

PARTICIPATING FUND 2024 UPDATE

Thank you for choosing Manulife as your preferred financial partner.

This update provides detailed information on the performance of Manulife's Participating Fund as of 31 December 2024. You will also find our asset allocation strategy and our views on the future market outlook.

Through this update, we aim to provide you with a better understanding of the factors that impact bonuses for your participating policy(ies).

Key Highlights

6.41%

Investment Return on
Total Participating Fund

\$S\$220M

Total Bonuses/
Dividends Declared

\$S\$1,268M

Total Benefit Payments
Made to Policyholders¹

\$S\$24.9B

Total Assets

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2024 performance overview

In 2024, the Participating Fund delivered healthy returns. The table below highlights actual investment returns over the last 3 years.

Please note that historical performance may not be indicative of future performance.

Investment Returns	2022	2023	2024
ManuWealth Plus/ManuFortune/ManuHarvest/ Manulife Abundance/Manulife Boost Series/ Manulife Goal Series/SavvyEndowment Series	-1.50%	4.54%	4.33%
Participating Fund denominated in USD with 50% Equity ²	NA	NA	7.26%
Participating Fund denominated in USD	-19.18%	9.29%	10.52%
All other Participating Policies	-7.47%	9.08%	6.18%

Expense Ratio	2022	2023	2024
All Participating Policies	2.35%	1.52%	1.54%

The actual investment returns shown vary due to specific strategic asset allocations relating to each portfolio of participating policies. Bonus(es) allocated to a participating policy depends on various factors, including but not limited to the investment performance of the portfolio that the policy belongs to. The bonus declarations for 2025 will be communicated in individual policyholder statements.

¹ Total benefit payments include the payment of declared bonus(es) (where applicable)

² The portfolio was launched in Jul 2024, recording a return of 7.26% from Jul to Dec 2024.

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Participating Fund performance details

As of 31 December 2024, the market value of the Total Assets in the Participating Fund **increased to S\$24.9 billion from S\$21.7 billion in 2023**. This growth is attributed to the increase in premiums from new sales and the investment gain from both bonds and equity holdings.

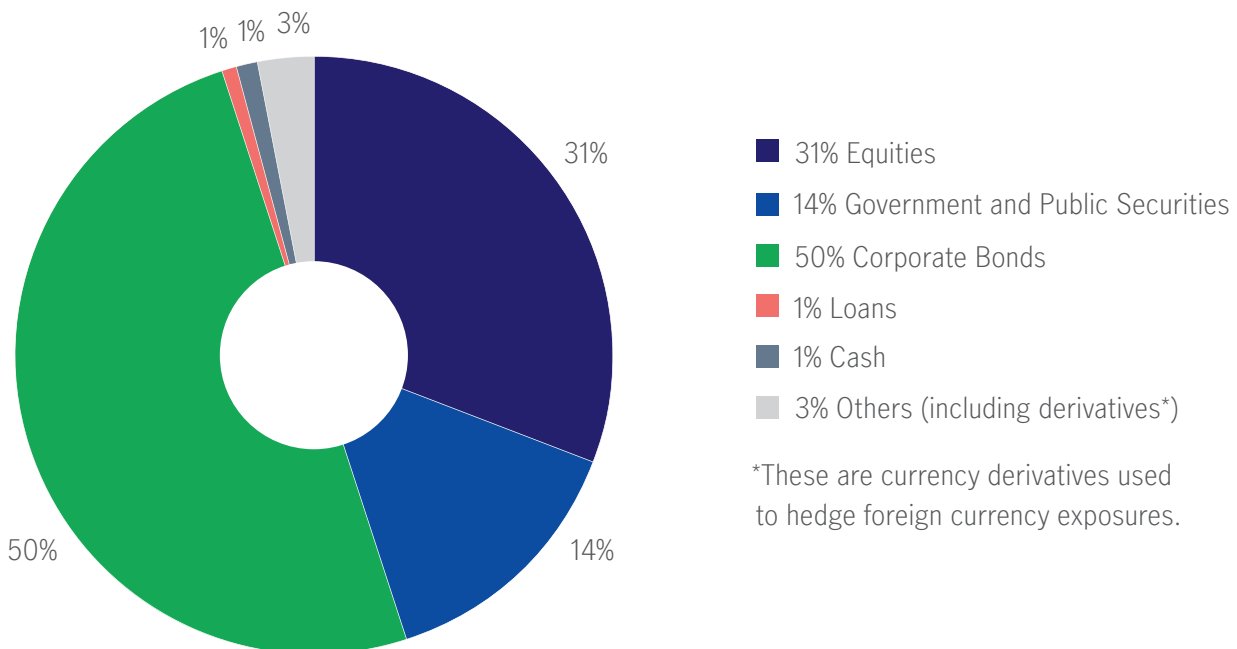
Manulife's investment strategy is strategically optimised to generate the long-term returns required to meet all the expected benefits of the Participating Fund.

The target asset mix varies by product category:

1. Short-Term portfolio	100% Fixed Income
2. Participating Fund denominated in USD and all other Participating Policies	70% Fixed Income and 30% Equities
3. Participating Fund denominated in USD with 50% Equity	50% Fixed Income and 50% Equities

We project a payout of S\$277 million in bonuses to our policyholders in 2025.

The asset mix of the total Participating Fund at 31 December 2024 was:



Note: The investment strategy and asset mix choice are at our discretion and may change from time to time.

Top 5 Equity Holdings as at 31 December 2024

Top 5 Equity Holdings	% of Equities Holdings
iShares Core S&P 500 UCITS ETF	13.1%
Vanguard S&P 500 UCITS ETF	12.8%
iShares plc – iShares Core FTSE 100 UCITS ETF	7.3%
Xtrackers Euro Stoxx 50 UCITS ETF	7.2%
JOHN HANCOCK GA SENIOR LOAN TRUST	3.7%

Non-investment factors

The overall experience for claims, surrenders, and expenses in 2024 were aligned with our expectations and have no immediate impact to our declared bonus.

In 2024, benefits payments totalling S\$1,268 million were made to policyholders from the Participating Fund, equivalent to 5.1% of Participating Fund's ending balance.

• Death, Total and Permanent Disability and Critical Illness Claims	S\$77 million
• Surrender Benefits	S\$678 million
• Maturities Benefits	S\$513 million

S\$58 million was paid as management expenses.

3 Market Review

Bonds

In 2024 bond markets experienced fluctuations driven by macroeconomic factors. Yields on the 10-year US Treasury increased from 3.9% at the start of the year to as high as 4.6% by year-end, influenced by persistent inflation, strong labour markets, and policy expectations from the new administration. In Singapore, yields were more stable, ending at 2.85% despite several new issuances, signalling robust demand. Lower investment-grade credit spreads indicate a supportive environment, backed by a strong global economy and corporate health. For long-term investors, these dynamics suggest that while bond yields may rise, the stability in demand and strong credit fundamentals provide opportunities for diversification and income generation.

Equities

Equity markets delivered robust returns in 2024, with the MSCI World Index up 19%. Key drivers included technological advancements, particularly in artificial intelligence, and expectations of favorable regulatory changes in the US. Despite a mid-year correction mostly due to economic concerns, markets quickly rebounded, underscored by strong corporate earnings and supportive monetary policy. For long-term investors, these trends highlight the importance of staying invested through market volatility and capitalising on growth sectors like technology.

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Future Outlook

Looking ahead, market volatility may increase due to changes in US tariff policies and geopolitical tensions, potentially impacting consumer spending and corporate investment. To navigate the evolving landscape, Manulife will keep our focus on a robust long-term investment strategy with a well-diversified portfolio. This is crucial to managing risks and capturing growth opportunities across different regions and sectors.

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Our Commitment to You

With the aim of safeguarding your long-term interests, Manulife is committed to managing your investments diligently. Our strategy focuses on quality investments, designed to capitalise on growth opportunities over time while withstanding short-term fluctuations, giving you the highest level of security on your policies while also providing you with fair returns. With healthy solvency ratios that are well above local regulatory requirements, we are dedicated to maintaining our financial strength and fulfilling our commitments to you.

Disclaimer: This report is prepared by Manulife (Singapore) Pte. Ltd. and is provided for information only. The update on Participating fund is based on the latest actuarial investigation of policy liabilities carried out under section 95(1) of the Insurance Act. Past performance is not necessarily a guide to future performance. This is only a general commentary and cannot be attributed to any specific policy.

Frequently Asked Questions

1. What is a Participating Policy and how does it work?

Premiums paid to participating insurance policies are pooled together to form a Participating 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 Participating Fund's profits, distributed to you through a combination of bonuses including reversionary bonus added to your insurance policy(ies) annually, terminal bonus payable upon maturity/surrender/claim or any other non-guaranteed cash bonuses and dividends.

The future performance of the Participating Fund is determined by factors such as investment returns, claims on policies (death, total and permanent disability, critical illness, terminal illness and surrenders) and the expenses incurred by or allocated to the Fund. The future performance will determine bonuses to be paid in the future. Bonuses not yet distributed/declared are not guaranteed.

2. What is the difference between reversionary bonus, cash bonus and terminal bonus?

Reversionary bonus is an annual bonus that adds to the cash value and claim benefits.

Cash bonus, which could be in the form of non-guaranteed regular coupons or non-guaranteed regular income for some participating plans, is declared annually. Policyholders can opt to withdraw regular coupons or regular income or accumulate it with the Company.

Reversionary and cash bonuses are product-specific and are guaranteed once declared.

Terminal bonus may refer to an additional bonus that is:

- paid to a policy upon maturity, or
- paid when a policy is surrendered after being in force for the required minimum period, or
- paid when there is a claim for death, total and permanent disability, critical illness or terminal illness.

Terminal bonus is product-specific and is not guaranteed.

3. How are bonuses declared?

Bonuses are declared once a year. When declaring bonuses, the Company aims to smooth the bonus allocations over time to avoid short-term fluctuations that can occur in year-to-year investment performance.

All recommendations on bonus declarations are approved by the Company's Board of Directors, taking into account the written recommendation by the Company's Appointed Actuary. When making recommendations, the Appointed Actuary must ensure that:

- policyholders from all groups of Participating Policies are treated fairly and that no group is favoured over others, and
- bonuses that are allocated (and future bonuses) can be supported by the fund.

4. How do I know that my interest as a participating insurance policyholder is protected?

To prevent excessive distribution of profits to shareholders, the profit that can be paid to shareholders of Manulife is limited to a maximum of 1/9 of the value of bonuses allocated to Participating Policyholders. This means for every S\$9 distributed to policyholders, a maximum of S\$1 is distributable to shareholders.

5. How would I know how much profit is allocated as reversionary bonus to me?

An anniversary statement will be sent to you on your next policy anniversary date. Please refer to the anniversary statement for details on the reversionary bonus declared on your policy. If you wish, a full policy illustration can also be made available to you upon request.

6. When will the reversionary bonus be allocated to my policy?

The reversionary bonus declared will be effective from 1 July 2025 and will be added to your policy on the next anniversary of your policy in 2025/2026.

7. Should I consider making changes to my policy as a result of this bonus declaration?

An insurance policy is intended to meet your long-term financial needs. Making changes to your policy may affect the level of protection provided by your policy. Before doing so, we strongly encourage you to contact your Representative to seek advice and discuss the best course of action suited to your financial needs.

8. Will Manulife increase bonus rates if interest rates increase in the future?

Future bonuses will depend on the prevailing economic and investment environment. We will review future bonuses on an annual basis and determine if there should be any increase or decrease in the bonus rates.

Finding out more about Participating Policies and bonuses

If you would like to know more about Participating Policies, you may refer to the industry guide on Participating Policies that is available on our website (<https://www.manulife.com.sg/en/insurance-guides.html>) or you can ask your representative for a copy. The guide is also on the Life Insurance Association website at www.lia.org.sg



Manulife (Singapore) Pte. Ltd. (Reg. No. 198002116D).

Main Office: 8 Cross Street, #15-01 Manulife Tower, Singapore 048424

Client Service Center: 8 Cross Street, #13-01 Manulife Tower Singapore 048424

Tel: 6833 8188

www.manulife.com.sg