

# Participating Fund Update for 2024



2024 Total Fund Investment Return

**4.3%**

Total Assets

**S\$53.5b**

Total Benefits Paid

**S\$4.7b**

Value of Bonus Declared

**S\$1.2b**

Dear valued policyholder,

We would like to provide you with an update on the performance of the Participating Fund ("Fund"). This provides you useful information on key factors affecting Participating Fund performance and its impact on bonuses allocated to your participating policy(ies).

For the 2024 bonus declaration, we have maintained the bonus rates at the same level as 2023. We will continue to manage the Fund prudently to provide a stable medium-to long-term return to our policyholders.

## What were the portfolios' investment returns?

Net Investment Return	2022	2023	2024	Average of last 3 years	Average of last 5 years	Average of last 10 years
Short-Term Single Premium Portfolio	-0.67%	5.12%	4.03%	2.80%	2.78%	3.05%
USD Portfolio	-15.04%	6.77%	4.02%	-1.92%	N/A	N/A
SGD Portfolio	-7.91%	6.37%	4.26%	0.71%	2.39%	3.68%

*The investment return for USD Portfolio is on USD terms. The investment return for the remaining portfolios, including the total fund, is on SGD terms.*

## What are the products in each portfolio?

The products in each portfolio are as follows:

Short Term Single Premium Portfolio	Single Premium Special/Rewards series
USD Portfolio	PremierLife Generation (USD) / Prestige Life Rewards (USD) series / Prestige Life Gold (USD) / PremierLife Legacy (USD) series
SGD Portfolio	All other participating products

What factors affected the Fund’s performance?

1. Non-investment factors	Expenses and surrenders were observed to be slightly higher than expectation in 2024, while the rest are in line with expectation.	BENEFIT PAYMENTS OF THE FUND (S\$)	
	We do not expect short-term fluctuations in these non-investment factors to significantly affect current and future bonuses.	Maturity and Survival Benefits, Annuities	3,397m
		Death, Total and Permanent Disability, Critical Illness Claims	257m
		Surrender Payments	603m
		Cash Bonuses	466m

Total Expense Ratio^	2022	2023	2024	Average of last 3 years	Average of last 5 years	Average of last 10 years
All Portfolios	1.74%	1.44%	1.35%	1.49%	1.54%	1.61%

^ Total expense ratio is the proportion of total expenses incurred by the Fund to the assets of the Fund. They include investment, management, distribution, tax, and other expenses.

2. Performance of the global economy	In 2024, most major economies expanded at a healthy pace as post-pandemic inflationary pressures abated, supply chains and labour markets normalized. Decelerating inflation paved the way for less restrictive monetary policy. Central banks in US, UK, Eurozone, and Switzerland delivered multiple interest rate cuts, as did several central banks across Asia. The lower interest rates had a positive impact on economic activity and employment, albeit to varying extents across different economies.
	China’s economy continued to be weighed down in 2024 by its real estate market downturn and ongoing regulatory actions. Policymakers have taken targeted policy measures to address the underlying issues, potentially laying the foundation for an economic recovery in 2025.

3. Asset performance	<b>Fixed Income</b> Fixed income markets were volatile in 2024. Despite expectations for rate cuts early in the year, inflation remained stubbornly high resulting in a rise in bond yields and lackluster fixed income returns. The 10-year sovereign yields in Singapore and the US rose to 2.86% and 4.57%, respectively. Volatility increased in the wake of the US election in November, in line with greater uncertainty over the trade, fiscal, and immigration policies to follow. However, strong risk sentiment supported a relatively steady tightening of credit spreads throughout the year, providing a tailwind to corporate bond portfolios.
	<b>Equities</b> Global equity markets enjoyed a second consecutive strong year with US equities leading the rally, surging over 20% with record high earnings growth and optimism over the adoption of artificial intelligence technologies. Despite domestic economic challenges, Chinese equities rose more than 10% buoyed by the announcement of targeted policy measures to pull the economy out of the ongoing downturn. European equities underperformed their regional counterparts, with slowing economic momentum, high energy costs, weak export demand, and cumbersome regulation weighing down their performance. Nevertheless, they delivered high single-digit returns.
	<b>Properties</b> Physical real estate holdings achieved a positive return in 2024, as the residential sector enjoyed price appreciation and resilient rental income. However, real estate funds were negatively impacted by higher capitalization rates and weak sentiment in some international real estate markets.

#### 4. Asset risks

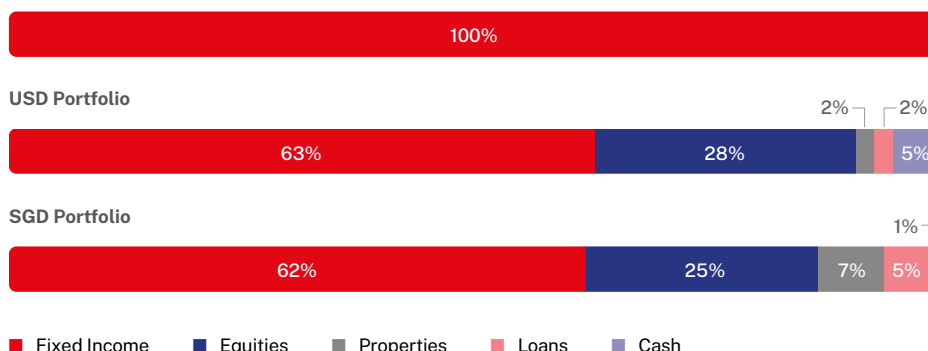
Great Eastern balances risk and return by strategically allocating across asset classes to generate the long-term returns. Asset classes invested in the Participating fund are exposed to Market Risk, Credit Risk and Liquidity Risk.

Interest rate derivatives such as interest rate swaps and treasury bond futures are used for asset-liability management via reducing the asset-liability duration gap. These derivatives are generally exposed to Interest Rate Risk, Basis Risk, and Liquidity Risk.

#### 5. The asset mix of the Fund

Total market value of the Fund was S\$53.5 billion as at 31 December 2024. The asset mix of the portfolios is as follows:

##### Short-term Single Premium Portfolio



*The percentage of each asset class is inclusive of the derivative position used for hedging and asset-liability management, if any.*

### What is the outlook for the Fund?

2025 began with much uncertainty, largely due to the policies of the incoming US administration. The key risk to investment performance is the implementation of tariffs under the new US administration, as these have the potential to depress growth while exacerbating inflation. Tariff announcements have already been accompanied by heightened two-way volatility across financial markets around the world. In recognition of this uncertain investment landscape, the Par Fund continues to be invested in a prudent, well-diversified manner to achieve its long-term objective across varying market conditions and through business cycles.

*This is a general commentary on the Fund and cannot be used to specifically describe individual policies.*

### Bonus allocation

Policyholders share in the performance of the Fund through bonuses which are non-guaranteed. Bonuses are determined yearly based on the Fund's combined performance in investment, claims (from death, critical illness and surrender) and expenses, as well as the future outlook of these factors.

Bonus allocations are smoothed over a period of time to reduce fluctuations arising from market conditions.

The bonuses allocated to you will vest upon your policy anniversary. They have been approved by the Board of Directors, considering the written recommendations by the Appointed Actuary.

If you wish to receive a copy of the updated policy illustration or have any enquiries, you may email us at [wecare-sg@greateasternlife.com](mailto:wecare-sg@greateasternlife.com), call us on 1800-248-2888 during business hours on weekdays, or speak to your Financial Representative.

#### About Great Eastern

Founded in 1908, Great Eastern is a well-established market leader and trusted brand in Singapore and Malaysia. With over S\$100 billion in assets and more than 16.5 million policyholders, including 12.5 million from government schemes, it provides insurance solutions to customers through three successful distribution channels – a tied agency force, bancassurance, and financial advisory firm Great Eastern Financial Advisers. The Group also operates in Indonesia and Brunei.

The Great Eastern Life Assurance Company Limited and Great Eastern General Insurance Limited have been assigned the financial strength and counterparty credit ratings of "AA-" by S&P Global Ratings since 2010, one of the highest among Asian life insurance companies. Great Eastern's asset management subsidiary, Lion Global Investors Limited, is one of the leading asset management companies in Southeast Asia.

Great Eastern is a subsidiary of OCBC, the longest established Singapore bank, formed in 1932. It is the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's and AA- by both Fitch and S&P. Recognized for its financial strength and stability, OCBC is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.