

Fidelidade Macau Life – Insurance Company Limited
Investment Policy, Objective and Strategy

Product: RetireJoy Annuity Plan

1. The investment policy of Fidelidade Macau Life – Insurance Company Limited (hereinafter referred to as "Fidelidade Life" or "the Company") is exclusively defined by the Company in accordance with prevailing legislation in force at all times and the most up to date financial management rules required to of a diligent manager, namely safety, profitability, diversification and liquidity requirements, considered to be more advisable for diverse market conditions.
2. The investment philosophy of Fidelidade Life aims to deliver stable returns in line with the product's investment objectives and the Company's business and financial objectives.
3. The objective of the investment policy, in a long-term perspective, is to achieve the targeted long-term investment results and minimise volatility in investment returns over time. Fidelidade Life's asset portfolio employs a balanced asset allocation strategy by investing primarily in investment grade fixed income type securities and listed equities to meet the financial obligations and generate surplus for non-guaranteed benefits. It also aims to control and diversify risk exposures, maintain adequate liquidity and manage the assets in correspondence with liabilities.

4. Fidelidade Life's current long-term target strategy allocates assets as follows:

Asset Class	Target Asset Mix
Equity-like assets	15% - 35%
Bond-like assets and money market	65% - 85%

In addition to directly held listed or private shares, equity-like assets may also include convertible bonds or bonds with entitlement to the subscription of shares and any other instruments that allow exposure to the equity markets, including participation shares of investment funds whose majority investments are made up by shares. It may also include direct or indirect investment in properties.

Bonds and other fixed income instruments predominantly include high quality government and corporate bonds, and are mainly invested in the geographic regions of the United States and Asia. In addition to directly held bonds, primarily of fixed rate, the class of bonds includes any other instruments that allow exposure to bond markets, including shares of investment funds whose majority investments are made up of bonds.

Liquidity is secured by cash, sight and short term time deposits and very short term treasury bills and similar instruments.

Subject to our investment policy rules, derivatives may be utilised to manage our investment risk exposure and for matching assets and liabilities. Currency exposure of the underlying insurance policies is mitigated by closely matching either through direct investment in the USD/HKD/MOP currency bloc or through the use of currency hedging instruments.

5. The asset portfolio is actively managed and measured by investment professionals to closely monitor the investment performance. Furthermore, the investment strategy may be subject to change depending on the market conditions and economic outlook.