PRULink Fund Information Booklet

May 2020

PRULink Pan European Fund
PRULink Global Technology Fund
PRULink Asian American Managed Fund
PRULink China-India Fund
PRULink Singapore Dynamic Bond Fund
PRULink Asian Infrastructure Equity Fund
PRULink Singapore ASEAN Managed 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 Documents 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 the 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 Funds. 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 these Funds.

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 Funds and/or Underlying Funds. 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 any Fund and/or Underlying Fund. None of the Funds and/or Underlying Funds will pay any additional amounts to investors to reimburse them for any taxes, assessment or charges required to be withheld or deducted from any payments made to them.

The Funds and/or Underlying Funds have not been and will not be registered under the United States Investment Company Act of 1940 as amended. The units of the Funds and/or Underlying Funds 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 shares 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 Funds and/or Underlying Funds 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 organized 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 organized 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” and “US” 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 Funds which are summarised in Section 6 of this Fund Information Booklet.

This Fund Information Booklet does not represent a contract.

PRULink Funds

Table of Contents

Contents **Page**

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PRULink Funds

1. The PRULink Funds

The following PRULink Funds are currently being offered:

a. PRULink Pan European Fund (refer to Schedule 1 for more information)

b. PRULink Global Technology Fund (refer to Schedule 2 for more information)

c. PRULink Asian American Managed Fund (refer to Schedule 3 for more information)

d. PRULink China-India Fund (refer to Schedule 4 for more information)

e. PRULink Asian Infrastructure Equity Fund (refer to Schedule 5 for more information)

f. PRULink Singapore Dynamic Bond Fund (refer to Schedule 6 for more information)

g. PRULink Singapore ASEAN Managed Fund (refer to Schedule 7 for more information)

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 in respect of the Funds ("**Product Provider**" and includes the correlative meanings "**we**", "**us**" **and** "**our**") in respect of the Funds.

3. The Manager, Investment Managers and the Sub-Managers

3.1 The Manager and Investment Managers

The Manager and Investment Manager of the Funds is Eastspring Investments (Singapore) Limited (the "**Manager**"), whose registered office is at 10 Marina Boulevard, #32-01 Marina Bay Financial Centre Tower 2, Singapore 018983. The Manager is regulated by the MAS.

Eastspring Investments (Singapore) Limited is also the investment manager of the following underlying funds (the "**Underlying Funds**") and underlying entities of the Underlying Funds (the "**Underlying Entities**") in the table below.

Fund	**Underlying Fund**	**Underlying Entity**
PRULink Pan European Fund	Eastspring Investments Unit Trusts – Pan European Fund	Eastspring Investments – Pan European Fund
PRULink Global Technology Fund	Eastspring Investments Unit Trusts – Global Technology Fund	Eastspring Investments – Global Technology Fund
PRULink Asian American Managed Fund	Eastspring Investments Unit Trusts – Asian Balanced Fund	Eastspring Investments – Asian Equity Income Fund Eastspring Investments – US High Investment Grade Bond Fund

		Eastspring Investments – US Investment Grade Bond Fund
PRULink Asian Infrastructure Equity Fund	Eastspring Investments Unit Trusts – Asian Infrastructure Equity Fund	Eastspring Investments – Asian Infrastructure Equity Fund
PRULink China-India Fund	Eastspring Investments Unit Trusts – Dragon Peacock Fund	
PRULink Singapore Dynamic Bond Fund	Eastspring Investments Unit Trusts – Singapore Select Bond Fund	
PRULink Singapore ASEAN Managed Fund	Eastspring Investments Unit Trusts – Singapore Select Bond Fund; and Eastspring Investments Unit Trusts – Singapore ASEAN Equity Fund	

The Manager was incorporated in Singapore in 1994 and is Eastspring's Singapore office. The Manager has been managing discretionary funds since 1995. The Manager manages SGD196.12 billion of which approximately SGD166.88 billion are discretionary funds managed in Singapore as at 31 December 2019.

The Manager and the Investment Manager are ultimately wholly-owned subsidiaries of Prudential plc ("**Prudential**") of the United Kingdom. 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 2019

The above investment managers are to be collectively referred to in this Fund Information Booklet as the "**Investment Managers**" and each an "**Investment Manager**".

3.2 The Sub-Managers

3.2.1 M&G Investment Management Limited

MAGIM is the sub-manager of the following Underlying Entity of the Underlying Fund:

Fund	Underlying Fund	Underlying Entity
PRULink Pan European Fund	Eastspring Investments Unit Trusts – Pan European Fund	Eastspring Investments – Pan European Fund

M&G Investment Management Limited ("MAGIM") is part of M&G and is a subsidiary of M&G plc. M&G has total assets under management of £276 billion as at 30 June 2019. MAGIM is regulated by the Financial Conduct Authority (FCA).

M&G has been investing money for individual and institutional clients for over 87 years.

Source: Eastspring Investments (Singapore) Limited as at 31 December 2019

3.2.2 PPM America, Inc

PPM America, Inc. ("**PPM America**") is the sub-manager of the following Underlying Entities of the Underlying Fund:

Fund	Underlying Fund	Underlying Entity
PRULink Asian American Managed Fund	Eastspring Investments Unit Trusts – Asian Balanced Fund	Eastspring Investments – US High Investment Grade Bond Fund
		Eastspring Investments – US Investment Grade Bond Fund

PPM America, Inc. ("PPM America") is the primary U.S. institutional investment adviser for entities related to Prudential and provides investment advisory services to a limited number of unaffiliated institutional accounts. Founded in 1990, PPM America is headquartered in Chicago and has an office in Schaumburg, Illinois. As at 31 August 2019, PPM America employed 271 people and managed approximately US$129 billion in assets. PPM America provides advice regarding securities and other investments, including U.S. public and private equity and fixed income securities, high yield debt, structured products (collateralized loan obligations and collateralized debt obligations as examples) and, as necessary, distressed securities. PPM America offers advice on a wide variety of security types denominated in US dollars, including but not limited to (i) equity securities (exchange-listed and over-the-counter, both for US and foreign issuers), (ii) warrants, (iii) corporate debt securities (including investment grade corporate debt ("investment grade") securities and high yield corporate debt ("high yield") securities), (iv) commercial paper, (v) certificates of deposit, (vi) certain municipal securities, (vii) US government securities, and (viii) derivatives (including options, futures, options on futures, swap transactions including but not limited to interest rate, total return and credit default swaps (on individual companies or indices), options on swaps and other similar transactions). PPM America is a wholly owned indirect subsidiary of the UK incorporated Prudential. Prudential is 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. PPM America is regulated by the Securities and Exchange Commission (SEC).

PPM America's approach to investment management is defined by their value- oriented tradition, a long-term perspective and emphasis on fundamental research.

Source: Eastspring Investments (Singapore) Limited as at 31 December 2019

3.2.3 Henderson Global Investors Limited

Henderson Global Investors Limited ("**Henderson**") is the sub-manager of the following Underlying Entity of the Underlying Fund:

Fund	Underlying Fund	Underlying Entity
PRULink Global Technology Fund	Eastspring Investments Unit Trusts – Global Technology Fund	Eastspring Investments – Global Technology Fund

Henderson Global Investors Limited (HGIL) is a wholly owned subsidiary of Janus Henderson Group plc. HGIL is permitted to carry out investment management in the United Kingdom through its regulator, the Financial Conduct Authority (FCA) and has been managing collective investment schemes and discretionary funds in the United Kingdom since 1934.

Source: Eastspring Investments (Singapore) Limited as at 31 December 2019

Past performance of the Manager, Investment Managers and the Sub-Managers is not necessarily indicative of their future performance.

The above sub-managers are to be collectively referred to in this Fund Information Booklet as the "Sub-Managers" and each a "Sub-Manager".

4. The Auditor

The auditor of the accounts for the Funds is KPMG LLP Singapore whose registered office is at 16 Raffles Quay, #22-00, Hong Leong Building, Singapore 048581 (the "**Auditor**").

5. Structure, Investment Objective, Focus and Approach

5.1 Please refer to the respective Schedules for specific details on the structure, investment objective, focus & approach of each PRULink Fund.

Please note that some of the Underlying Entities that are invested by the Underlying Funds may be available to the retail public in Singapore for direct investment. Investors should also note that some of the Underlying Entities may also offer other unit/share classes which are currently available to Singapore retail investors for direct investment. Investments into the Underlying Entities by way of a feeder fund structure may incur in aggregate higher fees and charges than would otherwise be payable if such investments were made directly.

5.2 Investment in derivatives / securities lending

The Manager may invest in derivatives for the Underlying Funds. Please refer to paragraph **5.3** below for further details.

The Manager currently does not intend to carry out securities lending and/or carry out repurchase transactions for the Underlying Funds but may in the future do so, in accordance with the applicable provisions of the Code (as defined in paragraph 5.3 below) and, if applicable, the CPF Investment Guidelines.

The managers of the Underlying Entities and their respective sub-managers currently:

a) intend to and/or may invest in derivatives; and

b) do not intend to engage in securities lending and/or carry out repurchase transactions but may in the future do so.

5.3 Use of Financial Derivative Instruments ("FDIs")

Any use of FDIs will be for the purposes of efficient portfolio management ("**EPM**") and/or hedging with the purpose of preserving the value of an asset or assets of the Underlying Funds. Permitted EPM transactions include but not limited to forwards, futures, swaps and options dealt in or traded on an approved derivatives market. Where such derivatives are FDIs on commodities, such transactions shall be settled in cash at all times or as may otherwise be required under the Code on Collective Investment Schemes issued by the MAS, as may be modified, amended, supplemented, re-enacted or re-constituted from time to time (the "**Code**").

Where FDIs are used, the global exposure of an Underlying Fund to FDIs or embedded FDIs shall not exceed 100% of the net asset value ("**NAV**") of that Underlying Fund at any time (or such other percentage as may be allowed under the Code). Such exposures relating to FDIs will be calculated using the commitment approach as described in, and in accordance with, paragraph 3.3 of Appendix 1 of the Code.

Risk Management Process

The Manager has the following risk management and compliance controls in place to manage the risks in FDIs:

(a) Pre-Trade Compliance

Where possible, FDI activity and exposures are monitored with a pre-trade compliance system across the entire business. Rules and investment guidelines are set up in the system as far as possible allowing potential breaches to be immediately identified before a trade is executed. An escalation process is in place to ensure relevant parties are informed when a potential issue occurs.

(b) Portfolio Risk

The Manager uses quantitative techniques to determine the suitability of utilising FDIs. The investment team uses a number of tools to carry out portfolio construction and to conduct risk analysis including risk/return characteristics. The investment team identifies, manages and monitors investment risks with the aim of achieving the objectives of the Underlying Funds.

(c) Counterparty Risk

The Manager has credit risk management and control procedures for assessing, monitoring and limiting credit and counterparty risk across all asset classes and client bases. Reviews of counterparties are performed on a regular basis to assess any changes in credit worthiness and the ability to meet their contractual obligations.

(d) Risk Oversight

In addition, the Manager has an independent investment risk team that works with each investment team to ensure that the necessary risk controls and metrics of risks are in place. The investment risk team reports to the regional risk committee whose principal role is to ensure that the business units operate within the risk management policies and frameworks laid out.

The Manager 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 FDIs.

The Manager may modify the risk management and compliance procedures adopted from time to time as it deems fit and in the interest of the Underlying Funds.

6. Risks

The risks set out in this section are in relation to the Funds, the Underlying Funds and Underlying Entities. Given that the Funds feed primarily into the Underlying Funds which may subsequently feed into the Underlying Entities, it is acknowledged that the risks inherent in the Underlying Funds and Underlying Entities will also impact the Funds. Only for the purpose of the whole of this Section 6, any reference to Fund shall refer to Fund(s), Underlying Fund(s) and/ or Underlying Entity(ies), as applicable, and any reference to Manager shall refer to Manager(s), Investment Manager(s) and/ or the relevant Sub-Manager(s), as applicable. As such, investors should carefully consider the risks set out in this section before deciding to invest in the Funds.

6.1 General Risks

Investors should consider and satisfy themselves as to the risks of investing in the Fund. Investment in the Fund is meant to produce returns over the long-term. It may not be possible to obtain short-term gains from such investments. Investors should be aware that the price of units in the Fund, and the income from them, may fall or rise and investors may not get back their original investment. Generally, some of the risk factors that should be considered are liquidity and repatriation risks. The default in payment by an issuer of any instrument held by the respective Underlying Fund or Underlying Entity of the Underlying Fund may affect the Underlying Fund's or its Underlying Entity's ability to meet its payment obligations to the Fund. No guarantee is given, expressed or implied, that investors will receive back any amount invested.

An investment in an underlying Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

All investments involve risks and there can be no guarantee against loss resulting from an investment in any units, nor can there be any assurance that the Fund's investment objective will be attained in respect of its overall performance. Investors should therefore ensure (prior to any investment being made) that they are satisfied with the risk profile of the overall investment objective disclosed.

6.2 Specific Risks

Investors in the Funds should carefully consider the following:

6.2.1 Foreign exchange / currency risk

As some of the Underlying Funds that are Singapore Dollar denominated will invest in Underlying Entities which are denominated in foreign currencies or hold investments that are denominated in foreign currencies (e.g. US Dollars and Euro), fluctuations in the exchange rates between the Singapore Dollar and these foreign currencies may have an impact on the income and value of such Funds.

Additionally, some Funds may have Classes of Units that are denominated in foreign currencies and investments in such Classes, may be subject to foreign exchange risk as well as an additional currency hedging cost component.

The Fund may invest their assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the deposited Property of each Fund as expressed in its base currency will fluctuate in accordance to the changes in the foreign exchange rate between its base currency and the currencies in which the relevant Fund's investments are denominated. The Fund may therefore be exposed to a foreign exchange / currency risk.

Generally, the Manager does not hedge the foreign currency exposure (if any) of the Fund although they may have the discretion to do so. In the event the currency hedging strategy does not meet its intended objective, this could have an adverse impact on the Net Asset Value of the Fund.

In respect of a hedged share class, the Manager will employ a hedging strategy to hedge the currency risk between the Class currency and the base currency of the relevant Funds. The Manager may manage the currency risk by hedging, if necessary, through forward currency markets. This strategy is to reduce but not eliminate currency risk. If these hedging transactions are imperfect or are only placed over a portion of the foreign exchange exposure, the Class will bear the resulting benefit or loss. It is important to note that currency hedging transactions for one Class may in extreme cases adversely affect the Net Asset Value of the other Classes within the Funds.

If your reference currency is the Singapore Dollar, you should also note that you may be exposed to additional exchange rate risks if you invest in a Class not denominated in Singapore Dollars.

6.2.2 Derivatives risk

The Fund 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, but not limited to, 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 Manager has the necessary controls for investments in derivatives and has in place systems to monitor the derivative positions for the Fund.

The 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 hedging. 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 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.

Risks Associated with FDIs

The use of FDIs involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other more traditional investments.

The following provides a general discussion of important risk factors relating to all FDIs that may be used by a Fund.

(i) 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.

(ii) 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 that Fund does not correctly evaluate the creditworthiness of the company on which the credit default swap is based.

The Fund will be exposed to credit risk on the counterparties with which it trades particularly in relation to options, futures, contracts and other derivatives that are traded over the counter. 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 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 Fund.

(iii) Liquidity Risk

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

(iv) Lack of Availability

Because the markets for certain FDIs are relatively new and still developing, suitable FDIs 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 a Fund’s position 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 a Fund will engage in FDIs transactions at any time or from time to time. The ability to use FDIs may also be limited by certain regulatory and tax considerations.

(v) 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 a Fund’s interest. If a portfolio manager incorrectly forecasts the values of securities, currencies or interest rates or other economic factors in using FDIs, such 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 Fund may also have to buy or sell a security at a disadvantageous time or price because that Fund is legally required to maintain offsetting positions or asset coverage in connection with certain FDIs 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 a 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 a Fund to realize higher amounts of short-term capital gains (generally taxed at ordinary income tax rates) than if that Fund had not used such instruments.

6.2.3 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.

Investments in fixed income securities are subject to 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 make payments of interest and the principal, especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

Funds may invest in deposits. The yield/returns of the Units in the Fund may go up or down in response to fluctuations in interest rates. Investments in deposits may decline in yield if interest rates change. In general, yield on deposits will rise when interest rates increase and fall when interest rates decrease.

Investments in deposits are also subject to adverse changes in financial conditions of institutions holding such deposits, or in general economic conditions, or both, which may impair the ability of such institutions to make payments of interest and principal. Such institutions' ability to meet their obligations may also be adversely affected by their operation, performance or winding-up, which may increase the potential for default by such institutions. Any default by such institutions could result in substantial losses to the Fund.

6.2.4 High yield bonds risk

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Compared to investment grade bonds, high yield bonds are normally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry.

6.2.5 Investment grade bonds risk

Certain Funds may invest in investment grade bonds where there is a risk that the rating of the bonds held by the Funds may be downgraded at any time.

6.2.6 Convertible bond risk

Convertible securities are subject to the risks associated with both fixed income securities and equities, namely credit, price and interest-rate risk.

6.2.7 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 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

Coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any length of time.

(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 Manager 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, a Fund 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 instruments 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 Manager to assess how the securities will behave upon conversion. In case of conversion into equity, the Manager might be forced to sell these new equity shares if the investment policy of the relevant Fund 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.

6.2.8 Asset backed securities ("ABS") and mortgage backed securities ("MBS") risk

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 any Fund invested in ABS 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 Fund 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 are usually illiquid and private in nature. ABS Assets are subject to liquidity, market value, credit interest rate, reinvestment and certain other risks. 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 ABSs to a greater degree of risk with respect to defaults on the ABS Assets.

Prices of the ABS Assets may be 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.

Certain Underlying Funds may invest their assets in ABS and MBS. The risk of ABS applies to MBS.

Currently, the Eastspring Investments Unit Trusts – Singapore Select Bond Fund and the underlying bond funds of the Eastspring Investments Unit Trusts – Asian Balanced Fund may invest its assets in ABS and MBS.

6.2.9 Credit default swap risk

A credit default swap ("**CDS**") allows the transfer of default risk. This allows a 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 Manager will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

6.2.10 Political and/or regulatory risks

The value of the Deposited Property 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 Funds are invested into may not always be secured or may be restricted.

6.2.11 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 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, 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 custodian, any of its correspondents or an efficient central depositary. As a result and due to lack of efficient regulation by government bodies, the 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 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.

When the Manager makes 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 statements do not offer advice on the suitability of investments.

(i) 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.

(ii) Currency Risk

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

(iii) 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 Fund 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 Fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Fund Information Booklet or when investments are made, valued or disposed of.

6.2.12 Sector-specific risk

As some Funds are invested in a small range of economic sectors, potential investors should be aware that the value of a portfolio invested in such sectors might fluctuate more than the value of a portfolio invested in a broader diversification of sectors. In addition, some of these investments may, on account of the economic sector of the companies selected, be subject to higher volatility than that generally observed on the stocks markets during the same period.

In addition, in relation to PRULink Global Technology Fund, the value of its units may be susceptible to factors affecting technology-related industries and to greater risk and market fluctuation than investment in a broader range of portfolio securities covering different economic sectors. Technology, technology-related, healthcare and telecommunications industries may also be subject to greater government regulation than many other industries. Accordingly, changes in government policies and the need for regulatory approvals may have a materially adverse effect on these industries. Additionally, these companies may be subject to inherent risks of developing technologies, competitive pressures and other factors as well as a relatively high risk of obsolescence caused by scientific and technological advances and are dependent upon consumer and business acceptance as new technologies evolve.

Many companies in the technology sector are smaller companies and are therefore also subject to risks attendant on investing in such companies as set out in paragraph 6.2.14 below. The development of these sector-specific investments may differ from the general stock exchange trend.

6.2.13 Portfolio and market risk

Each Fund is intended for investors who can accept the risks associated with investing primarily in the securities of the type held in that Fund and the market(s) that the Fund invests in. Investors in equities will be subject to the risks associated with equity and equity-related securities, including fluctuations in market prices, adverse issuer 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 risks associated with debt securities including credit and interest rate risk, and the additional risks associated with high-yield debt securities, loan participations and derivative securities. The value of Units may also go up and down due to normal market fluctuations in the markets that the Fund invests in. In addition, investors should be aware of the risks associated with the active management techniques that are expected to be employed by certain Funds. An investment in a PRULink Fund does not constitute a complete investment program. Investors may wish to complement an investment in a PRULink Fund with other types of investments.

6.2.14 Small companies risk

Investment in securities of smaller companies can involve greater risk than that normally associated with larger, more established companies. In particular, smaller companies have limited product lines, markets or financial resources and may be dependent for their management comprising of a limited number of key individuals. Securities of smaller companies may also be less liquid and more price volatile, than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading and this may result in fluctuations in the price of the Units.

6.2.15 Charges to capital risk

Where a Fund’s charges and expenses are taken from capital, in whole or in part, capital growth may be constrained as a result.

6.2.16 Risk of distributions out of capital

Where distributions of a Fund are paid out of capital, investors should be aware that the payment of distributions out of capital represents a return or withdrawal of part of the amount the investors originally invested and/or capital gains attributable to the original investment. Any distributions involving the payment of distributions out of capital will result in a reduction in the net asset value of the Fund and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained as a result.

6.2.17 Counterparty and settlement considerations

The Fund will be exposed to credit risk on the counterparties with which they trade particularly in relation to fixed income securities, options, futures, contracts and other FDIs that are traded over the counter. Such FDIs 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. A 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 it.

The Fund will also be exposed to a credit risk on parties with whom they trade 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 a Fund in respect of investments in emerging markets.

6.2.18 Liquidity risk

A Fund 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 Fund if the Fund is unable to sell these securities at opportune times or prices. Liquidity could dry up in a very short time especially during a crisis. The Funds may invest in deposits. A Fund's investment in deposits may be subject to early redemption charges on its investment in deposits particularly in the situation when the Fund faces a large redemption that may require the Fund to withdraw its deposits prematurely. The early redemption charges will be borne by the Fund.

6.2.19 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 Fund, to liquidate positions and, accordingly, expose the Fund to losses and delays in its ability to realise units.

6.2.20 Country specific risk

Certain of the Fund may invest in securities of a limited number of countries. Fund that invest in 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 Fund's performance. Country specific issues could magnify the negative performance of the Fund. Such Fund may be subject to volatility and structural risks associated with specific countries, and performance may lag the performance of Funds that invest in a diversified portfolio across many countries. Exposure to a limited number of countries market also increases the potential volatility of such Funds due to the increased concentration risk as they are less diversified compared to exposure to specific regional or global markets.

6.2.21 Restrictions on foreign investment

Some countries prohibit or impose substantial restrictions on investments by foreign entities. There may also be instances where a purchase order subsequently fails because the permissible allocation to foreign investors has been filled, depriving a Fund of the ability to make its desired investment at the time.

6.2.22 Inflation risk

A change in the rate of inflation may affect the real value of an investor's investment.

6.2.23 Redemption risk

The Funds will not be listed on any stock exchange. There is no ready secondary market for the units in the Funds. Investors may consequently only realise their units in accordance with the provisions set out in this Fund Information Booklet.

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

Investors should also note that their right to realise units may be temporarily suspended under certain circumstances as further described in Section 11.

6.2.24 Foreign Account Tax Compliance Act ("FATCA")

FATCA is the Foreign Account Tax Compliance Act of 2010. FATCA was enacted by the US Congress as part of the Hiring Incentives to Restore Employment Act (the HIRE Act). FATCA is a reporting and withholding regime which provides the Internal Revenue Service (IRS) with a tool to strengthen the information reporting and compliance of US persons who have money invested outside of the US.

FATCA provisions generally impose a 30% withholding tax on certain U.S. source payments, including interest, dividends and gross proceeds from the sale or other disposal of property that can produce U.S. source income in certain circumstances.
The goal of the US tax authorities is to receive information about US persons, not to raise revenue via the withholding tax.

On 9 December 2014, the Government of the Republic of Singapore and the Government of the United States of America signed an Agreement to Improve International Tax Compliance and to Implement FATCA. Broadly, this agreement takes the form of a "FATCA Model 1 Intergovernmental Agreement" and establishes a framework for certain Singapore-based financial institutions to report account information of US persons to the Inland Revenue Authority of Singapore, which in turn will provide the relevant information to the US Internal Revenue Service.

Although the Cash Fund, EIF, EIUT, the Manager and/or the Trustee will attempt to satisfy any obligations imposed on it by the Applicable Requirements as per Paragraph 20.10 of this Prospectus to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Cash Fund, EIF, EIUT, the Manager and/or the

Trustee will be able to satisfy these obligations. If the Cash Fund, EIF or EIUT becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by the Holders in the relevant Fund may suffer material losses.

The Manager will at all times, act in good faith and on reasonable grounds.

You should consult with your own tax advisors regarding the possible implications of FATCA on an investment in the Funds.

6.2.25 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 Funds 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.

(i) 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: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm

(ii) Risk factors

(a) Quota limitations

Each of SHHK Stock Connect and SZHK Stock Connect is subject to a 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 and 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 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.

(b) 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 Fund's ability to access the PRC market will be adversely affected.

(c) 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 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.

(d) 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 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.

(e) 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 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 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 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 Fund is unable to utilise this model, it would have deliver SC Securities to brokers before the trading day and the above risks may still apply.

(e) 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 Fund, for example, when it wishes to purchase a stock which is recalled from the scope of eligible stocks.

(f) Clearing and settlement risk

HKSCC and CSDCC have established the clearing links and each has become a participant of the 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 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 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 Funds' investments or settle the Funds' trades. It is possible that, in the event of the insolvency or bankruptcy of a custodian or broker, the 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 Fund may be exposed to risks resulting from potential conflict of interests which will be managed by appropriate internal procedures.

(h) No protection by Investor Compensation Fund

The relevant Funds' investments in SC Securities under SHHK and SZHK Stock Connect are not covered by the Hong Kong's Investor Compensation

Fund or the China Securities Investor Protection Fund. Therefore, the Funds are exposed to the risks of default of the broker(s) they engage in their trading in China A-Shares through the respective program and the investors will not benefit from compensation under such schemes.

(i) 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. Funds which may invest in the PRC markets through SHHK and SZHK Stock Connect may be adversely affected as a result of such changes.

(j) 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 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.

(k) Beneficiary ownership

China A-Shares acquired by Hong Kong and overseas investors (including the relevant Funds) 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 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 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 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 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 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.

(l) 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 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 Fund who buys then sells (or sells then buys) any shares of a company listed as a China A-Share on the SSE/SZSE within any six month period may be required to give up any profit it makes to the issuer. The profits that a Fund may derive from such investments may be limited, and thus the performance of a Fund may be adversely affected.

Disclosure of interests risk

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

(m) 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. 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 Funds may be exposed to greater liquidity risk of offshore RMB and may not be able to effectively pursue their investment strategies.

(n) 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). The Funds' investments may be exposed to both the CNY and the CNH, and the Funds 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).

Funds 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 SC Securities. During any such conversion, the Fund may also incur currency conversion costs. The currency exchange rate may be subject to fluctuation and where RMB has depreciated, the Fund may incur a loss when it converts the sale proceeds of the SC Securities into its operating currency.

(o) Restriction on Day Trading

Day (turnaround) trading is not permitted on the China A-Share market. Therefore, the Funds 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 Funds' investment options, in particular where a 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.

(p) 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).

(q) 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 Funds for trading via the SHHK and SZHK Stock Connect. In order to satisfy the pre-trade checking requirements, the Funds 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 Funds. In some cases, aggregation may operate to the Funds' disadvantage and in other cases aggregation may operate to the Funds' advantage.

6.2.26 Foreign Portfolio Investors Regime[1] (previously Foreign Institutional Investors Regime)

Certain Funds may invest through the Foreign Portfolio Investors Regime. Please note that the information provided below is meant as an overview of the Foreign Portfolio Investors Regime and is not intended to be exhaustive and does not constitute tax, regulatory or legal advice.

(a) Investing in Indian Securities

In order to invest in Indian companies and/or Indian equity and/or debt securities, a fund must be registered as a Foreign Portfolio Investor ("FPI").

[1] The FPI Regime replaced the Foreign Institutional Investors ("FII") Regime with effect from 1 June 2014. The SEBI (FPI) Regulations, 2014 have been replaced by the SEBI (FPI) Regulations 2019 with effect from 25 September 2019.

Investment by an FPI is subject to total FPI investment being within the individual FPI limit and is also subject to a general maximum aggregate investment limit as permitted by the Securities and Exchange Board of India ("SEBI").

For instance, until 31 March 2020, investment under the FPI route is subject to a general maximum aggregate permitted investment of FPIs in a particular company of 24% of paid up equity capital on a fully diluted basis, although this may be varied on a sector by sector or company by company basis and an individual FPI or FPI group holding limit of 10% of the paid up equity capital of the company on a fully diluted basis. From 1 April 2020, the aggregate cap on FPI investments in an Indian company shall be the sectoral cap on foreign investment applicable to such company, provided however that the company may reduce the cap to 24%, 49% or 74% prior to 31 March 2020. The Indian regulator monitors this threshold, and notifies the relevant custodians as the FPI aggregate investment approaches the threshold. Investment by FPIs in Indian debt capital markets is capped and subject to limits prescribed by the Indian regulators.

Where a Sub-Fund makes investments in India under the FPI regime (referred to hereafter as the "FPI Sub-Fund"), the investment restrictions of the FPI regime may hinder the FPI Sub-Fund's investment program and adversely impact the investment and portfolio balancing activities. There is a risk that the FPI Sub-Fund is unable to secure, or only able to secure at significant cost, a sufficient quota in respect of relevant securities under prevailing regulations. In such a case, the FPI Sub-Fund may be closed to new subscriptions as the monies from new subscriptions cannot be invested in such markets by the Investment Manager.

(b) *Loss of FPI Registration*

The investment by the FPI Sub-Fund under the FPI route is dependent on the continued registration as an FPI. If the registration is terminated, the FPI Sub-Fund could potentially be forced to redeem affected investments held in Indian securities, and such forced redemption could adversely affect the returns to the FPI Sub-Fund.

(c) *Investment by NRI/OCI/RI*

Indian laws and securities regulations may modify the eligibility conditions for FPIs at any point in time. The SEBI circular dated 21 September 2018 on "Eligibility conditions for Foreign Portfolio Investors (FPIs)" states that Non-resident Indians ("NRIs"), Overseas Citizen of India ("OCIs") and Resident Indians ("RIs") shall be allowed to be investors of FPIs subject to the holdings of a single NRI/ OCI/ RI in an FPI not exceeding 25% or the aggregate holdings of NRIs/OCs/RIs not exceeding 50% to corpus of FPI. In this regard, such investors will be required to mandatorily redeem such holdings that exceed the thresholds. NRIs/OCs/RIs are advised to consult their financial advisers before investing in the FPI Sub-Fund.

(d) *Indian Investigations and Actions*

Any investigations of, or actions against the FPI Sub-Fund initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment activities and trading activities in India of the FPI Sub-Fund or other adverse consequences.

(e) *Indian Direct Taxes*

The interpretation and application of tax law by the Indian tax authorities may be subject to retrospective change. In such circumstances the net asset value of the FPI Sub-Fund may suffer a drop in value and Shareholders in the FPI Sub-Fund may suffer a loss.

It is to be noted that the provisions of the tax considerations for FPIs, which are discussed hereinbelow, refer to FPIs registered under the erstwhile SEBI (Foreign Portfolio Investors) Regulations, 2014. After the recent changes to the relevant regulations whereby FPI Regulations have replaced the erstwhile regulations, the tax considerations may be amended and the position discussed below may need to be updated.

The tax rates set out below shall be subject to any benefits available under a Double Tax Avoidance Agreement ("DTAA") entered into between India and the jurisdiction of residence of the relevant FPI Sub-Fund.

Capital Gains

Under current Indian tax laws, long-term capital gains in excess of INR 100,000 arising on transfer of listed equity shares and units of an equity oriented fund executed on a recognised stock exchange in India and subject to securities transaction tax ("STT") are taxable at a rate of 10% (excluding applicable surcharge and cess)[2], whereas short-term capital gains arising on transfer of the aforementioned securities on a recognised stock exchange and where STT is applicable are subject to tax at the rate of 15% in India (excluding applicable surcharge and education cess).

Long-term capital gains from sale of Indian securities (where STT is not applicable) executed off the recognised stock exchange in India will be taxable at the rate of 10% in India (excluding applicable surcharge and education cess), while short-term capital gains from sale of Indian securities (where STT is not applicable) executed off the recognised stock exchange will be taxed at the rate of 30% in India (excluding applicable surcharge and education cess). Further, long-term capital gains arising from the transfer of instruments not regarded as "securities" under Indian securities law[3] are taxed at the rate of 20% (excluding applicable surcharge and education cess), whilst short-term capital gains arising therefrom are taxed at the rate of 40% (excluding applicable surcharge and education cess).

Interest

Interest income arising from Indian securities will be subject to income tax at the rate of 20% on gross interest (excluding applicable surcharge and education cess), however, a rate of 10% (excluding applicable surcharge and education cess) will be applicable in respect of interest earned on Foreign Currency Convertible Bonds and at a rate of 5% (excluding applicable surcharge and education cess) shall be applicable in respect of interest earned from rupee denominated bonds issued by an Indian company or a government security, where the rate of interest does not exceed the rate prescribed by the Indian government in this regard (i.e. current SBI base lending rate plus 500 bps).

Further, interest arising out of lending in foreign currency under loan agreements or on long-term bonds, including long-term infrastructure bonds issued by Indian companies before 1 July 2020 shall be chargeable to tax at the rate of 5% (excluding applicable surcharge and education cess). A withholding tax rate of

[2] *Unless mentioned otherwise, all Indian tax rates mentioned here are exclusive of applicable surcharge and educational cess. The rate of surcharge depends on the status of the taxpayer. Foreign non-corporates will be subject to surcharge at the rate ranging from 0% to 37%, depending on the total income liable to tax. Further, a health and education cess of 4% on surcharge and tax is payable by foreign non-corporates.*

[3] *This is currently a grey area and instruments such as unlisted NCDs of private companies may be covered here as such instruments may not be treated as "securities" as defined under the Securities Contracts (Regulation) Act, 1956.*

5% (excluding applicable surcharge and education cess) shall apply to interest in respect of monies borrowed from a source outside India by way of rupee denominated bonds issued by an Indian company before 1 July 2020.

Dividends

Dividends are currently exempt from tax in the hands of all non-resident shareholders, provided the Indian portfolio companies declaring, distributing or paying dividends have paid a Dividend Distribution Tax ("DDT") at a rate of 20.56% (including applicable surcharge and education cess) on the amount of dividend distributed.

Similarly, dividend distributed by an equity-oriented fund is currently exempt from tax in the hands of the unitholders. However, such dividend shall be subject to a distribution tax at an effective rate of 12.94% (inclusive of applicable surcharge and cess).

Dividends distributed by a mutual fund are currently exempt from tax in the hands of the unitholders. However, such dividend shall be subject to a distribution tax in the hands of the mutual funds as under:

Nature of distribution	**Effective tax rate (inclusive of surcharge and cess)**
Distribution by a money market mutual fund to a person other than individual and Hindu Undivided Family	49.92%
Distribution by a fund other than money market mutual fund or liquid fund or an equity oriented fund to a person other than individual and Hindu Undivided Family	49.92%
Distribution by a mutual fund under an infrastructure debt scheme to a non-resident	6.13%

General Anti-Avoidance Rules in India

The General Anti-Avoidance Rules ("GAAR") came into effect on 1 April 2017. GAAR would be applicable to any transaction or part thereof which qualifies as an 'impermissible avoidance arrangement'. The term 'impermissible avoidance arrangement' has been defined to mean an arrangement where the main purpose is to obtain a "tax benefit", and it creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; or results, directly or indirectly, in the misuse, or abuse, of the provisions of the (Indian) Income-tax Act, 1961 ("IT Act"); or lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes.

GAAR provisions empower the tax authorities to consequently disregard entities in a structure, reallocate income and expenditure between parties to the arrangement, alter the tax residence of such entities and the legal situs of assets involved, treat debt as equity and vice versa, and the like, and even deny benefit conferred under a tax treaty. Further, the GAAR rules provide that GAAR shall not apply, inter alia, to arrangements where the aggregate tax benefit in a relevant year, to all the parties involved, does not exceed INR 30 million; to registered FPIs that do not take any benefit under the applicable tax treaty; and to any income or gains on transfer, accruing, arising or deemed to accrue or arise to any person from investments made prior to 1 April 2017.

If the Indian tax authorities were to apply the GAAR to the FPI Sub-Fund, there could be an adverse impact on the taxability of the FPI Sub-Fund and the returns to the Shareholders[4].

Tax Residency of a company – India

As per the IT Act, a company shall be a tax resident in India in a given financial year if: (i) it is incorporated in India; or (ii) its ‘place of effective management’ (“POEM”) during the year is in India. POEM is based on the place where key management and commercial decisions of the entity as a whole are taken. The Central Board of Direct Taxes has issued a circular No. 06 of 2017 dated 24th January, 2017 clarifying the meaning and application of POEM.

It has been further clarified that the POEM test shall not apply to companies having turnover or gross receipts less than INR 500 million during the financial year.

If for any reason the activities of an FPI Sub-Fund are held to locate its POEM in India, then the global profits of the FPI Sub-Fund could be subject to taxation in India.

Taxation of Indirect Transfer of Indian Assets

The IT Act levies capital gains tax on income arising from the transfer or redemption of shares/interest in a company/entity organised outside India which derives, directly or indirectly, its value substantially from the assets located in India.

As per the Finance Act, 2017, it has been clarified that the scope of the indirect transfer tax provisions as set out above shall not cover within its ambit, direct or indirect investments held by non-resident investors in FPIs that are registered as Category-I or Category-II with SEBI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. This amendment is effective retrospectively from financial year 2014-15.

(f) Repatriation Risk

The repatriation of capital by the FPI Sub-Fund may be adversely affected by changes in Indian exchange control regulations and/or political circumstances. Repatriation of the investment proceeds by the FPI Sub-Fund may require a prior approval of the Reserve Bank of India and such approval is given on a case-by-case basis. It cannot be guaranteed that such approval will be given by the Reserve Bank of India and such approvals could take time which could further expose the FPI Sub-Fund to currency risks.

There can be no assurance that future restrictions on the ability to exchange Indian Rupees or other foreign currency into US dollars and to repatriate income and capital will not adversely affect the ability of the FPI Sub-Fund to repatriate its income and capital. In the past, exchange rates have been subject to significant fluctuations and there can be no assurance that they will be stable. Delays in or a refusal to grant any such government approval, or a revocation or variation of consents granted by the Indian regulators prior to investment being made in any particular country, or the imposition of new restrictions, may adversely affect the FPI Sub-Fund’s investments. The value of the FPI Sub-

[4] *As per the FAQs issued by the CBDT on the implementation of GAAR, it has been clarified that tax neutrality of a jurisdiction shall not ipso facto trigger GAAR applicability, if otherwise choice of jurisdiction is motivated by non-tax commercial considerations and the main purpose of the FPI entity is not to obtain any tax benefit. Therefore, sufficient (non-tax) commercial justification for selection of jurisdiction ought to exist in order to preclude the invocation of GAAR.*

Fund's assets may also be affected by developments relating to exchange control regulations.

(g) *Changes to laws, regulations and policies*

Indian laws and securities regulations will affect the FPI Sub-Fund. If policy announcements or regulations are made that require retrospective changes in the structure or operations of the FPI Sub-Fund, these may impact the performance of the FPI Sub-Fund. There can be no assurance that regulations promulgated in the future would not have an adverse impact on the FPI Sub-Fund.

Any change in the regulatory framework governing foreign investment or any change in the SEBI (Foreign Portfolio Investor) Regulations, 2014 (including any changes with retrospective effect) which are more restrictive or make it difficult for the FPI Sub-Fund to make investments in India could adversely impact the performance of the FPI Sub-Fund.

The Indian government restricts foreign investment in certain sectors. These restrictions have been progressively eased to permit foreign investments. There is no guarantee, however, that this policy of liberation will continue. Any reversal could have a retroactive effect and affect existing investments and could also impact the FPI Sub-Fund's ability to enforce negotiated rights.

6.2.27 Risk of investing in defaulted securities and distressed securities

Some 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 Manager 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.

6.2.28 Risk associated with investments in 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. Unlike QFII and RQFII, there are no specific quota limits imposed on the foreign institutional investor.

Participation in the CIBM by foreign institutional investors (such as a 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 "Announcement (2016) No 3" issued by the PBOC on 24 February 2016;

(b) 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;

(c) 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

(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. There is no quota limitation but filing with the Shanghai Head Office of PBOC in respect of an investor's anticipated investment size has to be made.

In terms of fund remittance and repatriation, foreign investors (such as a Fund) may remit investment principal in RMB or foreign currency into Mainland China for investing in the CIBM. An investor will need to remit investment principal matching at least 50% of its anticipated investment size within nine months after the completion of filing with the Shanghai Head Office of PBOC, or else an updated filing will need to be made through the onshore settlement agent. Where a 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 under the RQFII Quota by reference (to the extent applicable), so the risks below are generally relevant to a Fund's investment in CIBM, either through the CIBM Direct Access Program or any RQFII Quota.

Risk Factors

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities. An investment in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. A Fund 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 Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that a Fund transacts in the CIBM, the 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 Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Although there is no quota limitation regarding investment via the CIBM Direct Access Program, the Fund is required to make further filings with the PBOC if it wishes to increase its anticipated investment size. There is no guarantee the PBOC will accept such further filings. In the event any further filings for an increase in the anticipated investment size are not accepted by the PBOC, the Fund's ability to invest in the CIBM will be limited and the performance of the Fund may be unfavourably affected as a result.

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 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 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 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 Fund is subject to the risks of default or errors on the part of the onshore settlement agent. The 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 Fund may be adversely affected.

In addition, investors should note that cash deposited in the cash account of the 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 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 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 Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the Fund may suffer substantial losses as a result.

6.2.29 Risk 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 may do so via an offshore custody agent approved by the Hong Kong Monetary Authority ("HKMA"), who will be responsible for the account opening with the relevant onshore custody agent approved by PBOC.

Risk factors

(a) Risks associated with Bond Connect

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 Fund 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 Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the relevant Fund transacts in the CIBM, the relevant 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 Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Since the account opening for investment in the CIBM via Bond Connect has to be carried out via an offshore custody agent, the relevant Fund is subject to the risks of default or errors on the part of the offshore custody agent.

Bond Connect is a program 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 relevant Fund's ability to invest in CIBM will be limited and, may have an adverse effect on the relevant Fund's performance as the relevant Fund may be required to dispose of its CIBM holdings. The relevant 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 Fund's tax liabilities for trading in CIBM via Bond Connect.

6.2.30 PRC Risk

(i) General

A 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 a 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.

(ii) 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 Fund, the ability of investors to redeem Units and the price at which Units may be redeemed.

(iii) PRC Tax Consideration

By investing in onshore Renminbi debt securities, China A-Shares and other onshore permissible securities ("PRC Securities"), the 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.

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

7. Subscription of Units

7.1 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 your premium.

A percentage of your premium is used to buy units at the offer price 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 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, investors should instruct the CPF Board to withdraw from his CPF Ordinary Account ("**CPF-OA**") or CPF Special Account ("**CPF-SA**") for credit to his CPF Investment Account with a CPF agent bank monies 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.

Details of the availability of the Units for investment under the SRS or the CPF Investment Scheme as well as the relevant minimum holding and minimum initial and subsequent investment sums are set out in the relevant Schedule for that Fund.

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.

7.2 Dealing Deadline and Pricing Basis

Pricing of PRULink Funds is on a forward, offer-bid basis.

If we receive your premium:

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

b) after 3pm, we will use the offer price 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 offer price to buy units in your account. If we receive your premium after 3pm on Monday, we will use Wednesday's offer price.

7.3 Allotment of Units

Numerical example of units allotment:

$1,000	X 100%	-> $1,000	÷ $1.00	-> 1,000 units	X $0.95	-> $950
Your Initial Investment	Premium allocation rate*	Net Investment Sum	Offer Price	No. of units you will receive	Bid Price	Value of your units

** Please refer to the applicable allocation rate in the Product Summary.*

8. Withdrawal of Units

8.1 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.

8.2 Minimum Withdrawal Amount and Minimum Holdings 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.

8.3 Dealing Deadline and Pricing Basis

Pricing of PRULink Funds is on a forward, bid-offer basis.

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 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.

8.4 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

8.5 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.

9. Switching of 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.

10. Obtaining Prices of Units

PRULink Funds are valued every Business Day ("**pricing day**") to work out the unit price. Prices of the PRULink Funds may currently be obtained from www.prudential.com.sg*, Straits Times and Business Times 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.*

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.

11. Suspension of Dealing

We reserve the right to suspend immediately any issue, withdrawal, exchange or other dealing in relation to the Fund (or the units thereunder) if the Manager or Investment Manager (where applicable) suspends the issue, withdrawal, exchange or other dealing in the units or shares of the Fund or the Underlying Fund (as the case may be), 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 of 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 that Fund or the realization of any Material Proportion of the investments for the time being constituting the relevant assets comprised in that PRULink Fund cannot be effected normally or without seriously prejudicing the interests of holders 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) for a PRULink Fund which is a feeder fund or fund of funds, during any period when dealings in the units or shares of the relevant Fund or Underlying Funds are restricted or suspended;

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

(ix) any period when the business operations of the Product Provider in relation to the operation of any particular PRULink Fund 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 agrees, 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 to be published in the major local newspaper in Singapore which published the daily issue and realisation pricing of units of the Fund.

12. Performance of the Funds

12.1 Past Performance of the Funds and Benchmarks* (as at 31 December 2019)

Fund/Benchmark	Inception Date	1 Year (%)	3 Years^ (%)	5 Years^ (%)	10 Years^ (%)	Since Inception^ (%)
PRULink Pan European Fund	4 May 01	25.09	8.05	6.85	4.16	2.44
MSCI Europe Index[1]		22.11	7.17	5.36	4.87	3.55
PRULink Global Technology Fund	4 May 01	37.21	20.22	15.93	13.08	3.49
MSCI All Countries World Information Technology Index + Communication Services Index[2]		40.49	20.96	17.43	14.36	4.92
PRULink Asian American Managed Fund	24 Feb 03	11.96	3.93	2.95	3.05	5.18
50% MSCI AC Asia Pacific ex Japan Index[3] 30% ICE BofAML U.S. Corporates, A2 Rated and above Index 20% ICE BofAML U.S. Corporates, BBB3-A3 Rated Index		14.71	6.35	5.73	5.37	6.70
PRULink China-India Fund	02 Aug 04	13.36	10.35	7.50	4.11	8.65
50% MSCI China Index 50% MSCI India Index		14.30	11.35	7.17	4.80	10.65
PRULink Asian Infrastructure Equity Fund	15 Sep 08	4.39	3.37	1.79	0.95	2.52
MSCI AC Asia ex Japan Custom Index[4]		6.79	5.44	3.81	2.52	3.43
PRULink Singapore Dynamic Bond Fund (Acc)	8 Apr 11	7.49	4.59	4.03	N/A	4.09
Markit iBoxx ALBI Singapore Index[5]		4.99	3.93	3.25	N/A	2.96
PRULink Singapore Dynamic Bond Fund (Dis)	2 Jul 18	7.49	N/A	N/A	N/A	6.45
Markit iBoxx ALBI Singapore Index[5]		4.99	N/A	N/A	N/A	5.70
PRULink Singapore ASEAN Managed Fund	20 Mar 12	6.90	5.36	2.33	N/A	3.47
70% Customized blended FTSE ST All-share & FTSE ASEAN (ex-Singapore) Index[6] + 30% Markit iBoxx ALBI Singapore Index[7]		7.67	6.11	3.27	N/A	3.85

^Annualised return
** Performance calculations of the Funds are 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

Source for Benchmark: Eastspring Investments (Singapore) Limited

[1] From inception to 16 March 2005, the Fund was benchmarked against FTSE Eurotop 300 Index and from 17 March 2005 to 30 December 2011, the Fund was benchmarked against FTSE World

Europe (including UK) Index. The change in benchmark from FTSE Eurotop 300 Index to FTSE World Europe (including UK) Index was to better reflect the investment focus and approach of the PRULink Pan European Fund.

Please note that the benchmark of PRULink Pan European Fund was changed from the FTSE World Europe (including UK) Index to MSCI Europe Index with effect from 1 January 2012 as the Manager is of the view that the MSCI Europe index is more relevant in measuring the performance of the PRULink Pan European Fund with its peers. This change in benchmark is applied retrospectively from the inception of the Fund.

With effect from 1 May 2012, the benchmark returns of MSCI Europe Index are 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.

[2] Please note that the benchmark for the PRULink Global Technology Fund was changed from the FTSE World Information Technology Index to the MSCI All Countries World Information Technology Index with effect from 1 December 2008 as it is a more comparable performance benchmark for the Underlying Fund due to the change in investment focus and approach of the Underlying Entity as a result of the change in the Sub-Manager of the Underlying Entity. From inception to 30 November 2008, the Fund was benchmarked against FTSE World information Technology Index and from 1 December 2008, the Fund was benchmarked against the MSCI All Countries World Information Technology Index. The two series are chain-linked to derive the l benchmark returns from inception.

From 1 December 2008 to 30 April 2012, the Fund was benchmarked against MSCI All Countries World Information Technology Index on a gross dividend basis. With effect from 1 May 2012, the benchmark returns of MSCI All Countries World Information Technology Index will be on a net 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.

With effect from 1 May 2019, the benchmark for the Global Technology Fund was changed to the customised MSCI All Countries World Information Technology Index + Communication Services Index as it is a more comparable performance benchmark for the Sub-Fund. Due to changes in the composition of the MSCI All Countries World Information Technology Index, the Investment Manager is of the view that the index is no longer representative of the Sub-Fund's investment strategy.

[3] Please note that with effect from 1 October 2008, the benchmark for the PRULink Asian American Managed Fund was changed from a composite of 50% MSCI Far East Fr ex Japan Index, 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index, and 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index (the "old benchmark) " to a composite of 50% MSCI AC Asia ex Japan Index, 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index, and 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index (the "new benchmark)". The change is to better reflect the investment objective and focus of the Fund as the MSCI AC Asia ex Japan Index covers India in addition to the countries in the MSCI Far East Fr ex Japan Index. From inception to 30 September 2008, the Fund was benchmarked against the old benchmark and from 1 October 2008, the Fund was benchmarked against the new benchmark. The two series are chain-linked to derive the longer period benchmark returns.

From inception to 30 April 2012, the MSCI indexes, which comprise 50% of the benchmark of the Fund, were on a gross dividend basis. With effect from 1 May 2012, the MSCI AC Asia ex Japan Index are on a net dividend basis as the net asset value of the Fund is reflected on a net dividend basis. The two series of the MSCI AC Asia ex Japan Index are chain-linked to derive the longer period benchmark returns.

Please note that ICE BofAML U.S. Corporates, A2 Rated and above Index was formerly known as The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index and prior to that as Merrill Lynch US Corporates A-AAA rated (adjusted for A- credits) and that ICE BofAML U.S. Corporates BBB3-A3 Rated Index was formerly known as The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index and prior to that as Merrill Lynch US Corporates BBB – A rated.

With effect from 31 May 2016, the 'Eastspring Investments - Asian Equity Fund' ("the Equity Entity) " in the Underlying Fund is replaced by 'Eastspring Investments - Asian Equity Income Fund'. Following this, the benchmark for the Fund changes from "50% MSCI AC Asia ex Japan Index, 30% The BofA Merrill Lynch

U.S. Corporates, A2 Rated and above Index (formerly known as Merrill Lynch US Corporates A-AAA rated (adjusted for A- credits), and 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index (formerly known as Merrill Lynch US Corporates BBB – A rated)" to "50% MSCI AC Asia Pacific ex Japan Index, 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index (formerly known as Merrill Lynch US Corporates A-AAA rated (adjusted for A- credits), and 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index (formerly known as Merrill Lynch US Corporates BBB – A rated)".

[4] With effect from 1 May 2012, the benchmark returns of the MSCI AC Asia ex Japan Selected Sectors Index will be 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. The MSCI AC Asia ex Japan Selected Sectors Index is a customised benchmark which is derived by combining the MSCI sector indices for Energy, Industrials, Materials, Telecommunication Services & Utilities

in the MSCI AC Asia ex Japan Index. The country coverage for the MSCI AC Asia ex Japan Selected Sectors Index remains the same as that for MSCI AC Asia ex Japan Index.

With effect from 1 September 2015, PRULink Asian Infrastructure Equity Fund benchmark changed from the MSCI AC Asia ex Japan Selected Sectors to MSCI AC Asia ex Japan Custom Index as the new benchmark is more appropriate in measuring the performance of the Fund in order to align with its investment focus. The two series are chain-linked to derive the longer period benchmark returns.

[5] *The benchmark of the PRULink Singapore Dynamic Bond Fund changed from the HSBC Singapore Local Currency All Bond Index to Markit iBoxx ALBI Singapore Index with effect from 30 April 2016 as the HSBC Index is discontinued. The two series are chain-linked to derive the longer period benchmark returns.*

[6] *The customised blended FTSE ST All-share and FTSE ASEAN (ex-Singapore) Index is a customised benchmark which is derived by combining the FTSE ST All-Share Index and the non-Singapore constituents in the FTSE ASEAN Index.*

[7] *The benchmark of PRULink Singapore ASEAN Managed Fund changed from the "70% Customised blended FTSE ST All-share & FTSE ASEAN (ex-Singapore) Index + 30% HSBC Singapore Local Currency All Bond Index" to "70% Customised blended FTSE ST All-share & FTSE ASEAN (ex-Singapore) Index + 30% Markit iBoxx ALBI Singapore Index" with effect from 30 April 2016 as the HSBC Index is discontinued. The two series are chain-linked to derive the longer period benchmark returns.*

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

12.2 Expense Ratios[8]

PRULink Fund	Annualised Expense Ratio (%) as at 31 December 2019
PRULink Pan European Fund	1.73
PRULink Global Technology Fund	1.66
PRULink Asian American Managed Fund	1.46
PRULink China-India Fund	1.63
PRULink Asian Infrastructure Equity Fund	1.97
PRULink Singapore Dynamic Bond Fund (Acc)	0.61
PRULink Singapore Dynamic Bond Fund (Dis)	0.61
PRULink Singapore ASEAN Managed Fund	1.49

[8] The expense ratios are 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 Funds but does not include the following expenses:

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

[#] 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.

12.3 Turnover Ratios[9]

12.3.1 Turnover Ratios of the Funds

	Turnover Ratio (%) (for the year ended 31 December 2019)
PRULink Pan European Fund	4.01
PRULink Global Technology Fund	3.37
PRULink Asian American Managed Fund	0.57
PRULink China-India Fund	2.12
PRULink Asian Infrastructure Equity Fund	8.54
PRULink Singapore Dynamic Bond Fund	4.31
PRULink Singapore ASEAN Managed Fund	21.27

12.3.2 Turnover Ratios[9] of the Underlying Funds

Underlying Fund	Turnover Ratio (%) as at 31 December 2019
Eastspring Investments Unit Trusts – Pan European Fund	2.99%
Eastspring Investments Unit Trusts – Global Technology Fund	4.61%
Eastspring Investments Unit Trusts – Asian Balanced Fund	25.52%
Eastspring Investments Unit Trusts – Dragon Peacock Fund	14.17%
Eastspring Investments Unit Trusts – Asian Infrastructure Equity Fund	7.76%
Eastspring Investments Unit Trusts – Singapore Select Bond Fund	28.79%
Eastspring Investments Unit Trusts – Singapore ASEAN Equity Fund	17.27%

[9]The turnover ratios are calculated based on the lesser of purchases or sales expressed as a percentage of average Net Asset Value, i.e., average daily Net Asset Value, over the same period used for calculating the expense ratios

Source: Eastspring Investments (Singapore) Limited

13. Soft Dollar Commissions or Arrangements

The Manager and, where applicable, the Investment Managers and their respective Sub-Managers of the Underlying Funds or Underlying Entities (together, the "**Relevant Parties**") may or may not be entitled to receive and/or enter into soft-dollar commissions or arrangements in respect of the Funds, the Underlying Funds, or the Underlying Entities (as the case may be).

If entitled to receive and/or enter into soft-dollar commissions/arrangements in respect of the Fund, the Underlying Funds or the Underlying Entities (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 or/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 commissions or arrangements unless (a) such soft-dollar commissions or/arrangements would reasonably assist the Relevant Parties concerned in the management of the Funds, the Underlying Funds, or the Underlying Entities (b) the Relevant Parties 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 or arrangements.

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

14. Conflicts of Interest

The Manager, the Investment Managers and the relevant Sub-Managers (where applicable) may own, hold, dispose or otherwise deal with units of the Funds or the Underlying Funds or the Underlying Entities as though they were not parties to the Deed. In the event of any conflict of interest arising as a result of such dealing, the Manager, Investment Managers and the relevant Sub- Managers (where applicable), following consultation, shall resolve such conflict in a just and equitable manner as they deem fit which would not prejudice the interests of policyholders. The Manager, the Investment Manager and the relevant Sub-Manager (where applicable) shall conduct all transactions with or for the Funds, the Underlying Funds and the Underlying Entities on an arm's length basis. Associates of the Trustee (where applicable) may be engaged to provide financial, banking and brokerage services to the Fund or any of its Underlying Funds/Underlying Entities or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services, where provided, will be on an arm's length basis.

The Manager, the Investment Managers and the relevant Sub-Manager/management company (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 Funds, Underlying Funds or Underlying Entities. These include management of other funds, product development, investment operations services, IT services, purchases and sales of securities, investment and management counselling, brokerage services, trustee and custodial and registrar services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Funds, Underlying Funds or Underlying Entities 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.

15. 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.

16. Other Material Information

16.1 Right to Change Investment Objective

We and the Manager reserve the right to change the investment objective of the Funds from time to time. The Investment Managers and Sub-Managers reserve the right to change the investment objective of the Underlying Funds or of the Underlying Entities. However, 30 days' written notice will be given before doing so.

16.2 Right to Change Underlying Funds

We and/or the Manager may at its sole discretion replace any of the Underlying Funds, subject to applicable regulatory approval having been obtained and 30 days' prior written notice having been provided to you.

16.3 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 your request, to perform certain actions, so as to allow us to carry out these duties and obligations.

16.4 Distribution of Income and Capital

Distribution of income, net capital gains and/or capital of the Funds (where applicable) will be at the Manager's sole discretion. The Manager may also distribute an amount representing part of the capital of the Underlying Funds (where applicable) (with respect to the Underlying Funds, only after consulting the Auditors and with the approval of the Trustee). In the event where any distribution is made, such distribution will reduce the net asset value of the Funds.

16.5 Investment Guidelines

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

16.5.2 In addition, the Manager and the Investment Manager will ensure compliance with the investment guidelines issued by the CPF Board, which may be amended from time to time, over and above the Non-Specialised Funds Investment Guidelines.

16.5.3 The Manager and the 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 the Funds 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.

16.6 Termination of PRULink Funds

We reserve the right to terminate immediately (upon giving written notice) any of the PRULink Funds if the Manager, the Investment Manager or the Sub-Managers (where applicable) terminates any of the Funds, Underlying Funds or Underlying Entities, or if we are required to do so by the Manager, the Investment Manager or the Sub-Managers (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 in consultation with the Trustee (where applicable) 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 Manager 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 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.

16.7 Other Information relating to Eastspring Investments Funds

Please refer to Appendix 1 which sets out information relating to the Underlying Entities under Eastspring Investments.

Schedule 1 – PRULink Pan European Fund

I. Structure

The PRULink Pan European Fund is a single fund and classified as Specified Investment Product. The Fund was launched on 1 April 2001 and it feeds into the Singapore domiciled Eastspring Investments Unit Trusts – Pan European Fund. Eastspring Investments Unit Trusts – Pan European Fund is organised as a feeder fund which feeds into the Luxembourg-domiciled Eastspring Investments – Pan European Fund.

The Investment Manager and Sub-Manager of the Eastspring Investments – Pan European Fund are Eastspring Investments (Singapore) Limited and the UK domiciled MAGIM respectively.

The PRULink Pan European Fund is included under the CPF Investment Scheme-OA and has a CPFIS risk classification of higher risk-narrowly focused-regional-Europe. It is best suited to an investor with a medium to long-term investment horizon.

The benchmark for this fund is MSCI Europe Index.

II. Investment Objective

The investment objective of the PRULink Pan European Fund is to maximise long-term total return by investing in equity and equity-related securities of companies, which are incorporated, or have their area of primary activity, in Europe (including the United Kingdom). The 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 Manager intends to achieve this investment objective by investing the assets of the PRULink Pan European Fund into the Eastspring Investments Unit Trusts – Pan European Fund which shares the same investment objective.

III. Investment Focus and Approach

The PRULink Pan European Fund, Eastspring Investments Unit Trusts – Pan European Fund and Eastspring Investments– Pan European Fund share the same investment focus and approach.

The Eastspring Investments – Pan European Fund is a concentrated portfolio, making long term investments in companies from across the pan-European investment universe. The Sub-Manager of the Eastspring Investments – Pan European Fund adopts a bottom-up approach to stock selection, based on extended fundamental research.

The investment approach focuses on quality sustainable companies with economic moats to protect their profitability and with an element of change to drive their value. Sustainability considerations are fully integrated into the investment process, the fund manager takes advantage of short-term ‘disruptions’ that provide clear valuation entry points. The fund manager believes that a focus on quality and value offers a powerful combination, providing the long term compound value of quality businesses as well as the potential boost to a company’s share price when a short term disruption has been resolved. The sub-manager of the PE Underlying Fund works closely with its risk management team to ensure that the primary driver of the portfolio’s risk is stock selection. Investors can expect a long-term, bottom-up investment approach with moderate turnover.

IV. Product Suitability

The Fund is only suitable for investors who:

- seek long term total return;
- are comfortable with risks of an equity fund that invests in European companies (including the United Kingdom); 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. Fees

Initial Investment Charge

There is a 5%* initial investment charge (bid-offer spread) for cash and SRS investment. This charge is reflected as the difference between the offer price and bid 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.

For CPF investment:

- Prior to 1 October 2020, the net sales charge is up to 1.5%.
- With effect from 1 October 2020, the net sales charge is 0%.

** Please refer to the relevant Product Summary for details of charges incurred on your plan as charges may vary from product to product and may be lower than 5%.*

Continuing Investment Charge

The continuing investment charge is currently 1.50% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to increase the continuing investment charge up to a maximum of 2% but will not do so before giving you 6 months' written notice.

Schedule 2 – PRULink Global Technology Fund

I. Structure

PRULink Global Technology Fund is a single fund and classified as Specified Investment Product. The Fund was launched on 1 April 2001 and it feeds into the Singapore domiciled Eastspring Investments Unit Trusts – Global Technology Fund. Eastspring Investments Unit Trusts – Global Technology Fund is organised as a feeder fund which feeds into the Luxembourg-domiciled Eastspring Investments – Global Technology Fund.

The Investment Manager and Sub-Manager of Eastspring Investments – Global Technology Fund is Eastspring Investments (Singapore) Limited and UK domiciled Henderson Global Investors Limited respectively.

The PRULink Global Technology Fund has a risk classification of higher risk – narrowly focused – sector technology. The Fund is best suited to an investor with a medium to long-term investment horizon.

The benchmark of the Fund is MSCI All Countries World Information Technology Index + Communication Services Index.

II. Investment Objective

The investment objective of the PRULink Global Technology Fund is to maximise long-term total returns through investment in equities and equity-related securities of companies around the world with innovative products, processes or services. These investments include, but are not restricted to, those companies whose provision or use of technology give them a strategic advantage in the market. The Manager intends to achieve this investment objective by investing the assets of the PRULink Global Technology Fund into the Eastspring Investments Unit Trusts – Global Technology Fund which shares the same investment objective.

III. Investment Focus and Approach

The PRULink Global Technology Fund, Eastspring Investments Unit Trusts – Global Technology Fund and Eastspring Investments – Global Technology Fund share the same investment focus and approach.

The technology team of the Sub-Manager of the Underlying Entity employs a 'bottom up' investment strategy with the aim to outperform the market consistently. Each stock is subjected to rigorous analysis to determine its potential to deliver the best returns for investors.

The technology team views technology stocks as global, rather than country specific. The Fund takes a geographically diversified approach and operates within broad asset allocation ranges. There are no specified limits on the amounts that the Fund can or must invest in any geographical region or single country. There are two key characteristics which the technology team focuses on:

(i) organic growth potential of a company's products; and

(ii) the competitive environment it operates in – how strong are the barriers to entry?

While observing the investment restrictions as set out in the Authorised Funds Investment Guidelines, the Underlying Entity may also invest in global, American, European, transferable or other depository receipts.

IV. Product Suitability

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

- seek long term total return;
- are comfortable with risks associated with investments in technology-related industries and the greater volatility of a sector-based fund; 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. Fees

Initial Investment Charge

There is a 5%* initial investment charge (bid-offer spread) for cash and SRS investment. This charge is reflected as the difference between the offer price and bid 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.

** Please refer to the relevant Product Summary for details of charges incurred on your plan as charges may vary from product to product and may be lower than 5%.*

Continuing Investment Charge

The continuing investment charge is currently 1.50% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to increase the continuing investment charge up to a maximum of 2% but will not do so before giving you 6 months' written notice.

Schedule 3 – PRULink Asian American Managed Fund

I. Structure

The PRULink Asian American Managed Fund is a single fund and classified as Specified Investment Product. The Fund was launched on 13 January 2003 and it feeds into the Singapore domiciled Eastspring Investments Unit Trusts – Asian Balanced Fund. The Eastspring Investments Unit Trusts – Asian Balanced Fund is organised as a feeder fund which feeds into the Luxembourg – domiciled Eastspring Investments - Asian Equity Income Fund (“Asian Equity Underlying Fund”) for its equity participation, Eastspring Investments – US High Investment Grade Bond Fund (“US HIG Bond Underlying Fund”) and Eastspring Investments – US Investment Grade Bond Fund (“US IG Bond Underlying Fund”) for its bond participation.

The Investment Manager of the Asian Equity Underlying Fund, US HIG Bond Underlying Fund and US IG Bond Underlying Fund is Eastspring Investments (Singapore) Limited. The Sub-Manager of the US HIG Bond Underlying Fund and US IG Bond Underlying Fund is PPM America, Inc.

The PRULink Asian American Managed Fund is included under the CPF Investment Scheme-OA and SA and has a CPFIS risk classification of medium to high risk - narrowly focused – regional - Asia. It is best suited to an investor with a medium to long-term investment horizon.

The benchmark for this fund is 50% MSCI AC Asia Pacific ex Japan Index, 30% ICE BofAML

U.S. Corporates, A2 Rated and above Index, and 20% ICE BofAML U.S.Corporates, BBB3-A3 Rated Index.

II. Investment Objective

The investment objective of the PRULink Asian American Managed Fund is to maximise total return in the medium to long term by investing in a portfolio comprising equities of companies in the Asian ex-Japan region, and quality corporate bonds and other fixed income securities issued in the United States market. The Manager intends to achieve this investment objective by investing the assets of the PRULink Asian American Managed Fund into the Eastspring Investments Unit Trusts – Asian Balanced Fund which shares the same investment objective.

III. Underlying Entities

(i) Eastspring Investments – Asian Equity Income Fund

The Eastspring Investments – Asian Equity Income Fund’s investment objective is to maximise income by investing primarily in equity and equity-related securities of companies, which are incorporated, listed in or have their area of primary activity in the Asia Pacific ex-Japan Region*. The 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.

* For purposes of the The Eastspring Investments – Asian Equity Income Fund, as at September 2019, the Asia Pacific ex-Japan region includes but is not limited to the following countries: Korea, Taiwan, Hong Kong, Philippines, Pakistan, Thailand, Malaysia, Singapore, Indonesia, People’s Republic of China, India, Australia and New Zealand

(ii) Eastspring Investments – US High Investment Grade Bond Fund

The Eastspring Investments – US High Investment Grade Bond Fund invests in a diversified portfolio consisting primarily of high quality bonds and other fixed income/ debt securities denominated in US Dollars, issued in the US market (including “Yankee” and “Global” bonds) rated single A flat and above. The US HIG Bond Underlying Fund may invest up to 15% of its net assets in CMBS, MBS and ABS. The US HIG Bond Underlying Fund may invest no more than 25% of its net assets in debt instruments with loss absorption features out of which up to 5% 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.

The US HIG Bond Underlying Fund may continue to hold in securities that are downgraded below the minimum indicated rating after purchase but may not make additional purchases of such securities.

Yankee bonds mean debt of foreign issuers issued in the US domestic market. Global bonds mean debt issued simultaneously in the eurobond and US domestic bond markets.

(iii) Eastspring Investments – US Investment Grade Bond Fund

The Eastspring Investments – US Investment Grade Bond Fund invests in a diversified portfolio consisting primarily of quality bonds and other fixed income/debt securities denominated in US Dollars, issued in the US market (including "Yankee" and "Global" bonds) rated BBB- and above. The US IG Bond Underlying Fund may invest up to 15% of its net assets in CMBS, MBS and ABS. The US IG Bond Underlying Fund may invest no more than 25% of its net assets in debt instruments with loss absorption features out of which up to 5% 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.

The US IG Bond Underlying Fund may continue to hold in securities that are downgraded below the minimum indicated rating after purchase but may not make additional purchases of such securities.

Yankee bonds mean debt of foreign issuers issued in the US domestic market. Global bonds mean debt issued simultaneously in the eurobond and US domestic bond markets.

IV. Investment Focus

The PRULink Asian American Managed Fund is designed to be an effective way of meaningfully participating in Asian ex-Japan equities, taking advantage of the potentially higher returns associated with Asian economies, while offsetting some of the associated volatility by investing in the quality (investment grade) segment of the US bond market.

V. Investment Approach

- ***Adding Value through an Active Asset Allocation Process***

Rather than having a fixed asset allocation regardless of market conditions, the Investment Manager will systematically vary the portfolio's investments in equities, bonds or cash, so as to reflect the prevailing market and economic dynamics and in so doing, add value to a passive long-term strategic asset mix. The long-term strategic asset mix and maximum tactical tilts are as follows:

Long-term Strategic Asset Mix : 50% Equities – 50% Bonds
Maximum Tactical Tilts : +/- 20%

In determining the asset allocation of the Fund, the Manager adopts a valuation-based investment approach and aims to exploit market inefficiency and dispersion of investment returns.

Eastspring Investments – Asian Equity Income Fund

The first part of the process 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 valuation 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 its 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 Sub-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.

Eastspring Investments – US High Investment Grade Bond Fund and Eastspring Investments – US Investment Grade Bond Fund

The sub-manager of US HIG Bond Underlying Fund and US IG Bond Underlying Fund uses a combination of a value-oriented "top-down" approach, which focuses on bond sectors, and a value-oriented "bottom-up" approach, which focuses on bond specifics. The investment process is credit intensive with a focus on relative valuations. The sub-manager's credit analysis team analyses both investment grade and high yield bonds, aiming to capture investment opportunities across the rating spectrum. While focusing on bond specifics, the sub-manager also seeks opportunities that might be uncovered by the business cycle, and believes that the returns from active management are maximised by forming portfolios that take measured, diversified risks across multiple portfolio dimensions, including sectors, securities and maturities.

VI. Product Suitability

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

- o seek total return in the medium to long term;
- o seek a fund that invests in both equities and bonds; and
- o 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.

VII. Fees

<u>Initial Investment Charge</u>

There is a 5%* initial investment charge (bid-offer spread) for cash and SRS investment. This charge is reflected as the difference between the offer price and bid 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.

For CPF investment:

- Prior to 1 October 2020, the net sales charge is up to 1.5%.
- With effect from 1 Octboer 2020, the net sales charge is 0%.

** Please refer to the relevant Product Summary for details of charges incurred on your plan as charges may vary from product to product and may be lower than 5%.*

<u>Continuing Investment Charge</u>

The continuing investment charge is currently 1.30% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to increase the continuing investment charge up to a maximum of 2% but will not do so before giving you 6 months' written notice.

Schedule 4 – PRULink China-India Fund

I. Structure

The PRULink China-India Fund is a single fund and classified as Specified Investment Product. The Fund was launched on 21 June 2004 and it feeds into the Singapore domiciled Eastspring Investments Unit Trusts – Dragon Peacock Fund whose Investment Manager is Eastspring Investments (Singapore) Limited. The Underlying Fund is organised as a direct investment portfolio domiciled in Singapore.

For efficient portfolio management purposes, a Mauritian entity, Dragon Peacock Investments Limited has been established to hold all the investments of the Underlying Fund in China and/ or India (except such investments which the Investment Manager determines should be held directly by the Underlying Fund). The Mauritian entity is wholly-owned by the Trustee and held by the Trustee on behalf of the Underlying Fund. The Trustee remains responsible for the safe custody of the assets of the Underlying Fund held through the Mauritian entity.

The Mauritian entity was incorporated as a private company limited by shares in the Republic of Mauritius on 25 May 2004 under Section 24 of the Companies Act 2001. The Mauritian entity is registered with the Financial Services Commission of Mauritius and has been issued with a Category 1 Global Business License Company from the Financial Services Commission bearing the license number C104001022. It has also obtained a certificate of tax residency from the Director General of the Mauritius Revenue Authority in Mauritius. Subject to meeting the relevant conditions, the Mauritian entity should be eligible for the provisions of the India-Mauritius Double Taxation Avoidance Treaty and the China-Mauritius Double Taxation Avoidance Treaty. If it is no longer practicable or beneficial to invest through the Mauritian entity, the Underlying Fund may elect to invest directly in China and/or India.

A copy of the constitutive documents of the Mauritian entity shall be made available for inspection, free of charge at all reasonable times and for at least three hours during normal business hours at the registered office of the Manager at 10 Marina Boulevard, #32-01 Marina Bay Financial Centre Tower 2, Singapore 018983.

The PRULink China-India Fund has a risk classification of higher risk - narrowly focused – country – country-others. It is best suited to an investor with a medium to long-term investment horizon.

The benchmark for this fund is 50% MSCI China Index and 50% MSCI India Index.

II. Investment Objective

The investment objective of the PRULink China-India Fund is to maximise long-term total return by investing primarily in equity and equity-related instruments of corporations, which are incorporated in, or listed in, or operating principally from, or carrying on significant business in, or derive substantial revenue from, or whose subsidiaries, related or associated corporations derive substantial revenue from, the People’s Republic of China (PRC) and the Republic of India (India). The Manager intends to achieve this investment objective by investing the assets of the PRULink China-India Fund into the Eastspring Investments Unit Trusts – Dragon Peacock Fund which shares the same investment objective.

III. Investment Focus

The PRULink China-India Fund and Eastspring Investments Unit Trusts – Dragon Peacock Fund share the same investment focus and approach.

The Underlying Fund is designed to be an effective way of meaningfully participating in the China-related and India-related markets, by investing in a concentrated portfolio of stocks based on the best ideas generated by the China and India equity specialists. The Underlying Fund aims to add value via tactical asset allocation between the China- and India-related equities based on relative fundamental valuation. Careful consideration is given to capital preservation, especially when equity markets are perceived to be overvalued relative to fundamental prospects. The investments of the Underlying Fund include, but are not limited to, listed securities in recognised markets, depository receipts including American Depository

Receipts (ADRs) and Global Depository Receipts (GDRs), debt securities convertible into common shares, preference shares and warrants.

IV. Investment Approach

- ***Adopting a Value Approach to Investments***

The first part of the process is idea generation. This is a systematic starting point where the Manager uses proprietary screens across a wide investment universe of Chinese and Indian companies applying consistent anchors around valuation. This allows the Manager to be equipped to rapidly identify valuation outliers which may become investment candidates. The next stage is the fundamental analysis of these outliers. This fundamental analysis drives the Manager's investment approach and the Manager employs a strong discipline around a single valuation framework. The Manager insists on challenge and debate to test the assumptions and help to achieve a level of conviction in the valuation. The next stage is portfolio construction. In taking active risk the Manager considers the stock by stock relationships in the fund to ensure sufficient diversification. The Manager establishes an explicit link between risk and return which reinforces the 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 Manager's process.

- ***Adding Value through an Active Asset Allocation Process***

Rather than having a fixed asset allocation regardless of market conditions, the Investment Manager and the Sub-Manager will systematically vary the portfolio's investments in China-related and India-related equities, so as to reflect the prevailing market dynamics and valuations and in so doing, add value to a passive long-term strategic asset mix. The long-term strategic asset mix and maximum tactical tilts are as follows:

Long-term Strategic Asset Mix : 50% China-related Equities – 50% India-related Equities
Maximum Tactical Tilts : +/- 25%

The Investment Manager's asset allocation process is based on examining the following factors in both India and China equity markets:

I Valuations

- Market valuations relative to history
- Absolute valuations (price/book, price/earnings, price/cash flow, dividend yield)
- Earnings yield versus cash/bond yields and equity risk premium

II Earnings

- Index earnings forecasts
- Corporate margins
- Consensus earnings upgrades/downgrades and earnings revision ratio

III Stock price performance

- Country performance
- Index composition
- Sector performance

Investors should note that the Net Asset Value of the PRULink China-India Fund is likely to have a high volatility due to its concentration of investment in two countries.

V. Change of Investment Policy and Exchange of Units

Investors of the PRULink China-India Fund should note that the Luxembourg-domiciled umbrella fund Eastspring Investments has established a similar sub-fund having the same investment objective and focus as the Underlying Fund (the "Eastspring Investments sub-fund"). In the event that the Eastspring Investments sub-fund is approved by the MAS as a recognised scheme available for direct investment by the retail public in Singapore, the Manager may, in consultation with the Trustee, and subject to the approval of the relevant authorities, (i) seek to terminate the Underlying Fund and exchange existing Units in the Underlying Fund for shares in the Eastspring Investments sub-fund; or (ii) change the investment policy of the Underlying Fund from a direct investment portfolio to a feeder fund investing all or substantially all of its assets into the Eastspring Investments sub-fund. Investors should note that in the event of an exchange of Units for shares in the Eastspring Investments sub-fund, there is no assurance that the fees and charges of the Eastspring Investment sub-fund would not be higher than that of the Underlying Fund. Investors should not invest in the Underlying Fund in anticipation of investing in the Eastspring Investments sub-fund as there is no certainty whether the Eastspring Investments sub-fund may be recognised for offer to the retail public in Singapore.

VI. Product Suitability

The Fund is only suitable for investors who:

- seek long term total return;
- are comfortable with the risks associated with an equity fund invested in emerging markets and with the inherent higher volatility of a 2-country only fund; 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.

VII. Fees

Initial Investment Charge

There is a 5%* initial investment charge (bid-offer spread) for cash and SRS investment. This charge is reflected as the difference between the offer price and bid 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.

** Please refer to the relevant Product Summary for details of charges incurred on your plan as charges may vary from product to product and may be lower than 5%.*

Continuing Investment Charge

The continuing investment charge is currently 1.50% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to increase the continuing investment charge up to a maximum of 2% but will not do so before giving you 6 months' written notice.

Schedule 5 – PRULink Asian Infrastructure Equity Fund

I. Structure

The PRULink Asian Infrastructure Equity Fund is a single fund and classified as Specified Investment Product. The Fund was launched on 4 August 2008 and it feeds into the Singapore domiciled Eastspring Investments Unit Trusts – Asian Infrastructure Equity Fund.

Eastspring Investments Unit Trusts – Asian Infrastructure Equity Fund is organised as a feeder fund which feeds into the Luxembourg – domiciled Eastspring Investments – Asian Infrastructure Equity Fund.

Eastspring Investments (Singapore) Limited is the Investment Manager of the Eastspring Investments Unit Trusts – Asian Infrastructure Equity Fund and Eastspring Investments – Asian Infrastructure Equity Fund.

The PRULink Asian Infrastructure Equity Fund has a risk classification of higher risk - narrowly focused – sector – sector-others. It is best suited to an investor with a medium to long-term investment horizon.

The benchmark for this Fund is the MSCI AC Asia ex Japan Custom Index.

II. Investment Objective and Focus

The investment objective of the PRULink Asian Infrastructure Equity Fund is to maximise long term capital appreciation by investing primarily in equity and equity-related securities of corporations deriving substantial revenue from, or whose subsidiaries, related or associated corporations are engaged in, infrastructure or related business and are incorporated in, or listed in, or operating principally from the Asia ex-Japan region.

The 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 Manager intends to achieve this investment objective by investing the assets of the PRULink Asian Infrastructure Equity Fund into the Eastspring Investments Unit Trusts – Asian Infrastructure Equity Fund which shares the same investment objective.

Investors should note that “infrastructure” or “infrastructure related” may be capable of a wide-ranging interpretation. The Investment Manager has the sole discretion to decide as to what constitutes “infrastructure” or “infrastructure related” investments for the purposes of any such investments under the Underlying Fund and/or Underlying Entity.

III. Investment Approach

The PRULink Asian Infrastructure Equity Fund, Eastspring Investments Unit Trusts – Asian Infrastructure Equity Fund and Eastspring Investments – Asian Infrastructure Equity Fund share the same investment approach.

The investable universe is defined as including but not limited to, the MSCI Energy, Telecommunication Services, Materials, Industrials and Utilities Groups in the Asia excluding Japan region. The Underlying Entity may invest in stocks from outside these sectors if the stock is deemed to be a significant beneficiary from the infrastructure investments and developments in the region.

The first part of the process is idea generation. This is a systematic starting point where the Manager as the Investment Manager uses proprietary screens across a wide investment universe applying consistent anchors around valuation. This allows the Manager to be equipped to rapidly identify valuation outliers which may become investment candidates. The next stage is the fundamental analysis of these outliers. This fundamental analysis drives the Manager’s investment approach and the Manager employs a strong discipline around a single valuation framework. The 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 Manager considers the stock by stock relationships in the fund to ensure sufficient diversification. The Manager establishes an explicit link between risk and return which reinforces the 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 Manager's process.

IV. Product Suitability

The Fund is only suitable for investors who:

- seek long term capital appreciation;
- are comfortable with the risks of a fund that invests in Asia ex-Japan companies in the infrastructure sector; 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. Fees

Initial Investment Charge

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

** Please refer to the relevant Product Summary for details of charges incurred on your plan as charges may vary from product to product and may be lower than 5%.*

Continuing Investment Charge

The continuing investment charge is currently 1.50% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to increase the continuing investment charge up to a maximum of 2% but will not do so before giving you 6 months' written notice.

Schedule 6 – PRULink Singapore Dynamic Bond Fund

I. Structure

The PRULink Singapore Dynamic Bond Fund is a single fund and classified as Specified Investment Product. The Fund was launched on 14 March 2011 and it feeds into the Singapore domiciled Eastspring Investments Unit Trusts – Singapore Select Bond Fund.

Eastspring Investments (Singapore) Limited is the Manager of the Fund and the Investment Manager of the Underlying Fund.

The Fund is included under the Central Provident Fund Investment Scheme ("CPFIS") – Ordinary Account and Special Account. The Fund has a low to medium risk and narrowly focused risk classification.

The Fund offers two Classes of Units, namely 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, Prudential Singapore may at its sole absolute discretion declare and pay out dividends on a quarterly basis. Please refer to Part VI "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 Singapore Index.

II. Investment Objective

The investment objective of the Fund is to maximise total returns over time by investing primarily in Singapore-dollar denominated debt securities and foreign currency debt securities which will be hedged back into Singapore Dollars.

The Manager intends to achieve this investment objective by investing the assets of the PRULink Singapore Dynamic Bond Fund into the Eastspring Investments Unit Trusts – Singapore Select Bond Fund which shares the same investment objective.

III. Investment Focus and Approach

The PRULink Singapore Dynamic Bond Fund and Eastspring Investments Unit Trusts – Singapore Select Bond Fund share the same investment focus and approach.

The Underlying Fund will invest primarily in Singapore–dollar denominated debt securities, including the Singapore government securities, investment grade and/or unrated debt securities issued by Singapore statutory boards and Singapore-incorporated entities as well as investment grade debt securities issued by entities outside Singapore. The Underlying Fund may also invest up to 30% of its assets in foreign currency-denominated debt securities issued by the above entities. Any such foreign currency-denominated debt securities will be hedged back into Singapore Dollars. Additionally, the Underlying Fund may employ derivatives for hedging or efficient portfolio management purposes.

The Investment Manager applies a "top-down" investment management approach through economic and market analysis to establish duration, yield curve and credit strategies. This approach is complemented with a "bottom-up" credit selection process, which involves the research and analysis of bond issuers, to identify value opportunities and manage credit risks.

The investment process takes into consideration the risk-return trade off of each investment and an assessment of the likelihood associated with market outcomes that would affect the investment strategies. Portfolio positions are monitored and dynamically managed to meet the investment objective of the Underlying Fund in varying market conditions.

IV. Product Suitability

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

- o seek long term total return;
- o are comfortable with the risk of a fund investing in bonds which are primarily denominated in Singapore Dollars; and
- o appreciate that their capital may be at risk and that the value of their investment and any derived income may fall as well as rise.

V. Fees

<u>Initial Investment Charge</u>

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

For CPF Investment:

- Prior to 1 October 2020, the net sales charge is up to 1.5%.
- With effect from 1 October 2020, the net sales charge is 0%.

** Please refer to the relevant Product Summary for details of charges incurred on your plan as charges may vary from product to product and may be lower than 5%.*

<u>Continuing Investment Charge</u>

The continuing investment charge is currently 0.50% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to increase the continuing investment charge up to a maximum of 2% but will not do so before giving you 6 months' written notice.

VI. Distribution Policy

(a) The Fund targets to make quarterly distributions. The distribution shall be expressed in cents per unit. The Fund intends to make a distribution on or around the last Business Day in March, June, September, December of every calendar year ("**Declaration Date**") or such other dates as the Fund may in its absolute discretion determine.

Investors who have invested in the Fund before the Declaration Date, 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 number 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 number of units meant to be processed will not be included in determining the distribution amount.

(b) For investment with cash ("**Cash**") or SRS, i.e., not using Central Provident Fund ("**CPF**"), 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 to receive extra units.

(c) 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.

(d) If investors chose 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**"). Prudential Singapore reserve the right to change the Payout Date.

(e) If investor chose to reinvest the distributions, extra units which will be credited into their account within 45 days from the relevant Declaration Date at bid price ("**Reinvestment Date**"). Prudential Singapore reserve the right to change the Reinvestment Date.

(f) 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 10). 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.

(g) If investors have chosen to reinvest the distributions, for any of these transactions (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 10). Distributions due to them will be credited back into their account except for surrenders. For surrenders, distributions will be paid to investors by cheque.

(h) 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.

(i) 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).

(j) 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).

(k) 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 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 discretion of 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 / distribution of the Fund. The making of any distribution shall not be taken to imply that further distributions will be made. Prudential Singapore may also vary the frequency and/ or amount for 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 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.

Schedule 7 – PRULink Singapore ASEAN Managed Fund

I. Structure

The PRULink Singapore ASEAN Managed Fund is a single fund and is classified as a Specified Investment Product. The Fund was launched on 20 March 2012 and it feeds into the Eastspring Investments Unit Trusts - Singapore ASEAN Equity Fund and the Eastspring Investments Unit Trusts - Singapore Select Bond Fund. In addition, the Manager has the flexibility to use Exchange Traded Funds and futures with underlying exposure to ASEAN markets, and government debt securities issued by the Member States of ASEAN, to undertake tactical asset allocations in a more efficient manner.

The Fund is included under Central Provident Fund ("CPF") Investment Scheme-OA and SA and has a medium to high risk classification (narrowly focused). It is suited to an investor with a medium to long-term investment horizon.

The benchmark of the Fund is 70% Customised blended FTSE ST All-share & FTSE ASEAN (ex-Singapore) Index + 30% Markit iBoxx ALBI Singapore Index.

The Eastspring Investments Unit Trusts - Singapore ASEAN Equity Fund and the Eastspring Investments Unit Trusts - Singapore Select Bond Fund are both domiciled in Singapore.

II. Investment Objective

The investment objective of the PRULink Singapore ASEAN Managed Fund is to maximise total return in the medium to long term by investing primarily in equities and equity-related securities of companies which are incorporated, quoted or listed in, or have their area of primary activity in Singapore and other ASEAN markets, and in Singapore-dollar denominated debt securities and foreign currency debt securities.

III. Investment Focus and Approach

The Fund has a strategic asset allocation mix of 70% equities and 30% in fixed income.

The Fund is designed to be an effective way of meaningfully participating in the Singapore equity market, as well as the equity markets of Singapore's ASEAN hinterland. The Fund aims to offset some of the associated risks of investing in these equity markets by diversifying into Singapore-dollar denominated debt securities and foreign currency debt securities.

- ***Adding value through an active asset allocation process***

Instead of having a static asset allocation regardless of market conditions, the Manager will vary the Fund's asset class as well as geographic allocation in equities, bonds and cash so as to reflect the prevailing market and economic dynamics. In doing so, the Manager aims to add value to a passive long-term strategic asset mix of 70% equities and 30% bonds. The Manager has the discretion to tilt the Fund's broad asset class mix within a +/-10% range.

In determining the asset allocation of the Fund, the Manager adopts a valuation based investment approach.

<u>Investment approach of Underlying Funds</u>

<u>Eastspring Investments Unit Trusts - Singapore ASEAN Equity Fund</u>

The Eastspring Investments Unit Trusts - Singapore ASEAN Equity Fund aims to maximise total return in the medium to long term by investing primarily in equities and equity-related securities of companies which are incorporated, quoted or listed in, or have their area of primary activity in Singapore and other ASEAN markets.

The investments of the Eastspring Investments Unit Trusts - Singapore ASEAN Equity Fund include, but are not limited to listed securities, depository receipts including American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), rights and warrants arising from corporate action of underlying listed equities, and cash and near cash instruments. Investors should also note that the Eastspring Investments Unit Trusts - Singapore ASEAN Equity Fund may gain exposure to Singapore and ASEAN markets by way of direct investments and/or by way of investments into one or more sub-funds under the Luxembourg-domiciled Eastspring Investments umbrella or such other collective investment scheme(s), which may be selected by the Manager in its discretion from time to time.

The Eastspring Investments Unit Trusts - Singapore ASEAN Equity Fund is designed to be an effective way of meaningfully participating in the Singapore equity market, as well as the equity markets of Singapore's ASEAN hinterland. The Eastspring Investments Unit Trusts - Singapore ASEAN Equity Fund aims to add value via focused bottom-up stock-picking to capitalise on attractive and diverse investment opportunities within the Singapore and ASEAN markets.

The first part of the process is idea generation. This is a systematic starting point where the Manager uses proprietary screens across a wide investment universe applying consistent anchors around valuation. This allows the Manager to be equipped to rapidly identify valuation outliers which may become investment candidates. The next stage is the fundamental analysis of these outliers. This fundamental analysis drives the Manager's investment approach and the Manager employs a strong discipline around a single valuation framework. The 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 Manager considers the stock by stock relationships in the fund to ensure sufficient diversification. The Manager establishes an explicit link between risk and return which reinforces the 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 Manager's process.

<u>Eastspring Investments Unit Trusts - Singapore Select Bond Fund</u>

The Eastspring Investments Unit Trusts - Singapore Select Bond Fund aims to maximise total returns over time by investing primarily in Singapore-dollar denominated debt securities and foreign currency debt securities which will be hedged back into Singapore dollars.

The Eastspring Investments Unit Trusts - Singapore Select Bond Fund will invest primarily in Singapore-dollar denominated debt securities, including the Singapore government securities, investment grade and/or unrated debt securities issued by Singapore statutory boards and Singapore-incorporated entities as well as investment grade debt securities issued by entities outside Singapore. The Eastspring Investments Unit Trusts - Singapore Select Bond Fund may also invest up to 30% of its assets in foreign currency-denominated debt securities issued by the above entities. Any such foreign currency-denominated debt securities will be hedged back into Singapore Dollars. Additionally, the Eastspring Investments Unit Trusts - Singapore Select Bond Fund may employ derivatives for hedging or efficient portfolio management purposes.

The Manager applies a "top-down" investment management approach through economic and market analysis to establish duration, yield curve and credit strategies. This approach is complemented with a "bottom-up" credit selection process, which involves the research and analysis of bond issuers, to identify value opportunities and manage credit risks.

The investment process takes into consideration the risk-return trade off of each investment and an assessment of the likelihood associated with market outcomes that would affect the investment strategies. Portfolio positions are monitored and dynamically managed to meet the investment objective of the Eastspring Investments Unit Trusts - Singapore Select Bond Fund in varying market conditions.

IV. Product Suitability

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

- seek total return in the medium to long term;
- seek a fund that invests primarily in equities and bonds;
- are comfortable with risks of a fund that primarily invests in Singapore and other ASEAN markets; and

- o 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. Fees

Initial Investment Charge

There is a 5%* initial investment charge (bid-offer spread) for cash and SRS Investment. This charge is reflected as the difference between the offer price and bid 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.

For CPF investment:

- Prior to 1 October 2020, the net sales charge is up to 1.5%.
- With effect from 1 October 2020, the net sales charge is 0%.

** Please refer to the relevant Product Summary for details of charges incurred on your plan as charges may vary from product to product and may be lower than 5%.*

Continuing Investment Charge

The continuing investment charge is currently 1.30% per annum. This charge is deducted on a pro-rata basis at each unit pricing date throughout the year. We reserve the right to increase the continuing investment charge up to a maximum of 2% but will not do so before giving you 6 months' written notice.

Appendix 1 – Other Information relating to Eastspring Investments - Pan European Fund, Eastspring Investments - Global Technology Fund, Eastspring Investments – Asian Equity Income Fund, Eastspring Investments - US High Investment Grade Bond Fund, Eastspring Investments - US Investment Grade Bond Fund and Eastspring Investments - Asian Infrastructure Equity Fund

1. Use of Financial Derivative Instruments ("FDIs")

Eastspring Investments (the "SICAV") may use derivative instruments (such as options, forward contracts and futures contracts) extensively for hedging and efficient portfolio management purposes. Should the management company, on behalf of the SICAV, decide to enter into derivative transactions for other purposes than hedging and/or efficient portfolio management, the investment policy of the relevant sub-fund(s) of the SICAV (the "SICAV Sub-Funds") will be amended accordingly.

2. Risks associated with the use of FDIs

Please refer to Paragraph 5.3 of this Fund Information Booklet for information on the risks associated with the use of FDIs.

3. Risk Management Process

The management company, on behalf of the SICAV, may, for each SICAV Sub-Fund, for the purpose of efficient portfolio management of the assets of the respective SICAV Sub-Fund and/or to protect its assets and commitments, employ certain techniques and instruments as set out in the Luxembourg prospectus of the SICAV.

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 objectives and restrictions of the Luxembourg prospectus of the SICAV.

In addition to the above, the management company, on behalf of the SICAV, may, for each SICAV Sub-Fund, 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.
- using total return swaps or other swap contracts which have similar characteristics as total return swaps.

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

The management company, on behalf of the SICAV, must ensure that the overall risk associated with derivatives does not exceed the net assets of the relevant SICAV Sub-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 of the Luxembourg prospectus of the SICAV. Investments in index- based derivatives need not be taken into account in the case of the investment limits set forth in the investment objectives and restrictions of the Luxembourg prospectus of the SICAV.

- 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 in the investment restrictions of the Luxembourg prospectus of the SICAV.

In no case whatsoever must recourse to transactions involving derivatives or other financial techniques and instruments cause the management company, on behalf of the SICAV to depart from the investment objectives set out in the Luxembourg prospectus of the SICAV or add substantial supplementary risks in comparison to the SICAV's general risk policy (as described in the Luxembourg prospectus).

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

4. Supplementary Information

You may obtain supplementary information relating to the risk management methods employed by the management company, on behalf of the SICAV or its SICAV Sub-Funds, including the quantitative limits that are applied and any recent developments in the risk and yield characteristic of the main categories of investment from the Manager.

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
"Custodian of the Underlying Fund"	The custodian of the Underlying Fund Hongkong and Shanghai Banking Corporation Limited.
"Deed"	means the deed of trust dated 5 April 2001 (as amended) relating to the Underlying Funds
"Deposited Property"	means all of the assets for the time being comprised in the Funds or the Underlying Funds or deemed to be held upon the trusts of the Deed for account of the Funds or the Underlying Funds (as the case may be) excluding any amount for the time being standing to the credit of the distribution account of the Funds or the Underlying Funds as the case may be
"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"	in relation to Investments 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
"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
"SRS"	means the scheme referred to by the Ministry of Finance as the Supplementary Retirement Scheme or such other scheme as shall replace or supersede the Supplementary Retirement Scheme from time to time
"NAV"	Net asset value

"Recognised Market"	means any stock exchange or over the counter market, any futures exchange and any organized securities market which is open to the public and on which securities are regularly traded, being in each case an exchange or market in any part of the world (including SGX-ST and SESDAQ) and in relation to any particular Investment includes any responsible firm, corporation or association in any country in the world so dealing in the Investment as to be expected generally to provide, in the opinion of the Manager, a satisfactory market for the Investment and in such case the Investment shall be deemed to be the subject of an effective permission to deal or be dealt in on the market deemed to be constituted by such firm, corporation or association

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 and protection needs of Singapore's citizens for over 89 years, delivering a suite of product offerings through our network of 5,000 financial consultants and our bank partners. We are one of the market leaders in Protection, Savings and Investment-linked plans with S$43.1 billion funds under management as at 31 December 2019.

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