

## GREAT EASTERN LIFE BRUNEI

# PARTICIPATING FUND UPDATE FOR 2017

As a valued policyholder of a participating policy from Great Eastern, we are pleased to provide you an update on the performance of the Participating Fund ("Fund").

In 2017, our Fund achieved an investment return of 12.86% arising from good corporate earnings' growth, a low inflation environment and rising asset markets. As at December 2017, the market value of the Fund was S\$289 million. We have paid out S\$12 million in benefits to policyholders last year.

In addition to the bonus allocated in 2017, we are declaring a one-off special bonus for eligible policies as a result of their performance over the past years.

Moving forward, we will remain vigilant against the risks of increased volatility and higher inflation. We will continue to manage the Fund prudently to provide a stable medium to long-term return to our policyholders.

*Participating Fund as at 31 December 2017*

The Fund achieved an investment return of		<b>12.86%</b> in 2017
Total Assets:	<b>S\$289m</b>	<b>S\$ 4.1m</b> Value of bonus declared
Total Benefits Paid:	<b>S\$12m</b>	

## ABOUT PARTICIPATING POLICIES AND BONUSES

### What is a participating policy and how does it work?

Premiums of participating policies are pooled together to form the Fund. This fund is invested in a range of assets such as bonds and equities and is used to pay benefits to policyholders as well as to fund management expenses.

Policyholders share in the performance of the Fund through bonuses which are non-guaranteed. Bonuses are determined yearly based on the Fund's combined performance in investment, claims (from death, critical illness and surrender) and expenses.

Bonus allocations are smoothed over a period of time to reduce fluctuations in the bonuses declared arising from market conditions.

### When will the bonus be allocated to my policy?

The bonuses allocated to you will vest upon your policy anniversary. They have been approved by the Board of Directors, taking into account the written recommendations by the Appointed Actuary.

### What is my bonus this year?

We are pleased to inform you that the annual bonus rates for year 2017 have been maintained at the same level as 2016.

For eligible policies, we are declaring a one-off special bonus in addition to the bonus allocated this year as a result of their performance over the past years.

Details of your bonus allocation for your participating policies are shown in the enclosed Bonus Statement. For policies with cash bonus, you will receive the relevant statement within one month from your policy anniversary when the cash bonus is due.

Past three years' bonus rates are available via [econnect-sg.greateasternlife.com](http://econnect-sg.greateasternlife.com). To request for an updated Benefit Illustration or to make an enquiry, please email us at [wecare-bn@greateasternlife.com](mailto:wecare-bn@greateasternlife.com), call us on 2233118, or contact your Distribution Representative.

# ABOUT THE PARTICIPATING FUND

## What factors affected the Fund's performance?

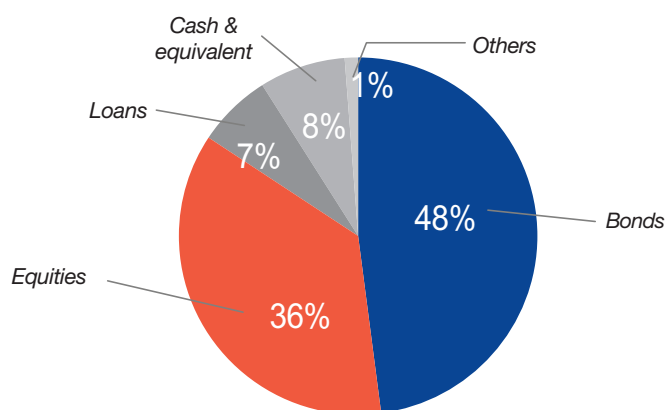
### 1. Global performance of the economy

According to the January 2018 IMF World Economic Outlook Report, the global economy is estimated to have expanded by 3.7% year-on-year in 2017, faster than the 3.2% recorded in 2016. The growth rate seen in 2017 was the broadest synchronised global growth upsurge since year 2010. The rebound is the result of a pick-up in investment and trade against the backdrop of favorable financing conditions, accommodative policies and a recovery in commodity prices.

In 2017, equities outperformed bonds as investors' risk appetite rose on the back of better than expected economic figures and corporate earnings growth.

### 2. The asset mix of the Fund

The asset mix of the Fund, with total market value of S\$289 million as at 31 December 2017, is summarised below:



### Bonds

Fixed income delivered positive returns in 2017 mainly due to the massive tightening of credit as a result of good global economic fundamentals. The Federal Reserve had embarked on a gradual path to increase interest rates. Corporate bonds outperformed government bonds worldwide, as investors sought for higher returns in this low-yield environment.

Emerging market bonds did well too, outperforming global investment grade corporate bonds. Emerging countries' currencies also rallied against the USD as investors sought for the higher-yielding currencies.

### Equities

Equity portfolios in the Fund delivered good performance in 2017, driven by strong recovery in corporate earnings as well as a synchronised global economic recovery. Political uncertainties and geopolitical tensions resulted in risk-off events. However, these sell-offs were generally mild and proved to be short lived as markets were supported by better than expected economic figures.

### 3. Non-investment factors

Other factors affecting the Fund's performance are mortality/morbidity claims, expenses and surrenders. The overall experience for the above factors is in line with assumptions.

In 2017, benefit payments totaling S\$12 million were made to policyholders from the Fund.

## What is the outlook for the Fund?

In 2018, we will remain vigilant against the risks of increased volatility and higher inflation. From a geo-political perspective, there is also the fear that US trade policies could escalate to a global trade war which will impact Asian economies and hence their stock markets given the region's high trade dependence. We will continue to manage the Fund prudently to provide you a stable medium to long-term return.

Bonuses to be declared will depend on the performance of the Fund, which is largely dependent on its investment returns generated. As such, they may be revised in response to the actual performance. On non-investment factors, mortality/morbidity claim experiences and surrender experiences of the Fund are expected to remain stable in the near future, while expenses will continue to be monitored regularly for the Fund to remain cost efficient.

*This is a general commentary on the Fund and cannot be used to specifically describe individual policies.*

## About Great Eastern

Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. With S\$84.6 billion in assets and over 4 million policyholders, it has three successful distribution channels – a tied agency force, bancassurance, and a financial advisory firm, Great Eastern Financial Advisers. The Group also operates in Indonesia and Brunei and has a presence in China as well as a representative office in Myanmar.

It was named Life Insurance Company of the Year at the Asia Insurance Industry Awards in 2011 and 2013 by Asia Insurance Review. The Great Eastern Life Assurance Company Limited and Great Eastern General Limited have been assigned the financial strength and counterparty credit ratings of "AA-" by Standard and Poor's since 2010, one of the highest among Asian life insurance companies. Great Eastern's asset management subsidiary, Lion Global Investors Limited, is one of the largest private sector asset management companies in Southeast Asia.

Great Eastern is a subsidiary of OCBC Bank, the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore and the Asia Pacific by The Asian Banker.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has more than 600 branches and representative offices in 18 countries and regions. These include over 330 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and more than 100 branches and offices in Hong Kong, China and Macao under OCBC Wing Hang.