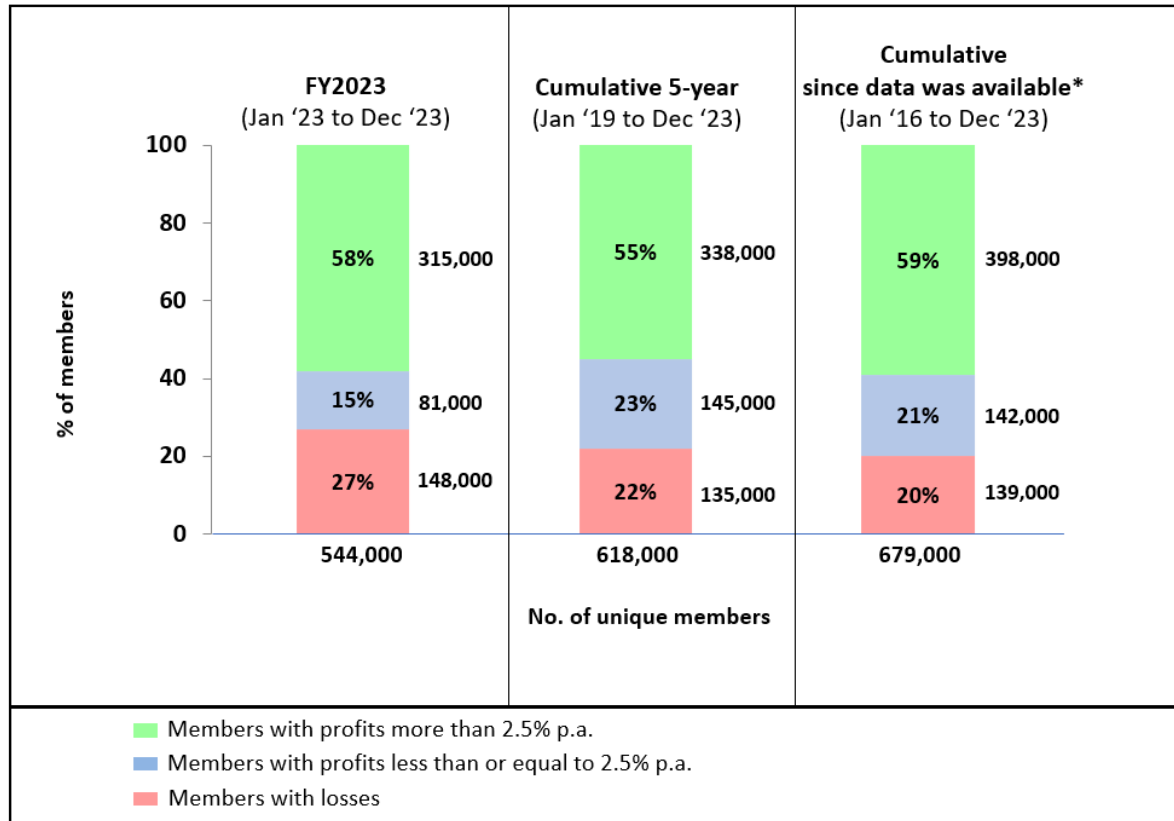


## CPF INVESTMENT SCHEME (CPFIS)

### THE TOTAL PROFITS/LOSSES FOR INVESTMENTS HELD UNDER CPFIS-OA FOR THE PERIOD ENDED 31 DECEMBER 2023

The total P&L for the 544,000 CPFIS-OA investors for the financial year that ended on 31 December 2023 is shown below.

**CPFIS-OA total profits/losses statistics**



\* Based on calendar year reporting, data is available from Jan 2016

### ***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.

$[EMV - BMV - C] \text{ vs Prevailing CPF OA Interest}$
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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 invest 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
FY2023	As at 31 Dec 2022	As at 31 Dec 2023
Cumulative 5-year FY2019 to FY2023	As at 31 Dec 2018	As at 31 Dec 2023
Cumulative since data was available	As at 31 Dec 2015	As at 31 Dec 2023

6. The market valuation for each asset class is:
  - 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.