

As a valued policyholder of a participating policy from Income Insurance Limited (“Income Insurance”), we are pleased to update you on the performance of our Life Participating Fund (“the Fund”) for the year ended 31 December 2025 and the bonuses allocated for the year.

Policyholders share the profits and losses of the Fund through bonuses that are non-guaranteed. This update, thus, provides you insights to factors that can affect the bonuses that we declare.

This update also outlines the outlook of the Fund based on our latest actuarial investigation of policy liabilities that was carried out under section 95(1) of the Insurance Act 1966 and includes information on changes, if any, in future non-guaranteed benefits of the Fund. It does not, however, address any participating policy specifically.

Participating Fund performance

The investment return and total expense ratio of the Fund are as follows.

	2023	2024	2025 ¹	AVERAGE OF THE LAST...		
				3 YEARS	5 YEARS	10 YEARS
Net Investment Return of Life Participating Fund (S\$)	4.19%	5.07%	7.66%	5.63%	1.58%	4.04%
Net Investment Return of Life Participating Fund (US\$) ²	11.20%	9.81%	10.51%	10.51%	3.59%	N/A
Total Expense Ratio	0.92%	0.89%	0.82%	0.87%	0.94%	0.88%

¹ Based on unaudited figures as of 19 February 2026

² Life Participating Fund US\$ was setup in June 2020, hence average of the last 10 years return is not available. The figures are presented in USD terms.

The Participating Fund delivered a strong performance in 2025, which partially helped cushion the impact of past market challenges.

Participating plans by currency

Singapore Dollar Participating Plans	US Dollar Participating Plans
All S\$ Participating plans	Grandeur Solitaire (US\$)

Factors that contributed to the performance of the Participating Fund in 2025

1. Performance of the global financial markets

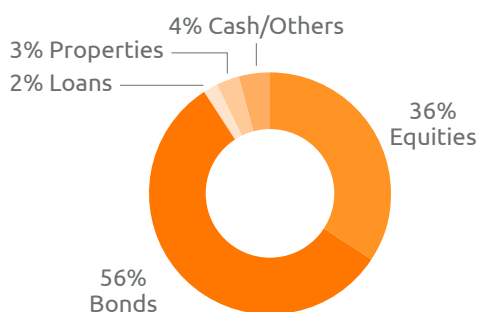
Global financial markets posted a strong year in 2025 due to easing inflation, renewed monetary stimulus, and continued optimism around productivity growth driven by AI. Equities delivered broadbased gains across regions, including Singapore market.

Fixed income also performed well as central banks, including the US Federal Reserve, shifted towards dovish rate cuts. These actions drove bond yields lower and boosted returns across government and credit markets. Meanwhile, expectations of lower interest rates kept private assets resilient.

2. Investment mix of the Fund

The investment mix of the Fund, with a total market value of \$35.0 billion as of 31 December 2025, is appended below. The asset mix in 2025 remained largely similar to 2024.

Asset mix of the Fund



Asset mix of the Fund by currency

Asset Mix ¹	Equities ²	Bonds	Loans	Properties	Cash/Others
Singapore Dollar Participating Plans					
2024	34%	56%	2%	3%	4%
2025	36%	56%	2%	3%	4%
US Dollar Participating Plans					
2024	38%	59%	0%	0%	3%
2025	39%	57%	0%	0%	5%

¹ Figures may not be additive due to rounding.

² Includes Collective investment schemes (CIS).

3. Non-investment factors

For the year ended 31 December 2025, all non-investment factors including the cost to manage the Fund, as well as claims and surrender experience, were consistent with our expectation. The table below illustrates the total benefits paid to policyholders by the Fund in 2025.

Deaths and Other Benefits ¹	Saving Proceeds ²	Annuity Payments
\$227 million	\$1,757 million	\$38 million

¹ Other Benefits include dread disease and total permanent disability (TPD) claims.

² Saving Proceeds include surrender and maturity pay-outs.

Some non-participating and investment-linked businesses were also written in the Fund. These businesses continued to enjoy guaranteed benefits and did not participate in the experience of the Fund. However, these businesses were subjected to mortality, lapses and other insurance-related risks, which were accounted for as profits or losses in the surplus of the Fund.

Determining the level of bonuses

The level of bonuses is determined by the actual experience and the outlook of the Fund's performance. The factors that can affect the Fund's outlook include its investment performance and outlook, its claims and surrender experience, as well as the cost to manage the Fund. Bonus allocations are smoothed over time to avoid large short-term fluctuations in the bonuses declared.

Most participating policies have two types of bonuses. The first is annual bonus and the other is terminal or special bonus. An annual bonus is added to your policy each year. Once declared and added to your policy, this annual bonus amount is guaranteed. A terminal or special bonus is an additional amount of money added to your policy upon death, surrender or maturity. With bonuses, the money invested in your participating policy is expected to grow over a medium to long-term period.

Bonus allocation

The Board of Directors of Income Insurance has approved the bonuses for 2025 based on the written recommendation made by the Appointed Actuary. The annual bonuses declared on your participating policy will be vested either on 1 April 2026 or at the policy anniversary, whichever is later. Please refer to your bonus statement for details on the bonus rates declared on your participating policy.

Investment outlook for 2026

Financial conditions are expected to remain supportive in 2026, due to a dovish US central bank and still resilient global economic growth. Major themes such as accelerating AI advancements and Europe's reindustrialisation continue to drive capital expenditure. These structural trends are expected to remain powerful engines of growth in the year ahead.

At the same time, an environment of dovish financial outlook should remain positive for fixed income, offering both income opportunities and price stability. 2026 presents a landscape where a diversified investment approach can help policyholders capture return opportunities while navigating market shifts.

Nonetheless, we remain watchful over evolving geopolitical and technological dynamics that may reshape the global landscape and introduce periods of market volatility. Across all market cycles, Income Insurance remains focused on delivering resilient, long-term returns for our policyholders. By staying vigilant in the face of a fast-changing economic landscape, we strategically deploy a diversified investment portfolio to navigate these risks and capitalise on emerging opportunities.

Information about participating policies and bonuses

If you would like to know more about participating policies, bonuses and how we manage the Fund, please refer to the industry's guide for customers, "Your Guide to Participating Policies", which you can download from our website, income.com.sg. For your convenience, you may get a copy of the updated policy illustration via our customer portal. Alternatively, you may request for an updated policy illustration from your insurance advisor or get in touch with us through your preferred mode of contact at income.com.sg/contact-us.