

Participating Fund Information (PAR Fund)

As of 30 June 2022

Objective

The Par Fund has the objectives to invest in a broad range of fixed income and equity securities that produces a consistent and stable rate of return in the long run, while maintaining a low risk profile. Our investment philosophy marries fundamental security selection with macro views. The fund invests approx. 40% of assets in local government bonds, 40% in corporate bonds, and 20% in equities.

Strategy



Global Expertise

The fund is managed by Prudential Life Assurance (Thailand) PCL, together with Eastspring Investments, part of Prudential plc, an asset manager with assets under management of USD222 billion, and over 25 years of track record.



Long term focus

The fund invests in long-term bonds, such as 10 years or longer government bonds and equities with strong fundamentals, to match with the products' long-term saving propositions.



Asset quality

The fund invests in government bonds and Investment Grade bonds, as well as equity in local and developed markets. Return is driven by in-depth research to find market leaders with attractive valuations.

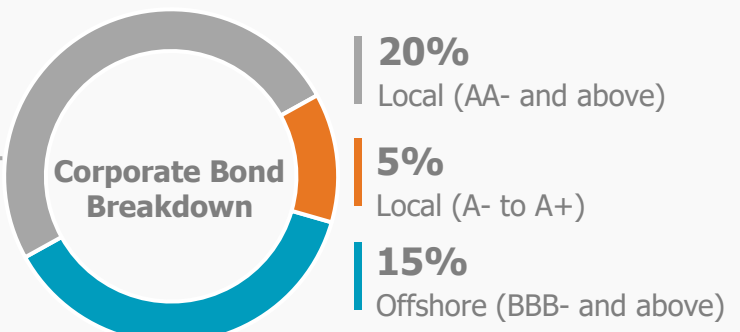
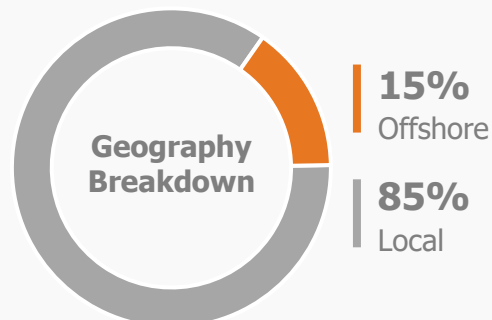
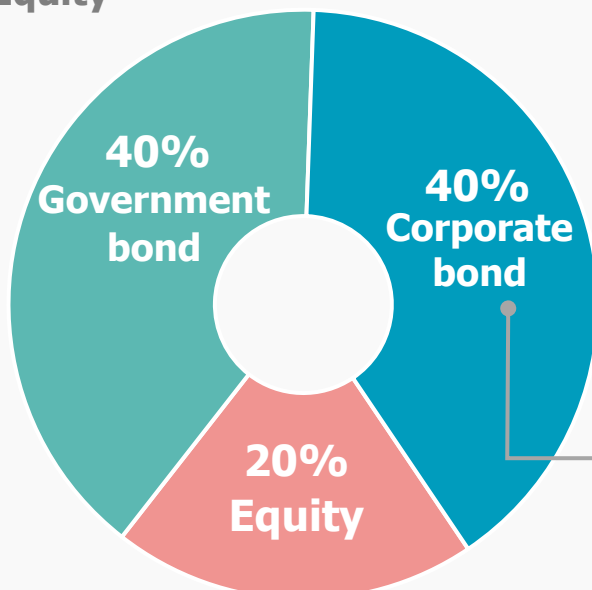


Diversification

The low risk profile is achieved by having a well-diversified portfolio of high-quality assets in different markets and classes. Offshore securities include bonds issued by sovereigns and companies with solid profile in Asia and the US.

Asset Allocation

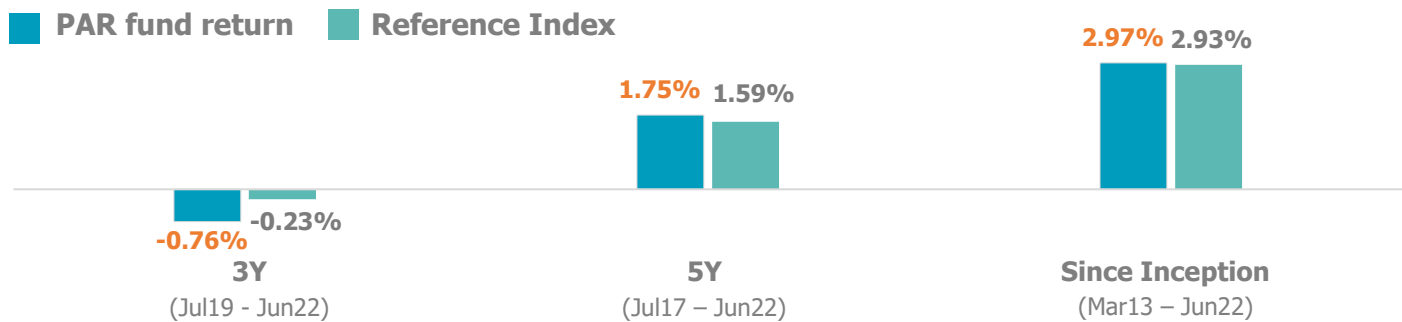
80% Fixed Income
20% Equity



Actual allocation, including geography and corporate breakdown, may change based on market conditions

Annualized Past Performance

Three-year annualized performance was negative as rising in bond yields amid global wave of rising interest rate in 2022 led to significantly drop in bond prices. Together with large portion of longer-dated bond in portfolio, these losses resulted to the performance of three-year return underperformed the benchmark. However, under long term perspectives with significant portion of fixed income that would be held until maturity, the average fixed income yields are expected to be comparable to return since inception. Meanwhile, equity portfolio continued to provide buffer and outperform the benchmark in 2022. Based on our consistent long-term return strategy with high-quality assets, the performance of five-year and since inception returns were still positive and outperformed the benchmark.



- Reference Index: 80% Thai Government Bond 7-10Y Net Total Return Index + 20% SET Index
- Reference index is not performance benchmark and may change based on product features and market conditions
- Returns are annualized (average annual return)
- Par return is calendar year basis and is calculated based on investment at the beginning of the period
- Actual return of Par policies will differ as Par policies invest in instalment over the years and Par dividends may be smoothed to reduce fluctuation in return
- Par return is net of investment expense
- Past Performance is not a guarantee or reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future

Outlook

Headline inflation is expected to elevate in 2022 and Bank of Thailand is likely to gradually raise policy interest rate. However, market has already priced in the future rate hikes so the impacts on bond price would be limited. Thai Baht is expected to be traded in range bound with slightly strengthen trend on the back of strong local fundamental including stronger recovery of tourism sector. This would also support consumer-related sectors as well as equity market, but downside risks remain as global economic slowdown would affect to export-related sector. Nevertheless, our investment strategy for long term with high portion of fixed income instruments will still be the main driver to generate consistent return. Moreover, the fund will continue to explore opportunities of investing in assets with solid fundamentals and attractive returns.

10Y Thai Government Bond Yield



SET Index



Any opinions, predictions, forecasts, or forward-looking statements made are not necessarily indicative of further or likely performance. Source: ThaiBMA, Bloomberg. Data range from Jul 2013 to Jun 2022.