



TOKIO MARINE
INSURANCE GROUP

Future Outlook

As we move into 2020, the world economy is being negatively impacted by the COVID-19 pandemic. The International Monetary Fund (IMF) in its World Economic Outlook April 2020 report forecasted that the global economy is expected to contract sharply by 3 per cent in 2020, in what is likely to be the worst recession since the Great Depression.

Against this backdrop, we will continue to take prudent measures to maintain our financial strength and to strive to safeguard our policyholders' long-term interests.

We continue to invest for the long-term in order to optimise the returns in the future. Our outlook for non-investment items remains unchanged. We expect future claims and expenses to remain in-line with our expectation as we continue to maintain disciplined underwriting and careful expense management.

While future bonuses and dividends cannot be guaranteed, we are committed to continue managing our investments, claims and expenses prudently to maintain the solvency of the Fund and to deliver long-term stable returns to help you meet your long-term financial goals and protection needs.

About TMLS

Tokio Marine Life Insurance Singapore Ltd. is part of Tokio Marine Holdings Inc. which has 140 years of history. As at March 2019, Tokio Marine Holdings Inc. has a market capitalisation of close to USD34 billion and total assets of around USD203 billion. With its presence spreading over 45 countries, Tokio Marine is indisputably one of the largest insurance groups in the world. Our reputation in Singapore as a leading life insurer has been gained through our strong historical investment returns, disciplined underwriting and careful expense management.

Driven by Customer-centricity, Integrity and Excellence as our core values, we endeavour to be a trusted partner in protection, savings and investments.

Contact Us

If you wish to learn more about the current protection and cash value of your participating insurance policy, you can request a full policy illustration from your Financial Representative.

Alternatively, you may call our Customer Care Hotline: (65) 6592 6100 (Mon – Fri, 8.45am to 5.45pm) or email customer-care@tokiomarine-life.sg

Participating Fund Update 2020

What is this Participating Fund Update for?

In this annual update, you will find useful information on the recent performance of the Participating Fund ("Par Fund" or the "Fund") for the year ending 31 December 2019 and the impact of its performance on the bonuses and dividends allocated to your participating policies. In addition, we will present our views on the future outlook of the Par Fund based on our actuarial investigation of policy liabilities and any potential changes in future bonuses and dividends.

Please note that this Par Fund update contains only general commentary of the Par Fund and therefore cannot be applied specifically to each participating policy.

A Review of 2019

2019 was a fruitful year for investors and investments alike, with major asset classes posting positive returns. Trade tensions between the world's two largest economies – the US and China, and weaker economic data weighed on investors' concerns, though this was offset by a considerable dovish shift in monetary policy among the world's central banks.

U.S. equities registered strong gains for the year, fuelled by the Federal Reserve Bank's (Fed) interest rate cuts and the agreement of a "Phase One" deal between U.S. and China. This positive impact was felt on Asian equities, which ended the year higher notwithstanding slower growth in most of their economies. Domestically, Singapore's economy grew at its slowest pace since 2009 largely due to reduced demand for manufactured goods, and a slowdown in global trade. However, the economy was supported by growth in the construction and services producing industries.

Fixed income assets returned positive for the year. An easing monetary stance by major central banks combined with concerns over the medium-term global economic prospects were supportive for this asset class.

About the Par Fund

Total Assets* of the Par Fund as at 31 December

	2017	2018	2019
Market Value (S\$ million)	5,898	6,051	7,227

* Total Assets refer to assets backing policy liabilities

The Par Fund's assets are invested based on a long-term objective, which is commensurate with the long-term commitment of your insurance policy.

Performance of the Par Fund

Investment performance for the year

	2017	2018	2019
Net Investment Return	10.55%	-2.51%	13.05%
Investment Expense Ratio	0.12%	0.15%	0.15%

The Par Fund delivered a total net investment return of 13.05% for the year ended 31 December 2019. This return is mainly attributed to the positive returns in the asset classes that the Par Fund invests in.

The fund investment expense ratio in 2019 remained similar to 2018.

Non-investment experience in 2019.

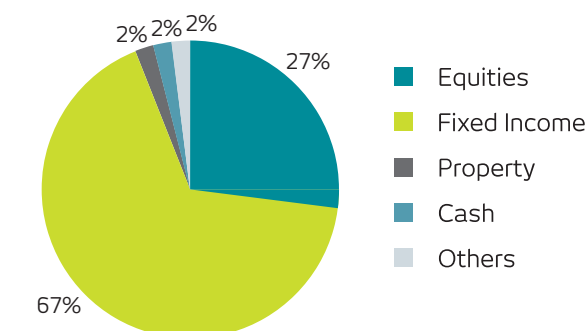
Mortality & morbidity outgoes, surrender outgoes, and operating expenses (including both management expenses and distribution expenses), are largely in-line with expectations.

Asset Mix of the Par Fund

The investment mix in 2019 remained largely similar to 2018 with a lower allocation to Fixed Income, Cash and an increase in Equity and Other assets.

We present the table of Asset Mix for the year 2019 against year 2018.

	2018	2019
Equities	25%	27%
Fixed Income	69%	67%
Property	2%	2%
Cash	3%	2%
Others	1%	2%



Equities:

Top 5 Equity Holdings of the Par Fund as at 31 December 2019

Equity Holdings	% of Equity Holdings
iShares Core S&P 500 UCITS ETF	14%
DBS Group Holdings Ltd	7%
Oversea-Chinese Banking Corp Ltd	5%
Singapore Telecom Ltd	5%
United Overseas Bank Ltd	4%

Fixed Income:

Breakdown of Fixed Income Assets as at 31 December 2019

Category	% of Fixed Income Asset
Singapore Government Securities	18%
Quasi-Govt / Investment-Grade Bonds	70%
Other Bonds	3%
Preference Shares	9%

Bonus Allocation

The main feature of your participating policy is its ability to provide stable long-term returns on your policy while allowing you to participate in the performance of the Par Fund in the form of bonuses and/or dividends.

Your policy benefits, including bonuses and/or dividends, is dependent on the Par Fund's performance, which includes past and future investment returns, claims and surrender experiences, as well as expenses of the Par Fund. Based on historical performance and future outlook, we will allocate part of the surplus of the Fund to increase your policy value via bonuses and/or dividends.

All bonus and dividend allocations are approved by the Board of Directors, based on the recommendation made by the Appointed Actuary.