

## Extra Bonus/ Terminal Bonus Philosophy

The extra bonuses and/or terminal bonuses will be reviewed and determined by us at least once per year. In determining the extra bonuses and/or terminal bonuses, we will take reference to both past experience and expected future outlooks 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, partial surrenders and other deductions and benefit payments; and the corresponding impact on investments.

To provide more stable extra bonuses and/or terminal bonuses, we may retain returns during periods of strong performance to support or maintain stronger extra bonuses and/or terminal bonuses 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 the 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.