

Determination of Surrender Value

The Surrender Value of your policy is equal to the present value of all undue annuity payments to be made before the total amount of annuity payments reaches 125% of premium paid discounted at a rate which will be reviewed and determined by us from time to time. In determining the discount rate, we will take both past experience and the expected future outlook for factors including, but not limited to, the following into account.

Investment performance: This includes interest / dividend income and changes in the market value of the invested assets. Investment performance could be affected by fluctuations in interest / dividend income and various market risk factors, such as credit spread, default risk, fluctuations in equity prices, property prices, commodity prices, exchange rates, etc.

Surrenders: These may include policy lapses, surrenders and other deductions and benefit payments; and the corresponding impact on investments.

To provide more stable Surrender Values, we may retain returns during periods of strong performance to support or maintain stronger Surrender Values during periods of less favourable performance.

Investment Policy, Objective and Strategy

MassMutual Asia Ltd.'s investment objective is to optimize policyholders' returns over the long-term with an acceptable level of risk. Assets are invested in a broad range of investment vehicles, including global equities, bonds and other fixed-income instruments, properties and commodities. This diversified investment portfolio aims to achieve attractive and stable long-term returns.

Past and expected future performance, volatility, and the associated risks of investment assets are considered in selecting investment assets and managing our investment portfolio.

MassMutual Asia Ltd. implements a proactive asset-allocation strategy and asset allocations are adjusted in response to changing market conditions and economic outlook.

To achieve long-term target returns, MassMutual Asia Ltd. implements a strategy utilizing a mix of fixed-income and equity-like investments. The current long-term target strategy is to allocate assets as follows:

Asset Class	Target Asset Mix (%)
Bonds and other fixed-income instruments	80% - 100%
Equity-like assets	0% - 20%

Bonds and other fixed-income investments mainly include high-credit-rating government bonds and corporate bonds (which are mainly invested in the geographical region of the United States) across a variety of industries, making up a diversified bond portfolio with high asset quality.

Equity-like assets include global equities (public and / or private), mutual funds, exchange-traded funds, high yield debts, properties and commodities. Investments are diversified across various geographical areas and industries. Derivatives may also be used for risk-management purposes.

This investment strategy may be subject to change, depending on the prevailing market conditions and economic outlook.