

YOUR PARTICIPATING FUND UPDATE FOR 2024



Thank you for placing your trust and investing with AIA. We would like to provide you with the annual updates of the AIA Participating Fund (Par Fund). In 2025, AIA Singapore is projecting to pay out S\$596 million in bonuses and dividends. We are pleased to announce an increase in the bonus and dividend rates for some policies, while maintaining last year's rates for majority of the policies.

In this commentary, you will find key information on the performance of the Par Fund. The bonuses and dividends allocated to your policy(ies) for the accounting period ending 31 December 2024 have been recommended by the Appointed Actuary and approved by AIA Singapore's Board of Directors. Upon declaration, annual bonuses and dividends allocated to your policy(ies) for the accounting period ending 31 December 2024 will be credited to your policy(ies) at the policy anniversary occurring on or after 1 July 2025. Terminal bonus and dividend rates, if applicable to the policy(ies), will take effect on 1 July 2025.

AIA Singapore is committed to managing our policy owners' investments prudently over the long-term. We continue to focus on ensuring the security and solvency of the Par Fund and seek to maximise its investment returns to provide stable benefits to our policy owners.

NON-INVESTMENT PERFORMANCE

Insurance claims and operating expenses were in line with our expectations in 2024. Short-term fluctuations of these non-investment factors, such as insurance and operating expenses are not expected to affect future bonuses significantly.

BENEFITS PAID TO POLICY OWNERS	S\$ Million
Survival Proceeds*	930
Death, Total Permanent Disability and Critical Illness Claims	114
Surrender Claims	576
Total Amount of Benefits Paid In 2024	1,620

*Survival Proceeds include Maturity benefit, coupons, cash bonuses and annuity benefits.

TOTAL EXPENSE RATIO

YEAR	2022	2023	2024
Total Expense Ratio	1.2%	1.3%	1.2%

Note: Total Expense Ratio is the proportion of total expenses incurred by the Par Fund to the assets of the Par Fund. Total expenses include investment, management, distribution, tax and other expenses. Historical expense ratios may not be indicative of future expense ratios.

INVESTMENT PERFORMANCE

Riding on the momentum of strong market performance in 2023, growth assets in 2024 continued to display strength on the back of a resilient US economy. Most asset classes delivered positive returns, overcoming market concerns over trade tariffs, weaker global consumer sentiments, and slowing growth in major European and some Asian economies amid China's ongoing property crisis.

As inflation eased across most major economies, global central banks moderated their hawkish stance and reversed rate hikes initiated in prior years. Interest rates crept down over the first three quarters of 2024 but reversed sharply after the re-election of President Trump in November 2024. US Treasury and Singapore Government bond 10-year yields ended the year higher at 4.57% and 2.85%, reducing overall fixed income returns for the year. The rise in yields, strengthening of the US dollar, coupled with concerns surrounding inflation potentially stemming from President Trump's new policies dampened global economic growth.

Global equity markets continued to benefit from the Artificial Intelligence trend that started in 2023. The MSCI World Index and S&P 500 Index returned 21.3% and 27.8% (in SGD terms) respectively in 2024. MSCI AC Asia ex-Japan returned +16.6% in SGD terms, with Indian equity markets relatively subdued. In Singapore, the Straits Times Index had a strong return of +23.5%, the highest in over a decade, driven by a rally in financial stocks.

KEY STATISTICS OF THE PAR FUND FOR 2024

Bonuses/Dividends Declared:

S\$596 million

Investment Returns:

S\$ Overall 7.0%

US\$ Overall 1.2%

A\$ Overall 7.4%

Total Assets (31 December 2024):

S\$30,345 million

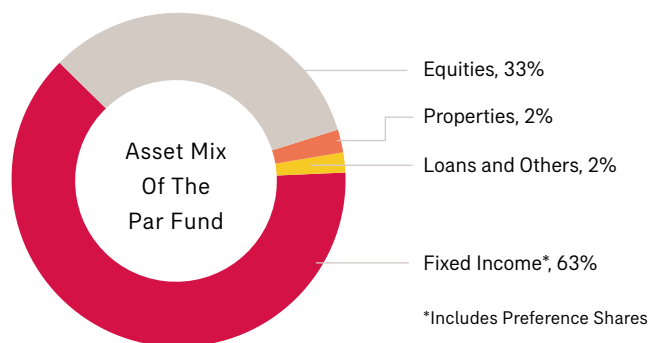
Total Expense Ratio: **1.2%**

Total Benefits Paid:

S\$1,620 million

ASSET ALLOCATION

As of 31 December 2024, the market value of total Par Fund assets was S\$30,345 million, supporting Singapore Dollar (S\$), US Dollar (US\$) and Australian Dollar (A\$) plans. The asset strategy varies by the currency of the plans.



Asset Mix Of The Par Fund By Currency

Asset Mix	S\$ Plans	US\$ Plans	A\$ Plans
Fixed Income	60%	77%	99%
Equities	35%	22%	0%
Properties	2%	0%	0%
Loans & Others	3%	1%	1%

Top 5 Fixed Income Exposures	Issuer Rating (Moody's/S&P)
Singapore Government Securities	Aaa/AAA
US Government	Aaa/AA+
Temasek Holdings	Aaa/AAA
Capitaland Limited##	NR/NR
Indonesia Government	Baa2/BBB

includes all the entities within the Capitaland group.

Top 5 Equity Holdings	% of Total Equities
DBS Group Holdings Limited	4.5%
Oversea-Chinese Banking Corp Limited	3.0%
Capitaland Integrated Commercial Trust	2.6%
Capitaland Ascendas Reit	2.3%
United Overseas Bank Ltd	2.3%

HISTORICAL INVESTMENT RETURNS BY PRODUCT GROUPS

S\$ Product Group	1	2	3	4	5	6	7	8	9	10	11	12	13	S\$ Overall
2022	-9.3%	-9.5%	-8.8%	-8.5%	-9.3%	-10.0%	-9.8%	-13.9%	-13.9%	-9.4%	-9.2%	N/A	N/A	-9.2%
2023	5.8%	5.7%	5.8%	6.0%	6.5%	5.8%	5.8%	6.4%	6.5%	6.8%	7.3%	N/A	N/A	5.9%
2024	7.1%	7.3%	6.7%	6.5%	6.5%	7.6%	7.4%	7.1%	7.1%	7.6%	6.9%	7.3%	7.3%	7.0%

US\$ Product Group	1	2	3	4	5	6	7	8	9	US\$ Overall	A\$ Product Group
2022	-21.3%	-21.5%	-21.1%	-20.6%	-20.3%	-24.6%	-20.5%	N/A	N/A	-21.3%	-17.4%
2023	5.1%	5.1%	5.9%	6.0%	5.8%	6.2%	5.3%	6.4%	5.6%	5.6%	9.3%
2024	0.1%	0.9%	2.0%	2.2%	1.1%	3.3%	0.9%	1.2%	-1.5%	1.2%	7.4%

Note: The investment returns shown are after deducting investment expenses incurred in managing the Par Fund. Past performance is not necessarily indicative of future performance.

Singapore Dollar Participating Plans By Product Groups:

Group 1	<ul style="list-style-type: none"> AIA Gen3 series AIA Growth Special AIA Guaranteed 10 / 15 for Life series AIA Guaranteed Protect 15 / 20 series AIA Guaranteed Protect Plus series AIA Life Plus series AIA Platinum Gift for Life (II) Limited Pay AIA Platinum Heritage (II) Limited Pay AIA Prime Secure Accumulator 	<ul style="list-style-type: none"> AIA Retirement Saver S\$ (RP) AIA Smart Flexi Rewards (16-25 years term) AIA Smart Growth series AIA Smart Lifetime Rewards AIA Smart Pro Rewards S\$ / Saver S\$ AIA Smart Rewards Saver 21 / 25 series AIA Smart Wealth Builder Series S\$ (RP) AIA Wealth Pro Advantage Growth Direct – AIA Whole Life Cover Series
Group 2	<ul style="list-style-type: none"> AIA Prime Life offered in 1991-1999 AIA EAS 2-year and 3-year limited pay savings at age 60 offered in 1997-1999 	Group 7
Group 3	<ul style="list-style-type: none"> All other S\$ Whole Life plans AIA Smart Flexi Growth AIA Smart Flexi Rewards (10-15 years term) AIA Smart Flexi Rewards (II) 	<ul style="list-style-type: none"> AIA Platinum Gift for Life S\$ (SP) AIA Platinum Gift for Life (II) S\$ (SP) AIA Retirement Saver (II)/(III)/(IV) S\$ (SP) AIA Smart Wealth Builder S\$ (SP)
Group 4	<ul style="list-style-type: none"> All other S\$ Endowment plans AIA Dollars for Life AIA Participating Annuity plans (12 Yr Gtd Ben) 	Group 8
Group 5	<ul style="list-style-type: none"> AIA Endowment Select 	<ul style="list-style-type: none"> S\$ Platinum Heritage (II) / Heritage Premier
Group 6	<ul style="list-style-type: none"> AIA Retirement Saver SP 	Group 9
		<ul style="list-style-type: none"> S\$ Platinum Heritage Treasure
		Group 10
		<ul style="list-style-type: none"> AIA Platinum Gift for Life Plus S\$ (SP) AIA Life Dividend S\$
		Group 11
		<ul style="list-style-type: none"> AIA Smart Goal 10
		Group 12
		<ul style="list-style-type: none"> AIA Platinum Gift for Life Plus (II) S\$ (SP)
		Group 13
		<ul style="list-style-type: none"> AIA Platinum Gift for Life Plus (II) S\$ Limited Pay

US Dollar Participating Plans By Product Groups:

Group 1	<ul style="list-style-type: none"> All other US\$ plans inception prior to 1 November 2013
Group 2	<ul style="list-style-type: none"> US\$ Smart Pro Saver All other US\$ plans inception post 1 November 2013
Group 3	<ul style="list-style-type: none"> US\$ Platinum Heritage / Heritage (II) / Heritage Premier
Group 4	<ul style="list-style-type: none"> US\$ Platinum Heritage Treasure / Heritage Wealth
Group 5	<ul style="list-style-type: none"> US\$ Platinum Heritage Wealth (II) (SP)
Group 6	<ul style="list-style-type: none"> US\$ Platinum Wealth Heritage
Group 7	<ul style="list-style-type: none"> US\$ AIA Platinum Gift for Life Plus
Group 8	<ul style="list-style-type: none"> US\$ AIA Platinum Heritage Wealth (II) Limited Pay
Group 9	<ul style="list-style-type: none"> US\$ AIA Platinum Infinite Wealth

FUTURE OUTLOOK

Markets soared to new highs in 2024 amidst geopolitical conflicts and a busy global election calendar. Financial markets may experience more volatility as US policy and political uncertainties continue to drive global growth outlook. Geopolitical tensions are expected to rise as US continues its tariff policies, historically affecting labor markets and economic output. Any diplomatic and economic outcomes to the China-US relationship will continue to exert influence on the stability and growth of both corporate earnings and consumer sentiments, which has knock on effect on the valuations of global capital markets. We believe it is imperative to remain patient and anchored to long-term investment principles.

AIA Singapore Par Fund remains strategically diversified across asset classes, geographies and sectors, focusing on quality assets to deliver sustainable long-term investment returns. Our focus towards sustainability and technology innovation within the Fund is designed to capitalise on enduring global trends in economies and markets. Under the expert stewardship of AIA Investment, we are adeptly navigating global uncertainties and strategically optimising for a prosperous future.

STABILITY FOR OUR POLICY OWNERS

Bonuses or dividends allocated for a policy will depend on the performance of the plan it belongs to, based on past and projected future investment returns and experiences such as claims, surrenders and expenses of the plan. Any changes to the bonus or dividend rates for a plan will apply to all policies of that plan.

At AIA Singapore, our goal is to provide stable returns on your participating policy, helping you achieve your financial goals. We use a smoothing concept to minimise the impact of market movements by spreading profits and losses over time. In years when Par Fund's performance is good, we may save some of the earnings to help maintain bonuses in years with lower returns. Future investment outlook is a key factor impacting the future bonuses and dividends. If low returns persist, we may need to reduce future bonuses and dividends. We aim to keep the long-term cost of smoothing broadly neutral across generations of policy owners.

FINDING OUT MORE ABOUT YOUR PARTICIPATING POLICY

The Participating Policy Annual Statement (PPAS), which reflects the bonus and dividend rates for the current year as well as those for the past three years for your policy, will be sent to you within two months of your next policy anniversary. For your convenience, you can also access a digital copy of the PPAS or Post Sales Policy Illustration (PSPI), offering insights on the current projected benefits for your policy via AIA¹.

If you require further assistance, please contact your AIA Consultant / Insurance Representative or call our Customer Care hotline at 1800-248-8000 or +65 6248-8000 (if you are calling from overseas) from Monday to Friday (excluding Public Holidays), between 8:45 a.m. to 5:30 p.m. We will be happy to assist to you.

For a list of "Frequently Asked Questions" on participating bonuses and dividends, you can also visit our website at www.aia.com.sg/parfundupdate.

¹ Please log in to AIA+ at <https://aiaplus.aia.com.sg/> or download the AIA+ app, your dedicated app and portal for all your financial, health and wellness needs, from the mobile app store.

Note:

This commentary is intended for your general information only. Its purpose is to update you on the Par Fund performance over the previous accounting period, and on the bonuses and dividends allocated for the year. It also sets out views of the future outlook of the Par Fund based on our latest actuarial investigation of policy liabilities carried out under section 95(1) of the Insurance Act 1966 and updates you on any changes in future non-guaranteed bonuses and dividends. It does not address any participating policy specifically, or particular needs of any persons. Any opinions, predictions, forecasts or forward-looking statements made are not necessarily indicative of future or likely performance. All figures quoted are rounded off in millions. The above information is accurate as of 31 December 2024.

Policy Owners' Protection Scheme: 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 coverage, where applicable, please contact your insurer or visit the GIA/LIA or SDIC websites (www.gia.org.sg or www.lia.org.sg or www.sdic.org.sg).