

## Your Participating Fund Update for 2024 Par Retirement SGD Sub-Fund

# Thank you for entrusting Prudential with your investment and protection needs.

This report details the performance of the **Par Retirement SGD Sub-Fund** and the bonus allocation for your participating policy for the year ending 31 December 2024.

### At a glance

In 2024, our Par Fund generated an investment return of **9.59%**. The total expense ratio was maintained at **less than 3%**.

YEAR	AVERAGE OF THE LAST...					
	2022	2023	2024	3 YEARS	5 YEARS	10 YEARS
Investment Return <sup>1</sup>	-14.32%	9.68%	9.59%	0.99%	2.32%	NA
Total Expense Ratio <sup>2</sup>	2.65%	2.03%	1.64%	2.08%	2.27%	2.53%

### Your Bonus Allocation

**Details of your bonus allocation can be found in your Bonus Notice.**

Bonuses declared depend on the actual experience and future outlook of key factors affecting the performance of the Par Fund, including investment performance, operating expenses, and benefits payouts (from insurance claims, surrenders and survival benefits). We aim to provide stable bonuses and returns over the lifetime of your policy and may save a portion of the Par Fund's investment returns in good years to help us maintain bonuses in periods when returns are lower - an effect we term as "smoothing".

We are maintaining the bonus rates for all policies for financial year 2024.

Your Bonus Notice will be progressively issued between April to October 2025. Once ready, you can view it by logging in to **PRUaccess eDocuments**.

<sup>1</sup> The investment return is shown after deducting investment expenses incurred in managing the par fund. Past performance is not necessarily indicative of future performance.

<sup>2</sup> This Total Expense Ratio is computed at the total Participating Fund level and includes all participating sub-funds. This ratio is the proportion of total expenses incurred by the Participating Fund to the assets of the Participating Fund. These expenses include investment, management, distribution, taxation and other expenses. Past expense ratios do not necessarily indicate actual expenses that may be incurred in the future.

# Factors that affected the Par Fund’s performance in 2024

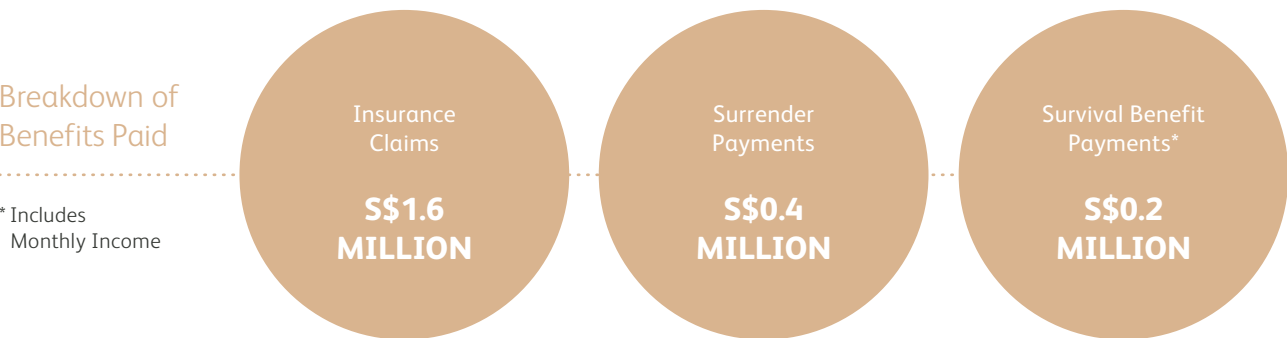
The Par Fund’s performance and its declared bonuses are determined by several factors. These include the fund’s portfolio composition and performance and non-investment-related factors, such as operating expenses and benefits payouts. Let’s go through the details in the following pages.

## 1 / Non-investment Factors

Benefit payouts from insurance claims, surrendered policies, and operating expenses, could impact the Par Fund’s performance and the level of bonuses declared. We do not expect short-term fluctuations in these non-investment factors to significantly affect current and future bonuses.

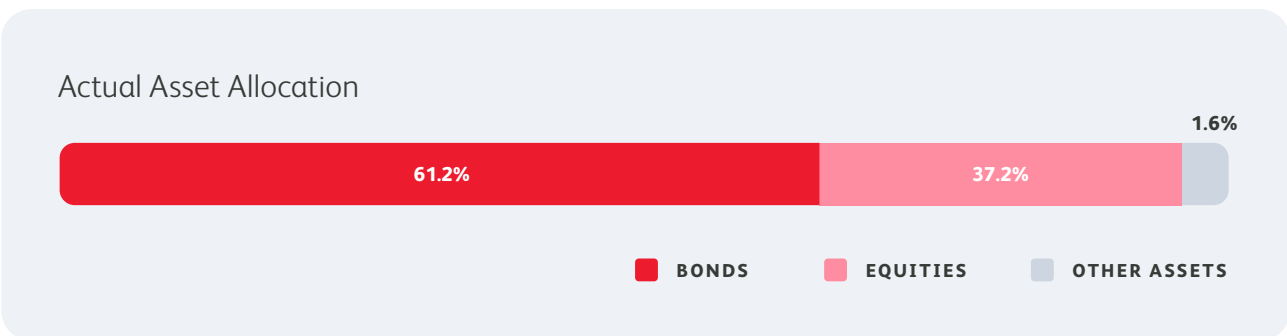
KEY NON-INVESTMENT FACTORS	IMPACT ON BONUS
Insurance claims were lower than expected	Positive
Surrender payments were lower than expected	Negative
Expenses were lower than expected	Positive

In 2024, the total amount of benefits paid to our customers was **S\$2.3 million**.



## 2 / Portfolio Composition

As of 31 December 2024, the size of the Par Fund is **S\$789 million**, and the Actual Asset Allocation is as follows:



### 3 / Market Review

The year 2024 was marked by volatility in global financial markets. Economic data releases, particularly those related to inflation and employment, caused fluctuations and impacted monetary policy expectations.

Despite the volatility, global equity markets saw gains in 2024, driven by robust economic growth and better-than-expected corporate earnings. Stocks in the Artificial Intelligence sector were key drivers of performance in the US and other countries. In the second half of 2024, the US central bank's shift to easing monetary policy and Donald Trump's victory in the presidential election further boosted equity markets. In ASEAN, Singapore's equity index outperformed its regional peers due to the strong performance of domestic banks, driven by higher net interest margin prospects, and the 'safe haven' nature of the Singapore market in the region.

Conversely, global bond markets faced challenges in 2024 as rising and fluctuating yields, coupled with a significant strengthening of the US dollar, weighed on bond valuations. This occurred despite historically tight credit spreads and easing short-term interest rates by major central banks. In the fourth quarter, US Treasury yields saw a notable increase due to heightened uncertainty regarding the extent and timing of interest rate cuts, potential economic policies under Donald Trump's administration, and concerns about the US government's fiscal deficit and its implications for the supply-demand dynamics of US Treasuries.

## Looking ahead

As we move forward into 2025, we are closely monitoring the markets. Market volatility is expected to persist under Donald Trump's presidency. Factors such as changing inflation expectations, the implementation of global trade policies, uncertainty around interest rates, and uncertainty around the strength of the US dollar will contribute to bond yield volatility. Additionally, an expected slowdown in economic growth despite robust corporate balance sheets and earnings, could lead to equity market volatility. The performance of the Chinese economy will also play a significant role in influencing global growth conditions.

As a leading life insurer, we are committed to being a responsible and sustainable leader. We have been actively engaging with our stakeholders to grow responsibly and have included environmental, social, and governance (ESG) considerations in our investment decisions. We continue to explore ways for our customers to invest more sustainably while managing portfolio risk through diversification across different countries, sectors and asset classes. Our goal is to enhance our customers' stable long-term total returns while remaining a responsible leader in the industry and driving returns for our customers and shareholders.

For your convenience, we have provided both the English and Chinese versions of this update. It can be accessed at the following link: <https://www.prudential.com.sg/annual-bonus-update>

如果您需要我们华文版的年度红利报告, 您可浏览我们的网页: <https://www.prudential.com.sg/annual-bonus-update>

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The purpose of this report is to present you with an update on the performance of the Par Fund for the year ending 31 December 2024 and the bonuses allocated for the year. It also sets out our views on the future outlook of the Par Fund based on our latest actuarial investigation of policy liabilities carried out under section 95(1) of the Insurance Act and updates you on any changes in future non-guaranteed benefits.