



Participating Life Insurance Fund Update 2019

Thank you for trusting your financial needs with China Taiping Insurance (Singapore) Pte. Ltd. (“CTPIS”).

We are pleased to provide you with our first CTPIS Participating Life Insurance Fund (“Par Fund”) Update for the year ended 31 December 2019. In this update, you will find the overview of the performance of the Par Fund, our asset mix strategy, our views on the outlook of the Par Fund and how these conditions may impact future returns. We hope to provide you with a better understanding of the factors that impact bonuses for your participating policies.

CTPIS is committed to managing the Par Fund prudently while seeking to maximise returns on our Par Fund’s investments to provide stable benefits to you. We are dedicated to maintaining our financial strength and fulfilling our commitments to you.

2019
Performance
Overview

In 2019, our Par Fund delivered a decent investment return of 4.60%, mainly contributed by the positive performance of the Bonds. The Investment Expense Ratio was also kept low at 0.11%.

Year	2019 ¹
Investment Return ²	4.60%
Investment Expense Ratio ³	0.11%
Total Reversionary Bonus Payout	S\$425,173

Note: Past performance is not necessarily indicative of future performance.

¹ Our Par Fund was inceptioned on 18 January 2019.

² Investment Return is derived from the net investment income after deducting investment expenses and divided by the average market value of the total assets.

³ Investment Expense Ratio is the ratio of the total investment expenses incurred by the Par Fund as a proportion to the total assets.

Investment Factors

2019 is a year full of challenges as trade policy uncertainty, geopolitical tensions, and idiosyncratic stress in key emerging market economies continued to weigh on global economic activity. Global growth for 2019 is at 2.9 percent, its lowest level since 2008–09.

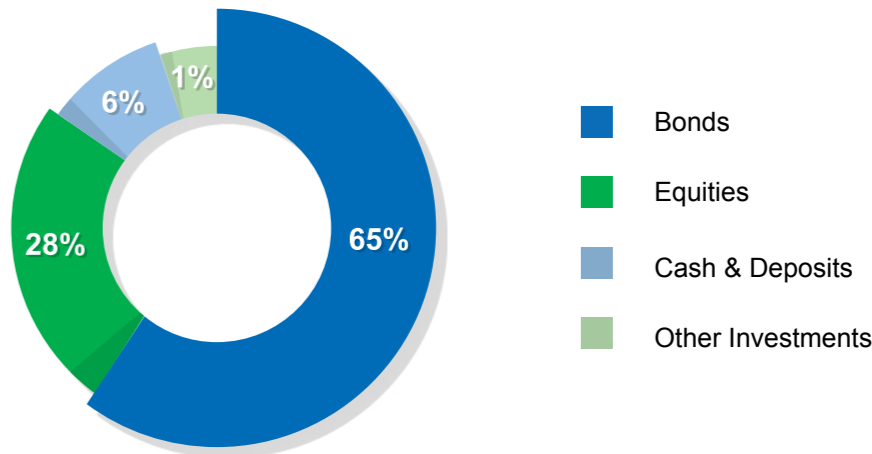
While most of the asset classes got off to a strong start in 2019, our Participating Fund’s performance is more affected by market events in the second half of the year when the fund size is larger.

Generally, Bonds fared better than Equities as they benefitted mainly from eased monetary policy delivered by the US Federal Reserve and other central banks. Our Equities had a lower performance as stocks lost their grounds in the later part of year and only to recover in December 2019.

Factors
Affecting
Par Fund
Performance

As at 31 December 2019, the total market value of our Investment assets is S\$48.9 million and the Actual Asset Allocation is as follows:

Asset Allocation as at 31 December 2019



Top 5 Equity Holdings of the Par Fund

Top 5 Equity Holdings	Weightage (% of total Equities)
Tracker Fund of Hong Kong	22%
Industrial and Commercial Bank of China Ltd. - H Shares	12%
CSOP FTSE China A50 ETF	11%
China Construction Bank Corporation - H Shares	11%
Alibaba Group Holdings Ltd ADR	10%

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. Generally, the results of these key non-investment factors are in line with our expectations in the year 2019. We do not expect short-term fluctuations in these non-investment factors to affect current and future bonuses significantly.

Key Non-Investment Factors	Impact on Bonus
Insurance claims is lower than expected	Positive
Surrender is lower than expected	Positive
Expenses are in line with the expectation	Neutral

Future
Outlook

2020 started with COVID-19 taking the center stage and driving the global markets down. Amidst the COVID-19 panic, there was a double whammy where the sharp drop of oil prices in March triggered more fear and volatility in the stock market.

For the rest of year, the financial markets are expected to remain volatile as the slowdown in worldwide economic activity hurtles toward a global recession. Despite such an economic backdrop, we can still expect the economies to gradually recover as seen in the past financial crises.

We will continue to safeguard our investor’s funds in this market environment, and focus on delivering positive long-term investment returns.

Frequently Asked Questions

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

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 running the fund.

You are entitled to a share of the Par Fund's profits, distributed to you by adding bonuses to your insurance policy. Bonuses once added to your policy are guaranteed.

The future performance of the Par Fund is determined by factors such as investment returns, claims on policies (from Death, Critical Illnesses and surrenders) and the expenses incurred by or allocated to the Par Fund. This future performance will determine bonuses to be paid in the future. Bonuses not yet distributed/declared are not guaranteed.

2. How are bonuses declared?

Bonuses are declared yearly. When declaring bonuses, CTPIS smoothens 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, taking into account the written recommendation by the Appointed Actuary.

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

The bonus declared will be vested on the latter of declaration date or policy anniversary in 2020. The bonus is guaranteed after vesting.

4. What is my bonus this year?

We are pleased to inform you that the bonus rates for 2019 is maintained as per your Policy Illustration. If you have a reversionary bonus policy, you will receive Your Participating Plan Annual Statement in May 2020. Please refer to the Statement for the bonus declared on your policy.

For any enquiries on Your Participating Plan Annual Statement, please contact your Financial Representative, email us at customer.service@sg.cntaiping.com or call us at 6389 6111.

Important Notes: 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. Information is accurate as of 1 May 2020.

About China Taiping Insurance (Singapore) Pte. Ltd.

China Taiping Insurance (Singapore) Pte. Ltd. ("CTPIS") is a leading insurer for both life and general insurance businesses. Established in Singapore since 1938, CTPIS has a financial strength rating of "A-" by S&P and "A" by A.M Best. We have been assuring our customers in Singapore with financial peace of mind for over 80 years.

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 listed overseas. China Taiping Insurance Group Limited is a large transnational financial and insurance group with business network in Mainland China, Hong Kong, Macau, North America, Europe, Oceania, East and Southeast Asia. The brand has gained international recognition over the years and successfully made the rankings in the "Global Fortune 500 Companies" since 2018.

中国太平保险(新加坡)有限公司

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