

ANNUAL PERFORMANCE UPDATE FOR PRUINVESTOR CAPITAL GROWTH PARTICIPATING SUB-FUND

The purpose of this report is to:

1. Provide an update on the recent performance of the PruInvestor Capital Growth Participating Sub-Fund ("Sub-Fund").
2. Provide an overview of the year ahead for the Sub-Fund based on the latest actuarial investigation of policy liabilities carried out under section 37(1) of the Insurance Act.
3. Update you on any changes in non-guaranteed benefit.

Benefits of PruInvestor Capital Growth Policy

PruInvestor Capital Growth (PICG) is a capital guaranteed 5-year single premium participating endowment plan, launched in 2008. The benefits under this plan are made up of guaranteed and non-guaranteed benefits. The investment portfolio of PICG comprises 2 components:

- Bonds, which support the guaranteed benefit of the plan upon maturity.
- Alternative assets, which provide non-guaranteed potential returns above the capital guarantee. These are used to provide the non-guaranteed benefit.

Guaranteed Benefit

The guaranteed benefit upon maturity is the single premium payment, which is supported by investment in bonds. The guaranteed benefit will be paid regardless of the performance of the Sub-Fund.

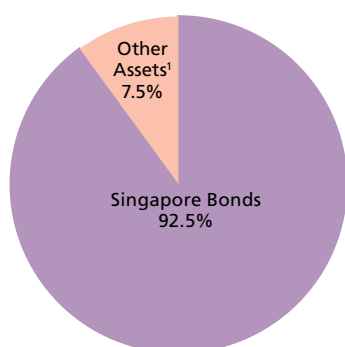
Non-Guaranteed Benefit

The non-guaranteed benefit is in the form of Growth Bonus, which is supported by investment in alternative assets. Full Growth Bonus may be payable only if the policy is held to maturity. The level of Growth Bonus depends on the actual performance of alternative assets, claims (with respect to death), surrender and expenses experiences. Among these, the actual performance of the alternative assets is the key factor that determines the level of Growth Bonus.

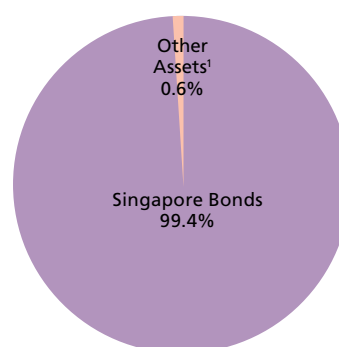
Investment Performance of the Sub-Fund

The Strategic Asset Allocation and Actual Asset Allocation of the Sub-Fund as at 30 September 2013 are as follows:

Strategic Asset Allocation



Actual Asset Allocation



¹ Other assets include alternative assets, policy loans and cash

In 2013, the bond holdings of the Sub-Fund have performed as expected. However, the alternative assets have continued to underperform due to the continued volatility in the markets and a weak global economic environment. As a result, the performance of the alternative assets was affected, and was much weaker than anticipated.

The investment return and investment expense ratio over the past 3 years are as follows:

Year	Investment Return ³	Investment Expense Ratio ⁴
2011	3.3%	0.29%
2012	1.0%	0.28%
2013 ²	-0.1%	0.21%

Source: Sub-Fund's financial statement.

² Year to date up to 30 September 2013.

³ This investment return is shown after deducting investment expenses incurred in managing the fund. Past performance is not necessarily indicative of future performance.

⁴ Investment expense ratio is defined as the costs incurred in investment (which would include investment fees paid to fund managers for providing fund management services) expressed as a percentage of the size of funds under management.

Effect on Guaranteed Benefit

The bonds have performed as expected and we are able to continue to provide the guaranteed benefit.

Effect on Non-Guaranteed Benefit

Due to the underperformance of the alternative assets, the non-guaranteed benefit has been affected. With this, the projected maturity value has been revised to reflect the actual performance of the Sub-Fund as at 30 September 2013 and the outlook of the Sub-Fund. You may also refer to the enclosed Policy Notice for the details of your policy.

Other Areas of Performance

As of 30 September 2013, the insurance claims and surrender payments under the Sub-Fund were lower than expected while operating expenses were close to expectations.

Assets and Benefits as of 30 September 2013

Your policy is written out of the Sub-Fund which has a size of S\$64 million as at 30 September 2013. Benefit payments of S\$0.3 million were made out to policyholders as at September 2013, with the following breakdown:

Insurance Claims	S\$201,635
Surrender Payments	S\$129,065

Source: Sub-Fund's financial statement.

Outlook

The investment strategy of the Sub-Fund comprises investment in bonds and alternative assets. The bonds are likely to perform as expected to meet the capital guarantee. The return on alternative assets has been lower than expected. We foresee that the price expectations for the alternative assets will continue to remain weak and the prospect of an improvement is low. With this, the Sub-Fund is expected to deliver the level of returns, which has been reflected in this bonus declaration.

In line with our bonus philosophy, we will continue to manage the Sub-Fund prudently to protect the interests of policyholders.

This Annual Performance Update is also available in English and Chinese at our website www.prudential.com.sg/visit/APU

如果您需要我们华文版的年度表现报告, 您可浏览我们的网页 www.prudential.com.sg/visit/APU

PRUDENTIAL ASSURANCE COMPANY
SINGAPORE (PTE) LIMITED
(Reg. No. 199002477Z)

30 Cecil Street #30-01 Prudential Tower,
Singapore 049712
Tel: 1800 333 0 333 Fax: 67349555
Website: www.prudential.com.sg
Part of Prudential plc