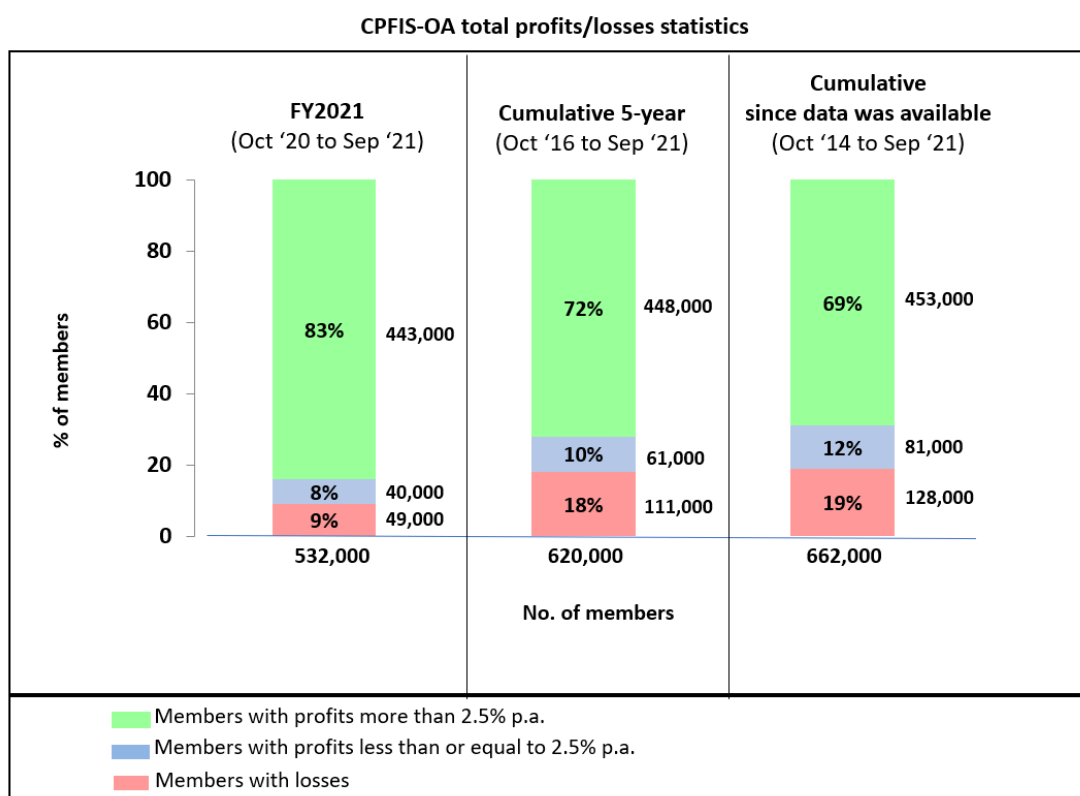


CPF INVESTMENT SCHEME (CPFIS)

THE TOTAL PROFITS/LOSSES FOR INVESTMENTS HELD UNDER CPFIS-OA FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The total P&L for the 532,000 CPFIS-OA investors for the financial year that ended on 30 September 2021 is shown below.



In FY2021, about 443,000 members (83% of the total CPFIS-OA investors who had investments in FY2021) made total profits in excess of the CPF-OA interest rate of 2.5% p.a., 40,000 members in FY2021 (8%) made total profits equal to or less than the CPF-OA interest rate and 49,000 members in FY2021 (9%) made total losses.

Over the 5 financial years from 1 October 2016 to 30 September 2021, about 448,000 members (72%) made cumulative total profits in excess of the CPF-OA interest rate. About 61,000 members (10%) made cumulative total profits equal to or less than the CPF-OA interest rate. The remaining 111,000 members (18%) made cumulative total losses.

For the cumulative return since data was available from 1 October 2014, about 453,000 members (69%) made cumulative total profits in excess of the CPF-OA interest rate. About 81,000 (12%) made cumulative total profits equal to or less than the CPF-OA interest rate. The remaining 128,000 members (19%) made cumulative total losses.

Explanatory notes on the Total Profits/Losses Statistics

1. The Total profits/losses methodology measures the total portfolio performance for the reporting period of all CPFIS-OA investors, which includes both realised and unrealised profit and loss figures, and compares the returns against the CPF OA interest forgone.
2. The formula used is adapted from the modified Dietz method, which is a method of evaluating an investment portfolio return based on the change in market values and cash flow changes during the reporting period. The Board adapted the formula by comparing the CPFIS-OA investors' portfolio returns to the prevailing CPF OA interest during the reporting period to see if the returns beat the CPF OA interest forgone.

| |
|---|
| $[EMV - BMV - C] \text{ vs Prevailing CPF OA Interest}$ |
|---|

Where:

- i. EMV is the market value of CPFIS-OA investments as at the end of the reporting period
 - ii. BMV is the market value of CPFIS-OA investments as at the beginning of the reporting period
 - iii. C is the net CPF cash flow arising from CPFIS-OA activities, including purchases, sales, income and expenses, during the financial year
 - iv. The prevailing CPF OA interest is the interest that members would have earned during the reporting period if they did not withdraw their OA savings to investment under CPFIS-OA
3. The total portfolio profit or loss is computed based on the change between the beginning and ending market values of the reporting period for each investment holding held at the end of the reporting period, net of any cash flows arising from CPFIS-OA transactions for the reporting period.
 4. The annual Total profits/losses statistics is generally reflective of market conditions for each reporting period.
 5. The market valuation of the reporting periods is taken as at the following valuation dates:

| Reporting Period | Beginning of Period Market Valuation | End of Period Market Valuation |
|--|---|---------------------------------------|
| FY2021 | As at 30 Sept 2020 | As at 30 Sept 2021 |
| Cumulative 5-year FY2017 to FY2021 | As at 30 Sept 2016 | As at 30 Sept 2021 |
| Cumulative since data was available | As at 30 Sept 2014 | As at 30 Sept 2021 |

6. The market valuation for each asset class are:
 - i. **Shares, exchange traded funds and property funds.** The end day closing price as at the valuation date.
 - ii. **Endowment and annuities insurance policies.** Surrender value as at the valuation date. This reflects the value of the insurance policy that the investors would receive if they terminate the policy.
 - iii. **Unit trusts and Investment-linked policies (ILPs).** The Net Asset Value (NAV) as at the valuation date.

- iv. **Bonds.** The end day closing price as at the valuation date.
 - v. **Bank deposits.** The principal plus interest roll over, if any.
 - vi. **Gold.** The end day closing price as at the valuation date.
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- 7. The net CPF cash flow takes into account dividends, interest income and coupon payments received, as well as expenses such as transaction charges and agent banks' service charges.
 - 8. CPFIS-OA investors who had withdrawn from the Scheme as at the end of the reporting period are not included in the statistics.

Note: Data required to compute the statistics were obtained mainly from business partners.