

# Participating Fund Information (Par Fund)

As of 31 December 2024

## Objective

The Par Fund has the objective to invest in a broad range of fixed income and equity securities that produce an optimal risk-adjusted rate of return in the long run, while maintaining an acceptable risk level. 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 and others.

## Strategy



### Global expertise

The fund is managed by Prudential Life Assurance (Thailand) PCL, together with Eastspring Investments, affiliate of Prudential plc, an asset manager with assets under management of USD 271 billion, and 30 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 Life insurance products' long-term saving propositions.



### Asset quality

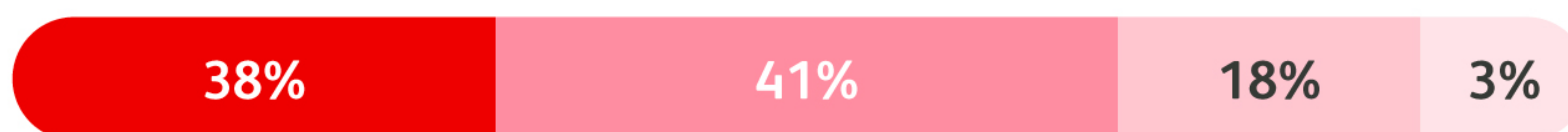
The fund invests in Investment Grade corporate and government bonds, as well as equity in local markets. Asset selection is driven by in-depth research to find market leaders with attractive valuations.



### 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.

## Current Investment Allocation as of 31.12.2024



● Government bonds ● Corporate bonds ● Equities ● Others

Note : 1. Local credit ratings for corporate bond investment are A- and above.

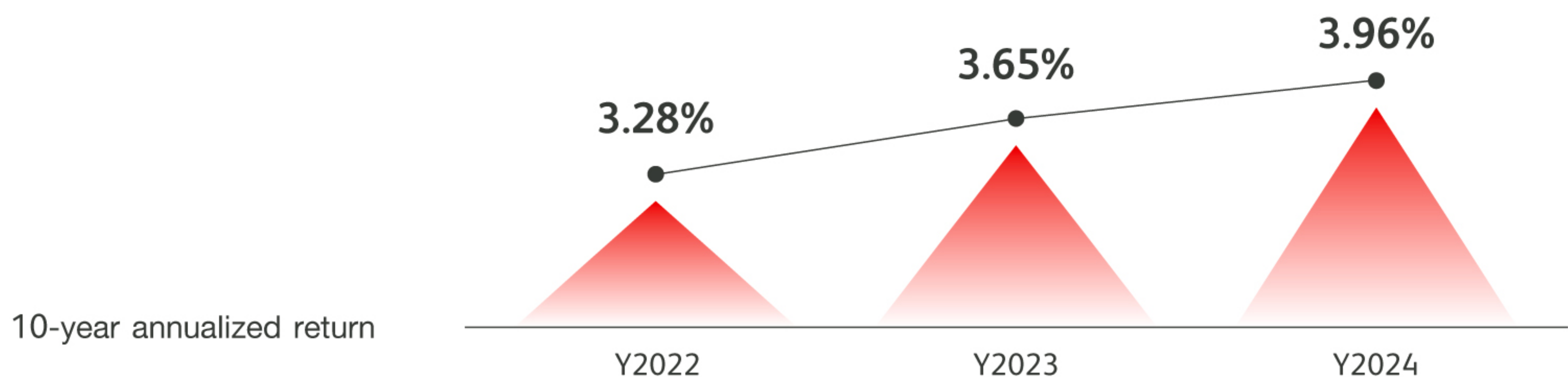
2. International credit ratings for corporate bond investment are BBB- and above.

## Annualized Past Performance

In 2024, US interest rate experienced significant volatility as the market evaluated economic data and US central bank's actions. The US central bank initiated rate cuts in the second half of 2024 but indicated a slower pace of cuts in 2025. This, combined with potential higher inflation from President Trump's policies, led to a decline in US Treasury prices. Thai government bond prices also faced volatility due to the impact of US Treasuries. However, strong local demand from banks and insurance companies resulted in significantly higher Thai government bond prices in the latter half of 2024. Additionally, Thai equities, particularly large-cap stocks in the SET50, rebounded in second half of 2024.

As of 2024, the 10-year annualized return improved to 3.96%, primarily driven by strong bond performance due to lower interest rates and modest gains in Thai equities. Our long-term investment strategy, which emphasizes a substantial allocation to high-quality, long-duration bonds, continued to benefit from the decline in long-term interest rates.

### Net Par Fund Return



- Net Par Fund Return is the 10-year annualized return at the end of each period, net of investment expenses.
- Bonuses and dividends on Par policies will depend on both the actual experience and future outlook of the investment performance of the Par Fund and may be smoothed at the company's discretion to reduce fluctuations.
- 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

Both US and Thai yields are expected to trend downward after entering 2025. The market anticipates US yields to remain range-bound with some volatility due to President Trump's policies. In Thailand, the Bank of Thailand may implement a rate cut in the first half of 2025. Additionally, strong local demand is expected to continue supporting bond prices. The Thai equity market is facing outflows in 2025, driven by global trade uncertainties and significant redemptions of the Long-Term Equity Fund (LTF). However, some research houses predict a rebound in Thai equities due to their currently low levels.

At Prudential, we remain committed to exploring and diversifying long-term investment opportunities across global assets with strong fundamentals and appealing returns.

Prepared by PLT Investment Team

Note : Any opinions, predictions, forecasts, or forward-looking statements made are not necessarily indicative of further or likely performance.