



Dear Customers,

It is the time of the year to share with you the report card of Prudential's Participating Funds (Par Funds).

In 2017, Prudential achieved yet another year of strong performance for our Par Funds through a disciplined investment approach. As a result, we will be declaring S\$234 million in guaranteed bonuses to our customers in 2017. That's S\$21 million or 10 per cent more than what was declared the year before.

Strengthening our investment capabilities

We are committed to continually enhance our investment capabilities to improve the performance of our Par Funds.

In 2017, we strengthened our in-house investment team with the appointment of Lena Teoh as our Chief Investment Officer. With a proven track record in managing global investment portfolios, we are confident Lena will lead the team to achieve outstanding investment results for our Par Funds.

Economic outlook

Despite rising geopolitical tensions and uncertainties over the Central Banks' monetary policies, 2017 ended on a strong note with the global economy recording its highest growth in seven years.

While we are positive about the economy in 2018, we are mindful of risk factors that could impact investment returns such as rising business costs, interest rates, and asset prices.

Our investment team will continue to adopt a disciplined investment approach, balancing risks and returns with diversification, to make sure our Par Funds deliver consistent performance over the long term.

Partnering you in achieving your financial goals

As we move into 2018, I would like to extend my sincere thanks for your continued support and for trusting us with your insurance and investment needs.

We look forward to partnering you in achieving your financial goals.

Yours sincerely

Wilfred Blackburn
Chief Executive Officer