

PARTICIPATING LIFE INSURANCE FUND UPDATE 2024

Thank you for your continuous support and placing your trust in China Taiping Insurance (Singapore) Pte. Ltd. (“CTPIS”).

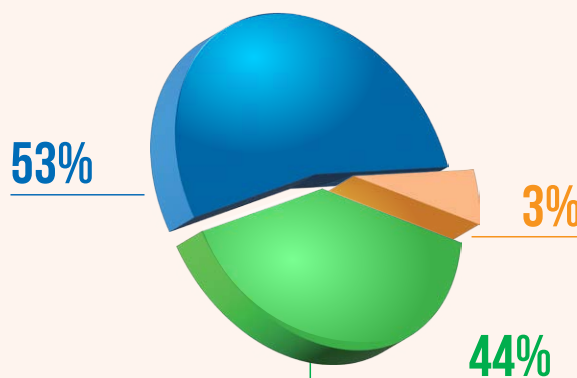
As our valued customer, we would like to provide you with the Participating Life Insurance Fund (“Par Fund”) Update for the year ended 31 December 2024. We are pleased to inform you that we are **maintaining our bonus rates for all policies** for the year ended 2024. We would like to take this opportunity to share with you the overview of the 2024 Par Fund performance and the future outlook of the Par Fund. At CTPIS, we are committed to managing the Par Fund prudently and providing stable benefits to you.

ABOUT THE FUND

As at 31 December 2024, the Par Fund held Total Assets¹ at market value amounting to approximately **S\$593 million**, a 21% increase from past year’s S\$490 million. This is largely attributed to the increase in insurance premium flows from both renewal and new business as well as increase in the market value of investments. The investment mix of the Par Fund as at 31 December 2024 is as follows:

Asset Allocation as at 31 December 2024

- Fixed Income²
- Risky Assets³
- Cash and Other Assets



Footnotes:

- ¹ Refers to assets backing policy liabilities.
- ² Includes mainly fixed income securities, fixed income futures and FX forwards for hedging.
- ³ Includes equities, collective investment schemes (equity, bond, money market), equity futures and alternatives investments.

A REVIEW OF 2024

Investment Factor

Despite experiencing some volatility in 2024, the equity market has shown considerable resilience. Contrast this with the volatile and weaker bond market, where the bond market was significantly hit by rising interest rates and underperformed. The main reasons for this were the strong US economy that forced the Federal Reserve to lower its expectations for interest rate cuts and the fact that the market started to reprice the inflation risk that could come from Trump's tariff war 2.0 after his presidential campaign victory. This had led to an increase in long-term US Treasury rates ranging from 53bps to 75bps.

This contrast highlights the importance of portfolio management as different asset classes react differently to changes in the economic environment. Meanwhile, the USD-SGD hedging cost remains high at around 1.8% in 2024 due to higher US interest rates than Singapore interest rates.

Amid challenges in the financial markets, the Par Fund had achieved a net investment return of 5.2% in 2024, largely attributed to a more balanced and diversified portfolio and proactive investment strategy. Overall, Par Fund's investment return over the past 3 years averaged out to be 0.4%, a significant improvement compared to the previous past 3 years average (-3.5%).

Investment Returns ⁴				
Year	Par SGD Group 1 ⁵	Par SGD Group 2 ⁶	Par USD ⁷	Overall
2022	- 7.8%	- 8.0%	- 13.1%	- 7.8%
2023	4.2%	4.2%	4.6%	4.2%
2024	5.5%	4.2%	4.9%	5.2%
Average over the last 3 years	0.5%	- 0.1%	-1.6%	0.4%
Average over the last 5 years	0.4%	N/A	N/A	0.3%
Average over the last 10 years	N/A	N/A	N/A	N/A

Footnotes:

⁴ Derived from the net investment income (before tax) after deducting investment expenses and divided by the average market value of Par Fund's Total Assets, as computed in accordance with the industry standards issued by the Life Insurance Association ("LIA"). Past performance is not necessarily indicative of future performance.

⁵ Consists of the following products: i-Cash, i-Cash (II), i-Cash Plus, i-Cash Plus (II), Infinite Harvest, Infinite Harvest (II), Infinite Legacy, i-Secure and i-Wealth Builder.

⁶ Consists of the following products: DIRECT - Whole Life (III), i-Cash (III), i-Cash Plus (III), i-CashLife, Infinite Harvest (III), Infinite Harvest Plus, Infinite Harvest Plus (II), Infinite Legacy (II), i-Retire, i-Retire (II), i-Saver8, i-Secure (II), i-Secure Legacy, i-Secure Legacy (II) and i-WealthSaver. Par SGD Group 2 was set up in 2021. Hence, there are no historical investment rates of return available prior to 2021.

⁷ Consists of the following products: Infinite Elite Harvest (USD) and Infinite Elite Legacy (USD). Par USD was set up in November 2021 and investment activities only took place from January 2022 onwards. Hence, there are no historical investment rates of return available prior to 2022.

Non-Investment Factors

Benefit payout from insurance claims, surrendered policies and operating expenses are key non-investment factors that can affect the level of bonuses. For 2024, insurance claims and expense levels were largely in line with expectations and had an insignificant impact on bonuses. However, surrender experience were less favourable than expected resulting in a slight negative impact on bonuses. We do not expect short-term fluctuations in these non-investment factors to significantly affect current and future bonuses.

Key Non-Investment Factors	Impact on Bonus
Insurance claims were in line with expectation	Neutral
Surrenders were lower than expectation	Slightly Negative
Expenses were in line with expectation	Neutral

Total Expense Ratio

The Total Expense Ratio (“TER”) is the proportion of total expenses incurred by the Par Fund to the assets of the Par Fund. These expenses include costs such as investment, management, distribution, taxation and other expenses. An expected level of expenses to be incurred by the Par Fund has been allowed for in the premiums payable for your policy and is not an additional cost to you. If the actual level of expenses varies significantly from the expected level of expenses, it may affect the non-guaranteed benefits you receive. For our Par Fund, the past TER are shown in the table below:

Year	Total Expense Ratio ⁸
2022	6.3%
2023	5.8%
2024	3.7%
Average over the last 3 years	5.0%
Average over the last 5 years	N/A ⁹
Average over the last 10 years	N/A ⁹

Please note that past expense ratios may not be indicative of actual expenses that may be incurred in the future.

Footnotes:

⁸ The TER is the ratio of the total expenses incurred by the Par Fund including investment, management, distribution, taxation, and other expenses, to the assets of the Par Fund, as computed in accordance with the industry standards issued by the LIA.

⁹ The Par Fund was set up in December 2018. Typically, the TER for the initial three years of a new Par Fund is not reflective of its expected long-term TER. This is because significant expenses are incurred in the initial set-up of a Par Fund and its asset bases are still being built up. Hence, the TERs for 2018 to 2020 of the Par Fund are not shown or included in the historical averages.

FUTURE OUTLOOK

For 2025, Trump’s global tariff policy has increased the risk of recession in the U.S., while also raising short- to medium-term inflation risks, which poses a significant challenge to the Fed’s monetary policy. With markets uncertainties and volatility, we will continue to remain cautious and will not take excessive unnecessary directional bets.

The disruption caused by the Trump administration has overshadowed the aura of “American exceptionalism”, as the US dollar’s status as the world’s reserve currency, which was partly responsible for the continued high levels of fiscal spending, is now waning. As a result, we will continue to maintain a diversified portfolio and be nimble to take action when opportunities present. Despite the challenges, we will continue to be vigilant and disciplined in managing our investment portfolios to deliver long-term stable investment returns to our policyholders.

On the non-investment factors, we expect claims and surrenders to be stable and in line with our expectations. We will continue to monitor our expenses closely to be as cost efficient as possible.



FREQUENTLY ASKED QUESTIONS

1. What is a participating policy and how does it work?

A participating policy is a life insurance policy that participates in the profits of the insurer's participating fund. It provides guaranteed benefits and non-guaranteed bonuses. Premiums of participating insurance policies are pooled together to form the Par Fund. This fund invests in a range of assets, which are used to pay benefits to participating policyholders and to meet the expenses incurred in managing the fund.

2. How are bonuses declared?

Bonus are declared yearly, and you will be notified each year of any bonuses or dividends that may be added to your participating policies. When declaring bonuses, CTPIS smoothenes the bonus allocations over a period of time to minimise short-term fluctuations that can occur from market conditions. The bonuses declared are approved by the Board of Directors and are consistent with the written recommendation by the Appointed Actuary. The Par Fund Updates will be available on our corporate website in July yearly.

3. When will the bonus be allocated to my policy?

Reversionary bonus declared will be vested on the declaration date or on your policy anniversary in Year 2025, whichever is later. Dividends (also known as cash bonus) will be payable when they are due according to your policy contract. You may refer to your product summary for the types of bonuses under your policy.

4. What is my bonus this year?

We are pleased to inform you that we are maintaining our bonus rates for all policies for the year ended 2024. Revisionary bonuses are bonuses which become guaranteed once declared annually. If your policy has revisionary bonuses, you should receive your Participating Plan Annual Statement in May 2025. Please refer to the Statement for the bonus declared on your policy. The bonus rates for the last 3 years have been maintained as per your Policy Illustration.



For any enquiries on your Participating Plan Annual Statement, please contact your Financial Adviser Representative, email us at customer.service@sg.cntaiping.com or call us at 6389 6111. A full Policy Illustration is available upon request.

About China Taiping Singapore

China Taiping Insurance (Singapore) Pte. Ltd. ("CTPIS") is a leading insurer offering both life and general insurance solutions. CTPIS provides one-stop financial services for personal and business needs, assuring its customers with financial peace of mind for over 85 years.



Long heritage in Singapore since 1938



**Financial Strength:
S&P: A- | AM Best: A**

About China Taiping Insurance Group

CTPIS is wholly owned by China Taiping Insurance Holdings Company Limited, which has been listed on the Hong Kong Stock Exchange since 2000, making it the first Chinese-funded insurer to be listed overseas. China Taiping Insurance Group Limited is a large transnational financial and insurance group with more than 500,000 employees globally and total assets of HKD 1,730 billion (as of December 2024). The "China Taiping" brand has gained increasing international recognition.



Established in Shanghai since 1929



Global footprint of 24 subsidiaries – Mainland China, Hong Kong, Macau, Europe, Oceania, East and Southeast Asia

This commentary is for general information only and have no regard to specific investment objectives, financial situation, and particular needs of any persons. Any opinions, predictions, forecasts or forward-looking statements made are not indicative of future performances.

The policies mentioned in this commentary are protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of the coverage, where applicable, please contact China Taiping Insurance (Singapore) Pte. Ltd. or visit the Life Insurance Association or SDIC websites (www.lia.org.sg or www.sdic.org.sg). Information is accurate as of 8 July 2025.