

Jan 2020



Important Document

重要函件

Dear Valued Customer,

**Re: Change in respect of Invesco Global High Income Fund (Code: IHI) (the “PRU-Investment Choice”) available under the Policies (as defined below)**

**IMPORTANT: This notice contains important information and requires your immediate attention. Please read this notice carefully and seek independent professional advice if you have any questions about this notice. Prudential Hong Kong Limited (“Prudential”) accepts responsibility for the accuracy of the contents of this notice.**

Thank you for choosing Prudential.

The **PRU-Investment Choice** is available under PRUlink portfolio investment plan, PRUlink single premium investment plan, PRUlink investment plan, PRUlink smart wealth builder, PRUKid extra (previously known as PRUKid edulink), PRUlink assurance (previously known as PRUlink Diamond, PRUlink Gold and PRUlink Silver), PRUlink assurance plus, PRUlink Investlife, PRUlink optimiser plus (previously known as PRUlink optimizer), PRUretirement extra (previously known as PRUretirement plus and PRUretirement plan), Investment Plus, PRUflexilife, PRUlink maxisavings, PRUlink protector, and PRUlink wealth builder (collectively, the “Policies”).

We have been informed by the Directors of Invesco Funds in respect of the following change of Invesco Global High Income Fund (i.e. the existing reference fund of the PRU-Investment Choice) (the “Sub-fund”).

With effect from **27 January 2020** (the “Effective Date”), the investment objective and policy of Invesco Global High Income Fund will change in order to re-position the Sub-fund from a pure fundamental driven approach to a blended fundamental and systematic quant-based approach with the aim of delivering a higher ratio of return to risk than the use of a single strategy. Please refer to **Appendix A** for the extracted relevant paragraph that is subject to change.

In addition, with effect from 27 January 2020, the reference benchmark used to measure the global exposure of the Sub-fund will change from Bloomberg Barclays Global High Yield Index to Bloomberg Barclays Global High Yield Corporate Index, which is more representative for the Sub-fund from a risk perspective.

As the proposed changes should benefit the Shareholders over the longer term, the transaction costs associated with any portfolio re-balance (which are expected to be approximately 0.50% of the Sub-fund’s net asset value) will be borne by the Sub-fund. However, any other costs incurred in connection with the proposed changes will be borne by the management company.

The proposed changes will not have a material impact on the risks applicable to the Sub-fund. There will be no change to the operation and/or manner in which the Sub-fund is being managed, except as described above. There will be no change in the fee level or cost in managing the Sub-fund, and the proposed changes will not materially prejudice the rights or interests of existing investors.

As a result, the PRU-Investment Choice will also experience the same change regarding the change of the reference funds on the Effective Date.

As a holder of the units of the PRU-Investment Choice, if you do not wish to accept the changes, you may choose to switch your existing units of the PRU-Investment Choice and redirect your premium allocation / dividend allocation to other investment choice(s) by submitting a request to Prudential. You can arrange your request through our website [www.prudential.com.hk](http://www.prudential.com.hk) at myPrudential or submit to Prudential the duly signed form available from your consultant or our Customer Service Center. Currently, you can opt for an unlimited number of switching of investment choices and change of premium allocations or dividend allocations for future contributions in Prudential investment-linked insurance plans without incurring switching charges. Or else, you are not required to take any action for the changes described.

For further information on the *PRU*-Investment Choice and other investment choices available under the Policies and their corresponding reference funds, including fees and charges, investment objectives and risk factors, please refer to the offering documents of the Policies and the corresponding reference funds, which can be downloaded from our website at [www.prudential.com.hk](http://www.prudential.com.hk).

Should you have any inquiries, please do not hesitate to contact your consultant or our Customer Service Hotline at 2281 1193.

Thank you once again for your continued support.

Yours sincerely,

Prudential Hong Kong Limited  
(A member of Prudential plc group)

(This is a computer print out and no signature is required)

**Appendix A (Information is provided by Invesco)**

| Extract from the current investment objective and policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Extract from the new investment objective and policy as of 27 January 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>The Sub-fund seeks to achieve its objective by investing primarily (at least 70% of the net asset value of the Sub-fund) in high yield debt securities issued globally and debt securities from issuers in emerging market countries, which may be listed or traded elsewhere.</p> <p>Debt securities will include but are not limited to debt securities issued by governments, local authorities, public authorities, quasi-sovereigns, supranational bodies, public international bodies as well as corporates and convertibles.</p> | <p>The Sub-fund seeks to achieve its objective by investing primarily (at least 70% of the net asset value of the Sub-fund) in global non-investment grade debt securities, most of which are issued by corporate issuers.</p> <p>Debt securities will include but are not limited to debt securities issued by governments, local authorities, public authorities, quasi-sovereigns, supranational bodies, public international bodies as well as corporates and convertibles, and unrated debt securities.</p> <p>The Investment Manager will apply a combination of fundamental and systematic, quant-based approach to invest in the universe. The Investment Manager will gain exposure to actively selected debt securities based on fundamental credit research, complementing the fund's allocation with systematic exposure to global debt securities (including emerging markets), using a range of factors (including quality, value, carry, liquidity) together with an assessment of risk to evaluate the relative attractiveness of an instrument.</p> <p>The Investment Manager expects the combination of fundamental and systematic strategies to deliver a higher ratio of return to risk than the use of a single strategy.</p> |