



TOKIO MARINE
INSURANCE GROUP

PARTICIPATING FUND UPDATE 2016

Tokio Marine
Life Insurance Singapore Ltd.

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Life & Health | Property & Casualty

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) for the year ending 31 December 2015 and the impact of its performance on the bonuses 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.

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 2015

Markets started strongly at the beginning of year 2015, with massive support from monetary policies in a number of countries. The momentum receded in the second half of the year and markets threaded sideways with nervous reactions to geopolitical risks, declining oil and commodity prices and the sudden depreciation of the Chinese currency. Towards the end of the year, the US Federal Reserve finally implemented an increase in US interest rate, amid a more upbeat employment outlook. Domestically, Singapore's economy was weak, with China's slowdown and a worldwide commodities rout (particularly in oil), leading to an anaemic growth in the local manufacturing, construction and services sectors.

Despite the challenging investment landscape, we are pleased to inform you that we are able to maintain the bonus rates for our participating policies.

About the Par Fund

Total Assets* of the Par Fund as at 31 December

	2013	2014	2015
Market Value (S\$ million)	3,073	4,041	4,466

*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

	2013	2014	2015
Net Investment return	2.35%	6.41%	-0.15%
Fund investment expense ratio	0.12%	0.10%	0.14%

The Par Fund delivered a total net investment return of -0.15% for the year ended 31 December 2015. This slight negative return is mainly attributed to the negative performance of the Singapore and regional equity markets.

The fund investment expense ratio in 2015 increased slightly by 0.04% from 2014.

Non-investment experience in 2015

Mortality & morbidity and surrender continued to be lower than expected. Operating expenses which include both management expenses and distribution expenses are in line with expectations.

Asset Mix of the Par Fund

The investment mix in 2015 remained largely similar to 2014, with a lower allocation to Equities and an increase in Fixed Income Assets.

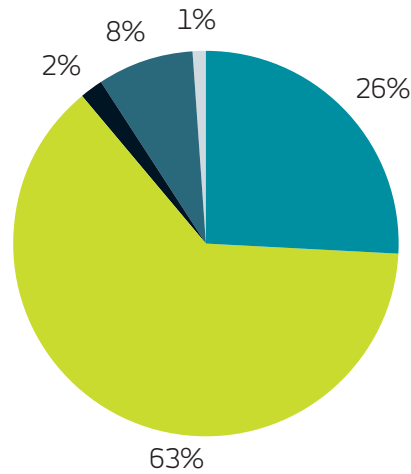
We present the table of Asset Mix for the year 2015 against year 2014

	Equities	Fixed Income*	Property	Cash	Others
2014	34%	57%	2%	6%	1%
2015	26%	63%	2%	8%	1%

*Fixed Income includes preference shares

Asset Mix as at 31 December 2015

- Equities
- Fixed Income
- Property
- Cash
- Others



Equities:

Top 5 Equity Holdings of the Par Fund as at 31 December 2015

Equity Holdings	% of Equity Holdings
Tokio Marine Fund–Far East Equity Portfolio	29%
Singapore Telecommunications Ltd	11%
DBS Group Holdings Ltd	10%
Oversea-Chinese Banking Corp Ltd	9%
United Overseas Bank Ltd	7%

Fixed Income:

Breakdown of Fixed Income Assets including Preference Shares as at 31 December 2015

Category	% of Fixed Income Assets
Singapore Government Securities	15%
Quasi-Govt / Investment-Grade Bonds	64%
Other Bonds	13%
Preference Shares	8%

Bonus Allocation

The main feature of your participating policy is its ability to provide stable returns on your savings while allowing you to participate in the performance of the Par Fund in the form of bonuses. Your policy benefits will ultimately depend on the investment performance as well as the claims experience and expenses of the Par Fund.

Based on the Par Fund's performance, we will allocate part of the surplus of the fund to your policy via bonuses to increase its value. When considering suitable bonus rates, we consider average performance over a period longer than one year so as to minimise the effect of short-term fluctuations in asset values.

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

Bonus Allocated in 2015

Your 2015 bonus will vest on 4 May 2016, or on the next policy anniversary, whichever is later. You will be pleased to know that bonus is guaranteed once vested when your policy has been in-force for at least one year.

Future Outlook of the Par Fund

Future bonuses for your policy will depend largely on the Par Fund's future investment performance. Barring a turnaround in major macro indicators for the worse, our long-term investment view remains generally positive. We continue to invest for the long-term in order to maintain our current attractive bonus rates in the future.

Our outlook for non-investment items remains unchanged. We expect future claims and expenses to remain in-line with our expectations as we continue to maintain disciplined underwriting and careful expense management.

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

About Us

Tokio Marine Life Insurance Singapore Ltd. is part of Tokio Marine Group which has over 130 years of history. As at March 2015, Tokio Marine Holdings Inc. has a market capitalisation of close to US\$29 billion and total assets of around US\$174 billion. With its presence spreading over 469 cities in 37 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.

We are committed to bring meaningful product solutions to meet your individual and corporate insurance needs.

Driven by Customer-focus, Integrity and Excellence as our core values, we endeavour to be your preferred insurance partner for life.

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 benefit illustration from your Adviser.

Alternatively, you may visit our Customer Service Centre located at Level 7 of Tokio Marine Centre, 20 McCallum Street, Singapore 069046. You can also contact our Customer Service Officers at 6592 6100 for more information.

**Speak to your preferred Adviser
or visit www.tokiomarine.com**

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