

Your Participating Fund Update for 2025  
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 2025.

## At a glance

In 2025, our Par Fund generated an investment return of **11.00%**. The total expense ratio was **1.69%**.

YEAR	2023	2024	2025	AVERAGE OF THE LAST...		
				3 YEARS	5 YEARS	10 YEARS
Investment Return <sup>1</sup>	9.68%	9.59%	11.00%	10.09%	3.42%	NA
Total Expense Ratio <sup>2</sup>	2.03%	1.64%	1.69%	1.77%	2.10%	2.37%

## 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 2025.

Your Bonus Notice will be progressively issued between April to October 2026. Once ready, you can view it by logging in to **PRUServices > View 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 2025

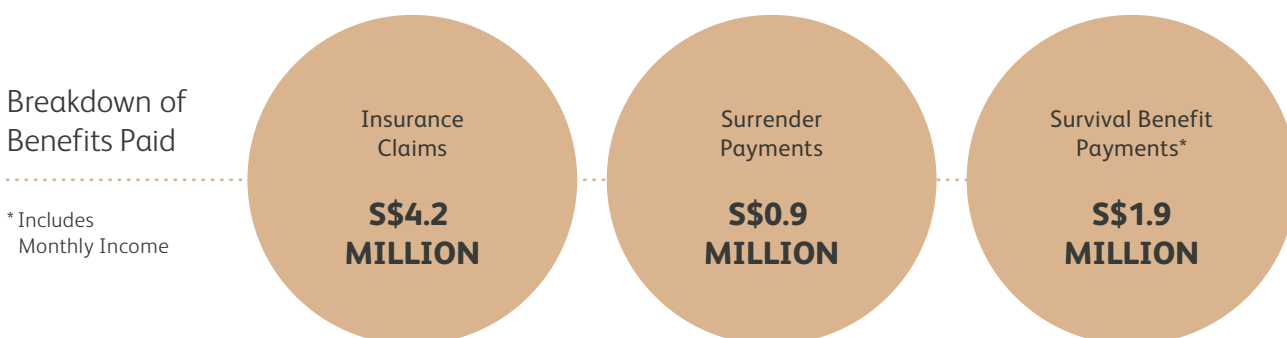
The Par Fund's performance and its declared bonuses are determined by several factors. These include the fund's portfolio composition and performance and non-investment-related factors, such as operating expenses and benefits payouts. Let's go through the details in the following pages.

## 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.

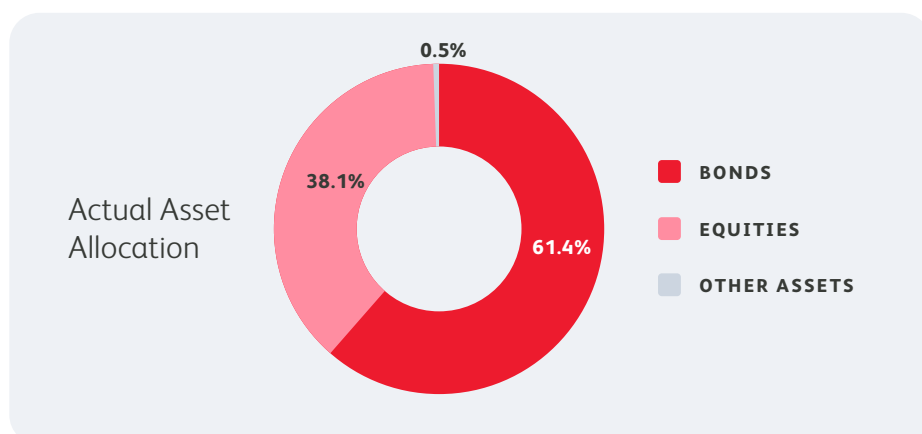
KEY NON-INVESTMENT FACTORS	IMPACT ON BONUS
Insurance claims were <b>lower than expected</b>	<b>Positive</b>
Surrender payments were <b>lower than expected</b>	<b>Negative</b>
Expenses were <b>lower than expected</b>	<b>Positive</b>

In 2025, the total amount of benefits paid to our customers was **S\$7.0 million**.



## 2 / Portfolio Composition

As of 31 December 2025, the size of the Par Fund is **S\$1,070 million**, and the Actual Asset Allocation is as follows:



## 3 / Market Review

The year 2025 was a constructive year for global financial markets, with both equities and bonds delivering positive returns. A combination of moderating inflation, supportive fiscal measures, and a gradual easing of monetary conditions created a more favourable environment for investors. Confidence was further supported by resilient corporate earnings and improving global growth prospects.

Global equity markets recorded strong gains, although performance differed across regions. In the United States, equities advanced, driven by solid earnings growth in the technology sector, particularly in areas related to Artificial Intelligence, despite periods of market volatility arising from trade policy uncertainty. European equities rebounded strongly, supported by fiscal stimulus measures, selective investor diversification away from the US, and attractive valuations in sectors such as industrials and financials. Chinese equities experienced one of their strongest rallies in recent years, reflecting policy easing and renewed investor confidence in innovation-driven sectors. Emerging markets generally outperformed, benefiting from a weaker US dollar and increased capital inflows, while ASEAN markets remained resilient. Singapore's equity market rose significantly, underpinned by strong banking sector performance and Singapore's continued position as a trusted regional safe haven.

Bond markets also delivered positive returns in 2025, marking a reversal from the weaker performance seen in previous years. Declining interest rates across many regions supported higher valuations for both sovereign and corporate bonds. US Treasuries rebounded despite ongoing concerns over fiscal deficits. Singapore government bonds outperformed US Treasuries as yields declined, supported by safe-haven demand reflecting Singapore's AAA credit rating and strong fiscal discipline. Investors who maintained exposure to fixed income benefited from this interest rate-driven recovery, even as yield volatility persisted amid fiscal and policy uncertainties.

## Looking ahead

As we move into 2026, global economic growth is expected to remain steady, although the pace of growth is likely to vary across regions. The US economy continues to show resilience, supported by higher-income households, while lower-income groups face increasing financial pressures alongside a gradually softening labour market. Across Asia, growth is easing, but strong technology exports and targeted policy support are helping to cushion the slowdown. China's growth is expected to remain constrained by weak domestic demand, with policy measures likely to remain targeted and incremental. On the other hand, Japan has emerged from its prolonged deflationary period, supported by accommodative policies. Europe's recovery is expected to continue, underpinned by rising incomes and government spending, although political uncertainties and long-standing productivity challenges remain.

Inflation trends are expected to differ across regions. In the United States, trade tariffs continue to place upward pressure on prices, with inflation expected to remain above 3% in the first half of the year before easing. In Asia and Europe, inflation remains more subdued, with China continuing to face deflationary pressures and Europe experiencing inflation close to 2%. Central banks are expected to maintain largely measured policy stances amid these conditions. Key risks to the outlook include geopolitical tensions, trade disputes, rising government debt levels, and potential growth slowdowns in major economies. At the same time, continued advancements in Artificial Intelligence, automation and innovation present opportunities for productivity gains and longer-term economic growth.

As a leading life insurer, we remain committed to responsible and sustainable growth. We continue to integrate environmental, social, and governance (ESG) considerations into our investment strategies, ensuring that our portfolios are aligned with long-term sustainability goals. By diversifying across geographies, sectors, and asset classes, we aim to deliver stable long-term returns for our customers and shareholders while maintaining our role as a responsible and trusted leader in the industry. Our focus remains on helping customers invest prudently, manage risks effectively, and achieve financial security in an ever-changing global market environment.

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 2025 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.