) foreign exchange gains and losses;
d) front or back-end loads arising from the purchase or sale of other funds;
e) tax deducted at source or arising out of income received;
f) advertising and promotion costs; and
g) charges for insurance coverage[#]

[#] *Please note that charges for insurance coverage are not applicable at the Fund level and are thus excluded from the calculation of the expense ratio. For more information on the charges for insurance coverage, please refer to the Product Summary.*

3 *The turnover ratio is calculated based on the lesser of purchases or sales expressed as a percentage over average net asset value. Average net asset value means the net asset value for each day averaged over, as far as possible, the same period used for calculating the expense ratio.*

buying and selling prices to you respectively. PRULink Funds are valued, and charges are deducted, on a forward pricing basis.

Note: ILP Sub-Fund offered under some products are on bid-offer spread. Please refer to the Product Summary and relevant fund documentation for more information.

** Only applicable for some ILP products. Please refer to the Product Summary for details of charges incurred on your insurance plan as charges may vary from product to product and may be lower than 5%.*

Fees payable by the ILP Sub-Fund

Continuing Investment Charge

The continuing investment charge is currently 1.5% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to vary the continuing investment charge. Any increase in the continuing investment charge will be up to a maximum of 2% per annum but we will not do so before giving you 6 months' written notice.

Other Fees Payable by the Fund

The custodian fee is below 0.02% per annum, and it may vary depending on number and volume of transactions.

The offer and bid prices of the fund are net of these charges. Other charges are listed in the Product Summary.

Schedule 2 – PRULink Asian Fixed-Income Fund

I. Structure

PRULink Asian Fixed-Income Fund is a single fund and is classified as a Specified Investment Product. The Fund was launched on 19 January 2021 and it feeds into the Eastspring Investments – Asian Local Bond Fund, which is domiciled in Luxembourg.

All references to “Fund” in this Schedule 2 are references to the PRULink Asian Fixed-Income Fund and all references to “Underlying Fund” in this Schedule 2 are references to the Eastspring Investments – Asian Local Bond Fund.

PRULink Asian Fixed-Income Fund has a medium to high risk and narrowly focused – regional – Asia risk classification.

The Fund offers two Classes of Units, namely Singapore Dollar (“S$”) Accumulation Class and Distribution Class. There are no material differences between the two Classes except that the Accumulation Class will not declare any dividends while in respect of the Distribution Class, the Manager may at its sole absolute discretion declare and pay out dividends on a quarterly basis. Please refer to Section V “Distribution Policy” for more details. The offer and bid prices for the two Classes may differ as a result of the dividends declared and paid out by the Distribution Class.

The benchmark for this Fund is Markit iBoxx ALBI ex-China Onshore ex-China Offshore ex-Taiwan Net of Tax Custom (SGD Hedged).

II. Investment Objective and Focus

The investment objective of the Fund is to maximise long-term return by investing into the Underlying Fund which then invests in a diversified portfolio consisting primarily of fixed income/ debt securities issued by Asian entities or their subsidiaries. The Underlying Fund’s portfolio primarily consists of securities denominated in the various Asian currencies and aims to maximise total returns through investing in fixed income/ debt securities that are rated as well as unrated.

The Manager intends to achieve this investment objective by investing the assets of the PRULink Asian Fixed-Income Fund into Eastspring Investments – Asian Local Bond Fund which shares the same investment objective.

The Underlying Fund may invest up to 20% of its net assets in Asset Backed Security (“ABS”), Mortgage Backed Security (“MBS”), Contingent Convertible Bonds (“CoCos”), Distressed Securities and Defaulted Securities, with a limit of 10% for Distressed Securities and Defaulted Securities. The Underlying Fund may invest less than 30% of its net assets in debt instruments with loss absorption features out of which up to 10% of its net assets may be invested in CoCos with loss absorption features (such as Additional Tier 1 capital and Tier 2 capital instruments with mechanical triggers (i.e. debt instruments with write-down or conversion into equity features with pre-specified triggers)) and up to 20% of its net assets in non-preferred senior debt and other subordinated debts with loss absorption features.

In addition, the Underlying Fund may invest up to 10% of its net assets in synthetic fixed income instruments (including credit-linked notes). It may also hold up to 10% of its net assets in equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

The Underlying Fund may make investments up to 10% of its net assets in Chinese onshore debt securities through the China interbank bond market direct access program (the “CIBM Direct Access Program”) and/or China Hong Kong Bond Connect (“Bond Connect”).

The Underlying Fund does not have a specific ESG or sustainable investment objective, however in evaluating and researching securities within the investment process ESG factors are considered.

III. Investment Approach

The Fund feeds 100% into the Underlying Fund.

The Underlying Fund applies both a “top-down” and “bottom-up” investment management approach in deriving its duration, credit and currency allocation strategies. From a “top-down” perspective, economic and market analysis are carried out to determine the outlook for interest rate markets, as well as credit and currency trends. This is necessarily combined with a “bottom-up” credit selection process, which is based on research and analysis of credit issuers, to identify value opportunities and avoid potential default events.

The strongest investment ideas from the above analyses then become candidates for inclusion in the portfolio. There is also a strong emphasis on risk management in the portfolio construction process, to ensure that active risks are taken in a diversified manner and that potential returns commensurate with the risks taken on each investment.

Note: Any past performance of the Manager and Investment Manager is not necessarily indicative of the future performance of the Manager and Investment Manager.

IV. Product Suitability

The Fund is only suitable for investors who:

- seek to maximise long term return through investing in fixed income / debt securities;
- are comfortable with the risks of a bond fund that invests in Asia; and
- appreciate that their capital will be at risk and that value of their investment and any derived income may fall as well as rise.

V. Distribution Policy

(a) As part of the investment objective of the Fund, the Fund targets to make quarterly distributions. The quarterly distribution shall be expressed as a percentage of the value of units at the prevailing bid price as at the relevant declaration date. The Manager intends to make a distribution on or around the last Business Day in March, June, September and December of every calendar year (“**Declaration Date**”) or such other dates as the Manager may in its absolute discretion determine

(b) If investors have invested in the Fund before the Declaration Date, they will be entitled to distributions as long as they remain invested and have units credited and held in their accounts on the Declaration Date. Distributions shall be based on the value of units held by the investors as at the relevant Declaration Date as evidenced in our records. If an investor has made an application for any transactions (including surrender, withdrawal or switching), which is yet to be processed, the value of units meant to be processed will not be included in determining the distribution amount

(c) For investment with cash (“**Cash**”) or SRS monies, i.e. not using Central Provident Fund (“**CPF**”) monies, investors may choose at the time of application for investment in the Fund to either receive all (but not part) of the distributions as payouts or to have all (but not part) of the distributions reinvested in the Fund

(d) If investors wish to change the instructions for receiving distributions they must write in to inform us at least 30 days before the Declaration Date. Please note that any such election will automatically supersede all prior instructions relating to receiving distributions and shall apply to all of the units then held by them

(e) If investors have chosen to receive the distributions as payouts, distributions will be credited to their designated bank account or SRS account (if investors have invested using their SRS monies) within 45 days from the relevant Declaration Date (“**Payout Date**”). The Manager and Prudential Singapore reserve the right to change the Payout Date

(f) If investors have chosen to reinvest the distributions, they will receive extra units which will be credited into their account within 45 days from the relevant Declaration Date at the prevailing bid price ("Reinvestment Date"). The Manager and Prudential Singapore reserve the right to change the Reinvestment Date

(g) If investors have chosen to receive the distributions as payouts, for any transaction (including surrender, withdrawal and switching) performed by them between the Declaration Date and Payout Date, the redemption proceeds will be calculated at the prevailing bid price (Refer to Section 9). Distributions due to the investors will be credited separately to their designated bank account or SRS account (if investors have invested using their SRS monies) on the Payout Date

(h) If investors have chosen to reinvest the distributions, for any transaction (including surrender, withdrawal and switching) performed by them between the Declaration Date and Reinvestment Date, the redemption proceeds will be calculated at the prevailing bid price (Refer to Section 9). Distributions due to them will be credited back into their account except for surrenders. For surrenders, distributions will be paid to them by cheque

(i) If investors have switched into another PRULink Fund between the Declaration Date and Reinvestment Date, they will receive the distributions which will be reinvested to the Fund

(j) Investors may cancel the policy within the review period (i.e. 14 days after receiving the policy document). If the policy is incepted before the Declaration Date, and should investors decide to cancel the policy after the Declaration Date but before the Payout Date or Reinvestment Date, they will receive a refund of premiums based on the premium refund formula as determined by us, less medical fees (if any). Any distributions due will be paid to investors on the Payout Date or Reinvestment Date (whichever is applicable)

(k) If investor's policy is incepted before the Declaration Date, and should they decide to cancel the policy after the Payout Date or Reinvestment Date, they will receive a refund of premiums based on the premium refund formula as determined by us, less medical fees (if any).

(l) If death or total and permanent disability of the insured occurs before the Declaration Date, they will not be entitled to the distributions. If death or total and permanent disability of the insured occurs between the Declaration Date and Payout Date or Reinvestment Date, they will be entitled to the unit value in the Fund at the prevailing bid price. Distributions due to investors will be paid to their estate on the Payout Date or Reinvestment Date (whichever is applicable).

Please note the Distribution only applies to the Distribution Share Class of the Fund.

Distribution payments shall, at the sole discretion of the Manager and/or Prudential Singapore, be made out of either (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination of (a) and/or (b) and/or (c).

Distributions are at the sole discretion of the Manager and/or Prudential Singapore and there is no guarantee, assurance and/or certainty that any distribution will be made and if distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance or distribution of the Fund. The making of any distribution shall not be taken to imply that further distributions will be made. The Manager and/or Prudential Singapore may also vary the frequency and/ or amount of the distributions made.

Investors should also note that distributions of the Fund may, in the event that income and net capital gains are insufficient, or due to fluctuations in exchange rates, be made out of the capital of the Fund. The exchange rates used will be determined solely at the discretion of the Manager and/or Prudential Singapore.

When distributions are declared and paid out (including out of capital) with respect to the Fund, the net assets of the Fund will reduce by an amount equivalent to the distributions declared. This will be reflected as a reduction in the unit price.

VI. Performance of the Fund

Past Performance of the Fund (as at 31 December 2023)

Fund / Benchmark	Inception Date	1 Year	3 Year*	5 Year*	10 Year*	Since Inception*
PRULink Asian Fixed-Income Fund	1 Feb 2021	9.07%	N/A	N/A	N/A	-3.88%
Markit iBoxx ALBI ex-China Onshore ex-China Offshore ex-Taiwan Net of Tax Custom (SGD Hedged)		4.53%	N/A	N/A	N/A	-3.39%

** Annualised*

Performance calculations of Fund is based on net asset value pricing, in Singapore Dollars with all dividends or distributions reinvested, taking into account all charges which would have been payable upon such reinvestment. Fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

Source: Citibank N.A. Singapore

Benchmark Source: Eastspring Investments (Singapore) Limited

Any past performance of the Fund is not necessarily indicative of the future performance of the Fund.

VII. Expense Ratio[2] of the Fund

PRULink Fund	Annualised Expense Ratio as at 31 December 2023
PRULink Asian Fixed-Income Fund (Acc)	1.10%
PRULink Asian Fixed-Income Fund (Dis)	1.10%

VIII. Turnover Ratio

Turnover ratio of the Fund

PRULink Fund	Turnover Ratio (for the year ended 31 December 2023)
PRULink Asian Fixed-Income Fund	16.92%

Turnover ratio[3] of the Underlying Fund

Underlying Fund	Turnover Ratio (for the year ended 31 December 2023)
Eastspring Investments - Asian Local Bond Fund	32.12%

IX. Fees

<u>Fees payable directly by you</u>

Initial Investment Charge

There is a 5%* initial investment charge (bid-offer spread). This charge is reflected as the difference between the bid price and offer price of the Fund. The offer and bid prices are the buying and selling prices to you respectively. PRULink Funds are valued, and charges are deducted, on a forward pricing basis.

Note: ILP Sub-Fund offered under some products are on bid-offer spread. Please refer to the Product Summary and relevant fund documentation for more information.

** Only applicable for some ILP products. Please refer to the Product Summary for details of charges incurred on your insurance plan as charges may vary from product to product and may be lower than 5%.*

<u>Fees payable by the ILP Sub-Fund</u>

Continuing Investment Charge

The continuing investment charge is currently 1.3% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to vary the continuing investment charge. Any increase in the continuing investment charge will be up to a maximum of 2% per annum but we will not do so before giving you 6 months' written notice.

Other Fees Payable by the Fund

The custodian fee is below 0.02% per annum, and it may vary depending on number and volume of transactions.

The offer and bid prices of the fund are net of these charges. Other charges are listed in the Product Summary.

Schedule 3- PRULink Global Dividend Wealth Fund

I. Structure

PRULink Global Dividend Wealth Fund is a single fund and is classified as a Specified Investment Product. The Fund was launched on 7 July 2022 and it feeds into the Eastspring Investments – Global Multi Asset Income Plus Growth Fund, which is domiciled in Luxembourg.

All references to "Fund" in this Schedule 3 are references to the PRULink Global Dividend Wealth Fund and all references to "Underlying Fund" in this Schedule 3 are references to the Eastspring Investments – Global Multi Asset Income Plus Growth Fund.

PRULink Global Dividend Wealth Fund has a Medium to High risk classification.

The Fund offers one Class of units, namely Singapore Dollar ("S$") Distribution Class. Prudential Singapore may at its sole absolute discretion declare and pay out dividends on a monthly basis. Please refer to Section V "Distribution Policy" for more details.

The Fund is actively managed without reference to a benchmark.

II. Investment Objective and Focus

The investment objective of the Fund is to provide income and modest capital growth over the medium to long term through the implementation of an actively managed investment strategy by investing into the Underlying Fund which then invests in a diversified range of eligible global assets including but not limited to equities (and equity-related securities), bonds, currencies and cash and its equivalent. Exposure to each of the asset classes will be primarily through: direct equity and debt securities (including sovereign debt, high yield securities, CMBS, ABS, MBS and convertible bonds), units of undertakings for collective investment, exchange traded funds, money market instruments and index futures. In addition, the Underlying Fund may invest in swaps, total return swaps, options and foreign exchange forwards, each of which may be traded through recognised exchanges or via the over-the-counter markets.

The aggregate exposure in swaps, total return swaps, options and foreign exchange forwards is generally expected to be less than 30% of the Underlying Fund's net assets, but may be up to 50% of the Underlying Fund's net assets under certain circumstances (e.g. when the derivative market offers greater-than-normal opportunities for higher returns or there is a high risk of market downturn). The Underlying Fund may also invest up to 10% in aggregate of its net assets in Alternative Asset Classes. This objective may also be achieved through investments in unlisted collective investment schemes and other sub-funds of the Underlying Fund.

The Underlying Fund may invest up to 100% of its net assets in fixed income/debt securities rated below investment grade (i.e. rated below BBB- by Standard & Poor's or comparable ratings by Moody's Investors Services or Fitch Ratings) or if unrated, determined by the Investment Manager to be of comparable quality. For the purpose of this Underlying Fund, the term "unrated" fixed income/debt securities are defined to mean that neither the fixed income/debt security itself, nor its issuer has a credit rating by Standard & Poor, Moody's Investors Services or Fitch Ratings.

The Underlying Fund may also invest up to 5% in aggregate of its net assets in Distressed Securities and Defaulted Securities. The Underlying Fund may invest less than 25% of its net assets in debt instruments with loss absorption features out of which up to 5% of its net assets in Contingent Convertible Bonds ("CoCos") with loss absorption features (such as Additional Tier 1 capital and Tier 2 capital instruments with mechanical triggers (i.e. debt instruments with write-down or conversion into equity features with pre-specified triggers)) and up to 20% of its net assets in non-preferred senior debt and other subordinated debts with loss absorption features.

The Underlying Fund is not subject to any limitation on the portion of its net assets that may be invested in any one country, sector or any companies with a particular market capitalisation. Subject to the above strategy, from time to time, the Underlying Fund may invest more than 30% of its net assets in any one single country or region globally, such as the US.

The Underlying Fund does not have a specific ESG or sustainable investment objective, however in evaluating and researching securities within the investment process ESG factors are considered.

III. Investment Approach

The Fund feeds 100% into the Underlying Fund.

The Underlying Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The asset allocation of the Underlying Fund will change according to the Investment Manager's view, taking into account macro-economic and country views in determining its equity allocation and macro-economic, credit and interest rate views in determining its fixed income allocation.

The Underlying Fund applies top-down multi asset team that uses a proprietary "Balance of Indicators" model which guides asset allocation across core asset classes. Investment ideas are generated through quantitative screening of thousands of economic and market indicators with an experienced team of senior portfolio managers interpreting and reviewing the output and making the primary allocation between listed-equities and fixed income, along with other tactical asset allocation inputs. This is rounded off by a disciplined and pragmatic risk management approach.

In managing the Underlying Fund, the Investment Manager adopts a holistic investment approach and believes that:
• Investment opportunities can be evaluated using a systematic balance of indicators approach
• The team will also take into consideration qualitative inputs including views from other experienced members of the investment team
Guided by this investment philosophy, markets are complex, dynamic systems with different factors driving asset classes. These factors and their correlations are constantly changing along with the nature of the global economic regime. Given this, we employ a disciplined, systematic but dynamic investment process to overcome behavioural biases.

(1) Global Macro Environment Assessment:
Assess the global macro environment based on fundamentals, technical and asset valuations, to help determine allocation to the asset class.

(2) Intra Asset Class Selection and Utilise Appropriate Building Blocks:
Select the specific assets to own within each asset class and utilise the most appropriate vehicles for exposure

(3) Portfolio Construction and Risk Review:
Combine the most suitable investment ideas into single portfolio; ensure portfolio risks are appropriate and consistent with investment views and fund objective
Investors should note that the net asset value of this Underlying Fund is likely to have a high volatility due to its investment policies or portfolio management techniques.

Note: Any past performance of the Manager and Investment Manager is not necessarily indicative of the future performance of the Manager and Investment Manager.

IV. Product Suitability

The Fund is only suitable for investors who:

- seek income and modest capital growth over the medium to long term through the implementation of an actively managed investment strategy;
- are comfortable with the greater volatility and risks associated with investing in equity and foreign currency denominated bonds and the Sub-Fund's investment policies or portfolio management techniques; and

- appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise

V. Distribution Policy

(a) The Fund targets to make monthly distributions. The monthly distribution shall be expressed as a percentage of the value of units at the prevailing bid price as at the relevant declaration date. The Fund intends to make a distribution on or around the first Business Day in each month of every calendar year (“Declaration Date”) or such other dates as the Manager may in its absolute discretion determine.

(b) If investors have invested in the Fund before the Declaration Date, they will be entitled to distributions as long as they remain invested and have units credited and held in their accounts on the Declaration Date. Distributions shall be based on the value of units held by the investors as at the relevant Declaration Date as evidenced in our records. If an investor has made an application for any transactions (including surrender, withdrawal or switching), which is yet to be processed, the value of units meant to be processed will not be included in determining the distribution amount

(c) For investment with cash (“**Cash**”) or SRS monies, i.e. not using Central Provident Fund (“**CPF**”) monies, investors may choose at the time of application for investment in the Fund to either receive all (but not part) of the distributions as payouts or to have all (but not part) of the distributions reinvested in the Fund

(d) If investors wish to change the instructions for receiving distributions they must write in to inform us at least 30 days before the Declaration Date. Please note that any such election will automatically supersede all prior instructions relating to receiving distributions and shall apply to all of the units then held by them

(e) If investors have chosen to receive the distributions as payouts, distributions will be credited to their designated bank account or SRS account (if investors have invested using their SRS monies) within 45 days from the relevant Declaration Date (“**Payout Date**”). The Manager and Prudential Singapore reserve the right to change the Payout Date

(f) If investors have chosen to reinvest the distributions, they will receive extra units which will be credited into their account within 45 days from the relevant Declaration Date at the prevailing bid price (“Reinvestment Date”). The Manager and Prudential Singapore reserve the right to change the Reinvestment Date

(g) If investors have chosen to receive the distributions as payouts, for any transaction (including surrender, withdrawal and switching) performed by them between the Declaration Date and Payout Date, the redemption proceeds will be calculated at the prevailing bid price (Refer to Section 9). Distributions due to the investors will be credited separately to their designated bank account or SRS account (if investors have invested using their SRS monies) on the Payout Date

(h) If investors have chosen to reinvest the distributions, for any transaction (including surrender, withdrawal and switching) performed by them between the Declaration Date and Reinvestment Date, the redemption proceeds will be calculated at the prevailing bid price (Refer to Section 9). Distributions due to them will be credited back into their account except for surrenders. For surrenders, distributions will be paid to them by cheque

(i) If investors have switched into another PRULink Fund between the Declaration Date and Reinvestment Date, they will receive the distributions which will be reinvested to the Fund

(j) Investors may cancel the policy within the review period (i.e. 14 days after receiving the policy document). If the policy is incepted before the Declaration Date, and should investors decide to cancel the policy after the Declaration Date but before the Payout Date or Reinvestment Date, they will receive a refund of premiums based on the premium refund formula as determined by us, less medical fees (if any). Any distributions due will be paid to investors on the Payout Date or Reinvestment Date (whichever is applicable)

(k) If investor's policy is incepted before the Declaration Date, and should they decide to cancel the policy after the Payout Date or Reinvestment Date, they will receive a refund of premiums based on the premium refund formula as determined by us, less medical fees (if any).

(l) If death or total and permanent disability of the insured occurs before the Declaration Date, they will not be entitled to the distributions. If death or total and permanent disability of the insured occurs between the Declaration Date and Payout Date or Reinvestment Date, they will be entitled to the unit value in the Fund at the prevailing bid price. Distributions due to investors will be paid to their estate on the Payout Date or Reinvestment Date (whichever is applicable).

Please note the Distribution only applies to the Distribution Share Class of the Fund.

Distribution payments shall, at the sole discretion of the Manager and/or Prudential Singapore, be made out of either (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination of (a) and/or (b) and/or (c).

Distributions are at the sole discretion of the Manager and/or Prudential Singapore and there is no guarantee, assurance and/or certainty that any distribution will be made and if distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance or distribution of the Fund. The making of any distribution shall not be taken to imply that further distributions will be made. The Manager and/or Prudential Singapore may also vary the frequency and/ or amount of the distributions made.

Investors should also note that distributions of the Fund may, in the event that income and net capital gains are insufficient, or due to fluctuations in exchange rates, be made out of the capital of the Fund. The exchange rates used will be determined solely at the discretion of the Manager and/or Prudential Singapore.

When distributions are declared and paid out (including out of capital) with respect to the Fund, the net assets of the Fund will reduce by an amount equivalent to the distributions declared. This will be reflected as a reduction in the unit price.

VI. Performance of the Fund

Past Performance of the Fund (as at 31 December 2023)

Fund / Benchmark	Inception Date	1 Year	3 Year*	5 Year*	10 Year*	Since Inception*
PRULink Global Dividend Wealth Fund	20 Jul 2022	8.27%	N/A	N/A	N/A	2.72%

** Annualised*

Source: Standard Chartered Bank; SGD; net income reinvested.

Any past performance of the Fund is not necessarily indicative of the future performance of the Fund.

VII. Expense Ratio[2] of the Fund

PRULink Fund	Expense Ratio As at 31 December 2023
PRULink Global Dividend Wealth Fund	1.39%

VIII. Turnover Ratio

Turnover ratio of the Fund

PRULink Fund	**Turnover Ratio (for the year ended 31 December 2023)**
PRULink Global Dividend Wealth Fund	21.33%

Source: Prudential Assurance Company Singapore (Pte) Limited

Turnover ratio[3] of the Underlying Fund

Underlying Fund	**Turnover Ratio (for the year ended 31 December 2023)**
Eastspring Global Multi Asset Income Plus Growth	226.12%

IX. Fees

<u>Fees payable directly by you</u>

Initial Investment Charge

There is a 5%* initial investment charge (bid-offer spread). This charge is reflected as the difference between the bid price and offer price of the Fund. The offer and bid prices are the buying and selling prices to you respectively. PRULink Funds are valued, and charges are deducted, on a forward pricing basis.

Note ILP Sub-Fund offered under some products are on bid-offer spread. Please refer to the Product Summary and relevant fund documentation for more information.

** Only applicable for some ILP products. Please refer to the Product Summary for details of charges incurred on your insurance plan as charges may vary from product to product and may be lower than 5%.*

<u>Fees payable by the ILP Sub-Fund</u>

Continuing Investment Charge

The continuing investment charge is currently 1.3% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to vary the continuing investment charge. Any increase in the continuing investment charge will be up to a maximum of 2% per annum but we will not do so before giving you 6 months' written notice.

Other Fees Payable by the Fund

The custodian fee is below 0.02% per annum, and it may vary depending on number and volume of transactions.

The offer and bid prices of the fund are net of these charges. Other charges are listed in the Product Summary

Schedule 4- PRULink Global Equity Growth Fund

I. Structure

PRULink Global Equity Growth Fund is a single fund and is classified as a Specified Investment Product. The Fund was launched on 7 May 2024 and it feeds into the Eastspring Investments – Global Dynamic Growth Equity Fund, which is domiciled in Luxembourg.

All references to "Fund" in this Schedule 4 are references to the PRULink Global Equity Growth Fund and all references to "Underlying Fund" in this Schedule 4 are references to the Eastspring Investments – Global Dynamic Growth Equity Fund.

PRULink Global Equity Growth Fund has a Higher risk classification.

The Fund offers one Class of units, namely Singapore Dollar ("S$") Accumulation Class.

The benchmark for this Fund is MSCI AC World Index.

II. Investment Objective and Focus

The Fund feeds 100% into the Underlying Fund. This Underlying Fund aims to provide superior capital growth by investing primarily in shares of companies with strong growth potential. The Underlying Fund uses a bottom-up earnings growth style, looking at a company's revenue, earnings, profitability, earnings quality and growth potential, as well as an industry's strength and the prevailing macroeconomic landscape.

When selecting investments, the Sub-Manager pays particular attention to accelerating sales and earnings growth rates, strong earnings momentum and positive earnings surprise, high earnings quality, and technical factors. Sector and country allocations are generally determined by where the Sub-Manager finds the best investment opportunities.

The Underlying Fund will generally invest in companies with market capitalizations of greater than US$500 million at the time of purchase, but is permitted to hold companies with market capitalizations below this threshold. Exchanges in which the Underlying Fund invests include, but are not limited to, the major exchanges located in North America, Europe, and Asia Pacific.

The Underlying Fund does not have a specific ESG or sustainable investment objective, however in evaluating and researching securities within the investment process ESG factors are considered.

III. Investment Approach

The Sub-Manager, employs a bottom-up earnings growth momentum style, looking at a company's revenue, earnings, profitability, earnings quality and growth potential.

The investment process begins with a global investment universe that is narrowed to a list of 350+ companies through a variety of both qualitative and quantitative screens. The quantitative screens identify companies that exhibit growth characteristics such as revenue growth, earnings growth, positive earnings revisions and rising free cash flow. Qualitative analysis continues to narrow the investable universe to 200+ companies through on-going, targeted research, ensuring each candidate for inclusion exhibits strong fundamentals. A catalyst identification process singles out potential purchase candidates. Factors scrutinized at this stage include market share trends, research and development, free cash flow generation and profitability. The resulting high-conviction portfolio consists of 25-40 companies that exhibit strong growth characteristics.

Investors should note that the net asset value of this Fund is likely to have a high volatility due to its investment policies or portfolio management techniques.

IV. Product Suitability

The Fund is <u>only</u> suitable for investors who:

- seek to invest primarily in shares of companies with strong growth potential;

- are comfortable with the risks of an equity fund that invests in global equities; and
- appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise

VI. Performance of the Fund

The Fund was launched on 7 May 2024 and therefore there is no past performance record.

VII. Expense Ratio[2] of the Fund

The Fund was launched on 7 May 2024 and therefore there is no past expense ratio record.

VIII. Turnover Ratio

Turnover ratio of the Fund

The Fund was launched on 7 May 2024 and therefore there is no past turnover ratio record.

Turnover ratio of the Underlying Fund

Underlying Fund	Turnover Ratio (for the year ended 31 December 2023)
Eastspring Investments – Global Dynamic Growth Equity Fund	267.00%

IX. Fees

<u>Fees payable directly by you</u>

Initial Investment Charge

There is a 5%* initial investment charge (bid-offer spread). This charge is reflected as the difference between the bid price and offer price of the Fund. The offer and bid prices are the buying and selling prices to you respectively. PRULink Funds are valued, and charges are deducted, on a forward pricing basis.

Note ILP Sub-Fund offered under some products are on bid-offer spread. Please refer to the Product Summary and relevant fund documentation for more information.

** Only applicable for some ILP products. Please refer to the Product Summary for details of charges incurred on your insurance plan as charges may vary from product to product and may be lower than 5%.*

<u>Fees payable by the ILP Sub-Fund</u>

Continuing Investment Charge

The continuing investment charge is currently 1.3% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to vary the continuing investment charge. Any increase in the continuing investment charge will be up to a maximum of 2% per annum but we will not do so before giving you 6 months' written notice.

Other Fees Payable by the Fund

The custodian fee is below 0.02% per annum, and it may vary depending on number and volume of transactions.

The offer and bid prices of the fund are net of these charges. Other charges are listed in the Product Summary

Appendix 1 - Additional Risk Disclosure applicable to the Eastspring Investments – Asian Equity Income Fund, Eastspring Investments – Asian Local Bond Fund and Eastspring Investments - Global Multi Asset Income Plus Growth Fund

Use of Financial Derivative Instruments ("FDIs")

The Underlying Fund may use FDIs (such as options, swaps, forward contracts and futures contracts) extensively for hedging and efficient portfolio management purposes. Notwithstanding the above, FDIs will not be used for investment purposes (i.e. entering into FDIs to achieve the investment objective). Should the Underlying Fund decide to enter into derivative transactions for other purposes than hedging and/or efficient portfolio management, the investment policy will be amended accordingly.

Value-at-Risk ("VaR") approach

The global exposure under the VaR approach will be monitored on daily basis with the following criteria:

• 1 month holding period

• 99% unilateral confidence interval

• at least one year effective historical observation period (250 days) unless market conditions require a shorter observation period; and

• data used in the model are updated at least quarterly

Stress testing on the Underlying Funds under VaR approach will be applied at least once a month and expected leverage is calculated as the sum of notionals of the derivatives used.

(a) The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark, for example with absolute return funds. Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Underlying Fund. The absolute VaR limit of the Underlying Fund has to be set at or below 20% of its Net Asset Value. This limit is based upon a 1 month holding period and a 99% unilateral confidence interval.

(b) The Underlying Funds that apply the VaR approach to calculate their global exposure are indicated below. Please note that the amounts indicated in the table below are indicative and may be exceeded from time to time, including, but not limited to, temporary instances such as foreign exchange rollovers. The risk exposure is calculated taking into account the current value of the underlying assets and forecasted future market movements.

Name of Underlying Fund	Risk Management Method	Expected Level of Leverage
Eastspring Investments - Global Multi Asset Income Plus Growth Fund	Absolute Value-at-Risk (VaR)	200% of total net assets

The Management Company will ensure that the risk management and compliance procedures are adequate and have been or will be implemented and that it has the necessary expertise to manage the risk relating to the use of financial derivatives.

Risks associated with the use of FDIs

The Underlying Funds may invest in derivatives which will be subject to risks. While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk, operational risk and leverage risk.

Investments in derivatives may require the deposit of initial margin and additional margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely. The Investment Manager has the necessary controls for investments in derivatives and have in place systems to monitor the derivative positions for the Underlying Fund.

The Investment Manager does not intend to use derivative transactions to optimize returns or in other words, for investment purposes but may use them for efficient portfolio management and/or risk management. Investors should refer to paragraph below for further information on the risks associated with derivatives and the risk management and compliance procedures and controls adopted by the Investment Manager in this respect. In particular, the investment in credit default swaps, volatility derivatives, asset backed securities and mortgage backed securities are subject to the following risk.

Management Risk. FDIs are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of an FDI requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

Counterparty Risk. The use of FDIs involves the risk that a loss may be sustained as a result of the failure of another party to the contract (usually referred to as a “counterparty”) to make required payments or otherwise comply with the contract’s terms. Additionally, in respect of certain instruments such as credit default swaps losses could result if the Underlying Fund does not correctly evaluate the creditworthiness of the company on which the credit default swap is based.

The Underlying Fund will be exposed to credit risk on the counterparties with which it trades particularly in relation to options, futures, contracts and other derivatives such as total return swap that are not traded on a regulated market. Such instruments are not afforded the same protection as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Underlying Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which it trades, which could result in substantial losses to the Underlying Fund.

Liquidity Risk. An Underlying Fund may lose money or be prevented from earning capital gains if or when particular derivatives are difficult to purchase or sell, possibly preventing the Underlying Fund from selling such securities at an advantageous time or price that would have been most beneficial to the Underlying Fund, or possibly requiring the Underlying Fund to dispose of other investments at unfavourable times and prices in order to satisfy its obligations.

Lack of Availability. Because the markets for certain FDIs are relatively new and still developing, suitable FDI transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, the portfolio manager may wish to retain the position of the Underlying Fund in the FDIs by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Underlying Fund will engage in FDI transactions at any time or from time to time. The ability to use FDIs may also be limited by certain regulatory and tax considerations.

Market and Other Risks. Like most other investments, FDIs are subject to the risk that the market value of the instrument will change in a way detrimental to the interest of the Underlying Fund. If a portfolio manager incorrectly forecasts the values of securities, currencies or interest rates or other economic factors in using FDIs, the Underlying Fund might have been in a better position if it had not entered into the transaction at all. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments. The Underlying Fund may also have to buy or sell a security at a disadvantageous time or price because the Underlying Fund is legally required to maintain offsetting positions or asset coverage in connection with certain FDI transactions.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular, privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Underlying Fund. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may cause the Underlying Fund to realise higher amounts of short-term capital gains (generally taxed at ordinary income tax rates) than if the Underlying Fund had not used such instruments.

Risk Management Process

The Underlying Fund will use a risk management process that enables it to monitor and measure at any time the risk of the Underlying Fund's portfolio positions and their contribution to the overall risk profile of the Underlying Fund.

Efficient Portfolio Management

The Underlying Fund may use financial derivative instruments extensively for hedging and efficient portfolio management purposes. Notwithstanding the above, financial derivative instruments will not be used for investment purposes (i.e. entering into financial derivatives instruments to achieve the investment objectives). Should the Underlying Fund decide to enter into derivative transactions for other purposes than hedging and/or efficient portfolio management, the investment policy will be amended accordingly.

Efficient portfolio management transactions may not include speculative transactions. These transactions must be economically appropriate (this implies that they are realised in a cost effective way) and be entered into for one or more of the following specific aims:

- the reduction of risks;
- the reduction of cost; or
- the generation of additional capital gain or income for the fund with an appropriate level of risk, taking into account its risk profile and the risk diversification rules laid down in the investment restrictions.

In addition to the above, the Underlying Fund may, use derivatives to facilitate more complex efficient portfolio management techniques. In particular this may involve:

- using swap contracts to adjust interest rate risk;
- using currency derivatives to buy or sell currency risk;
- writing covered call options to generate additional income;
- using credit default swaps to buy or sell credit risk; and
- using volatility derivatives to adjust volatility risk; and
- using securities lending transactions; and
- using total return swaps or other swap contracts which have similar characteristics as total return process.

The relating risks of these transactions must be adequately captured by the risk management process.

The Underlying Fund must ensure that the overall risk associated with derivatives does not exceed the net assets of the Underlying Fund. The following are taken into account in computing risk: the market value of the underlying instruments, the risk of default, future foreseeable market developments and the period within which the positions are to be liquidated. This also applies to the following two points:

- In the case of investments in derivatives, the overall exposure for the underlying instruments may not exceed the investment limits set forth in the investment restrictions. Investments in index-based derivatives need not be taken into account in the case of the investment limits set forth in the investment restrictions.

- If a derivative has a security or money market instrument as the underlying, it has to be taken into account with regard to compliance with the rules set forth under in the investment restrictions.

In no case whatsoever must recourse to transactions involving derivatives or other financial techniques and instruments cause the Underlying Fund to depart from the investment objective or add substantial supplementary risks in comparison to the Underlying Fund's general risk policy.

In addition, the financial derivative instruments used for efficient portfolio management purposes must comply with the provisions contained in the investment restrictions.

Collateral Policy

The collateral policy of the Underlying Fund is as follows:

- permitted types of collateral: cash collateral only (USD), government bonds of OECD Countries, investment grade corporate bonds, supranational bonds, agency bonds and equities.
- level of collateral: fully collateralised, subject to decisions thresholds as per relevant Credit Support Annex.
- safekeeping of collateral: collateral received is safe-kept with the Depositary or third-party delegates of the Depositary, as appropriate.
- haircut policy: no haircut
- re-investment policy: only reinvestment of cash collateral; non-cash collateral will not be re-invested

Commitment Approach

Unless specified otherwise in the Value-at-Risk Approach section, the method used to calculate the global exposure of the Underlying Funds is the commitment approach.

Sales with a right of repurchase transactions, reverse repurchase transactions, and/or repurchase transactions

The Management Company will, for and on behalf of the SICAV and each Sub-Fund for the time being, not enter into repurchase and reverse repurchase transactions. Should the Management Company decide to use such techniques and instruments in the future, this can be done so at the Management Company's discretion and the Prospectus will be updated accordingly thereafter, subject to regulatory approval.

GLOSSARY OF TERMS

"Authority"	means the Monetary Authority of Singapore.
"Business Day"	means any day other than Saturday or Sunday on which commercial banks in Singapore are generally open for business, or where the context expressly requires, any day other than Saturday or Sunday on which commercial banks in Singapore or elsewhere are generally open for business, or any other day as the Manager and the Trustee (where applicable) may agree in writing.
"Depositary"	means The Bank of New York Mellon SA/NV Luxembourg branch
"Custodian (of the PRULink Asian Fixed-Income Fund)"	means Citibank N.A.
"Custodian (of the PRULink Asian Income Fund, PRULink Global Dividend Wealth Fund And PRULink Global Equity Growth Fund)"	means Standard Chartered Bank (Singapore) Limited
"Deposited Property"	means all of the assets for the time being comprised in the Fund or the Underlying Fund for account of the Fund or the Underlying Fund (as the case may be) excluding any amount for the time being standing to the credit of the distribution account of the Fund or the Underlying Fund as the case may be.
"ESG"	means Environmental, Social, and Governance
"Investment"	means any share, stock, bond, note, debenture, debenture stock, warrant, option, securities, unit or sub-unit in a unit trust scheme, participation in a mutual fund or similar scheme, loan convertible into security, money market instrument, loan stock, certificate of deposits, deposits, commercial paper, promissory notes, treasury bills, fixed and floating rate instruments, bankers' acceptance, derivative instruments including index future and forward currency exchange contract, swap, cap, collar, floor, sale and repurchase transaction or other derivatives or financial transaction or instruments or any other security which may be selected by the Manager for the purpose of investment of any Deposited Property or which may for the time being form part thereof.
"Material Proportion"	means such proportion of the Investments which when sold would in the opinion of the Manager in consultation with the Trustee (where applicable) cause the value of that Deposited Property to be significantly reduced.
"NAV"	means Net asset value
"OTC"	means Over-the-counter
"PRULink Fund"	means any one of the PRULink Funds that is available to Prudential Singapore policyholders.
"PRULink Funds"	means the whole range of investment-linked funds that are available to Prudential Singapore policyholders.

"SICAV"	means Société d'Investissement à Capital Variable
"SRS"	means the scheme referred to by the Ministry of Finance of Singapore as the Supplementary Retirement Scheme or such other scheme as shall replace or supersede the Supplementary Retirement Scheme from time to time.
"SFDR"	means Sustainable Finance Disclosure Regulation

Prudential Singapore, an indirect wholly-owned subsidiary of UK-based Prudential plc, is one of Singapore's leading life insurance companies. We have been serving the financial needs of Singapore for over 90 years, delivering a suite of product offerings and professional advisory through our network of more than 5,000 financial consultants and our bank partners. We are one of the market leaders in protection, savings and investment-linked plans with S$53.3 billion funds under management as at 31 December 2023.

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