

## Fidelidade Macau Life – Insurance Company Limited

### Dividend Philosophy

#### Product: RetireJoy Annuity Plan

The insurance product "**RetireJoy Annuity Plan**" is a participating plan designed to be held for a long-term period, specially designed to generate regular cash stream to support the policyholder's retirement life.

Your premiums will be invested in accordance with an internally defined investment strategy of Fidelidade Macau Life – Insurance Company Limited (hereinafter referred to as "the Company"). Through the annual dividend declaration, policyholders participate in the investment performance of the asset portfolio supporting the product. The dividend is in the form of Non-Guaranteed Monthly Annuity Benefit and Terminal Dividend, and the accumulation of dividends, are collectively known as non-guaranteed benefit.

To ensure a fair sharing of profits with you, we aim to share with you 75% of the profit and loss of the participating fund and the remaining 25% goes to the Company throughout the entire product life-cycle.

The non-guaranteed benefit will be reviewed and recommended by the Appointed Actuary annually, and is subject to the approval of the Board of Directors and the Chairman of the Supervisory Council, following the principle of fair treatment to the customers and to ensure that the appropriate measures have been taken to manage potential conflicts of interest between its duty to policyholders and its duty to shareholders.

The non-guaranteed benefit's declaration shall mean your participation in the financial performance of this product. The non-guaranteed benefit will typically be based, primarily, on the investment performance. To determine your non-guaranteed benefit, we will consider all experience gains and losses, measured against best estimate assumptions, including but not limited to:

- **Investment returns:** include interest earnings, dividends and any market driven changes in value of the assets backing this product. Depending on the asset allocation adopted for this product, investment returns could be affected by fluctuations in interest income (both interest earnings and the outlook for interest rates) and various market risks, including credit spread and default risk, fluctuations in equity prices and foreign exchange currency fluctuation of the backing assets against the policy currency.
- **Claims:** include the cost of providing the death benefit under the product to any insured deceased during the term of the policy.
- **Survivorship:** include the cost of annuity payment upon survivorship of the insured, or beneficiary if extend death benefit option is elected.
- **Surrenders:** include policy surrenders and any consequential impact on the assets backing the product.
- **Expenses:** include any expenses gains or losses, measured against best estimated assumptions, including but not limited to expenses related with intermediary commissions, underwriting, policy issuing, annual statements and collection of premiums, as well as other indirect expenses which may be allocated by us to the product.

- **Policyholder options:** include any gains or losses that upon policyholder exercising options such as, but not limit to, withdrawal of accumulated annuity benefit or withdrawal of terminal dividends.

The actual non-guaranteed benefit to be declared may be different from that illustrated in any product information provided by us. If there is any change in the actual non-guaranteed benefit amount against the illustration, such change will be reflected in your policy annual statement.

Policyholders should also be aware that non-guaranteed benefit history is not an indicator of future performance.