ANNEX FOR NEW INVESTMENT SCHEME

ANNEX A – Factsheet on life-cycle investment products

Based on a 2025 Mercer market study commissioned by CPF Board, the following developments in life-cycle investment products highlight their relevance:

- **Increasing international adoption.** Life-cycle investment products have been used in several countries' government Defined Contribution pension schemes (e.g. US and UK) for many years and are increasingly used by other countries, such as in Hong Kong, Thailand, and Chile.

- **Potential for long-term performance**. Life-cycle investment products show potential to achieve good returns over a long-term horizon. These products are typically well-diversified and have a key de-risking mechanism (also known as a glidepath), which allows investors to better ride out short-term market volatility.

- **Improvements in life-cycle investment product offerings**
    - **Greater personalisation due to technological advancements.** Technological advancements have potentially enabled personalised portfolio de-risking that is commercially feasible with sufficient scale, compared to before.

    - **Lower fees.** Digital investment platforms typically charge lower fees compared to traditional investment distribution models. Additionally, these platforms often provide better access to institutional share classes than was previously available, which allows them to reduce fees even further. Institutional share classes are lower-fee versions of the same funds that require a significant upfront investment, but digital platforms can now access these by pooling individual investors' money together.

    - **Established platforms.** The availability of well-established digital investment platforms and increasing adoption among younger Singaporeans today facilitates the introduction of life-cycle investment products and may support product uptake.

ANNEX B – Top 3 things to know about the new investment scheme

1. What is the new scheme about and who is it for?

CPF Board will introduce a new investment scheme in the first half of 2028, offering simplified, low-cost, and diversified life-cycle investment products, which automatically rebalance investors' portfolios towards less risky assets as they approach target date.

It will cater to members who want to stay invested for the long term, but may have less financial expertise or prefer not to actively manage their investments. It will also serve as a complementary option to the risk-free interest rates enjoyed by members today and CPFIS, by providing an additional choice for members who are willing to take some risk for potentially higher returns on their CPF savings.

The new scheme will provide a lower-cost option since all-in fees will be capped. With a limited number of products, it will also simplify investment decisions for members who may otherwise find it complex to navigate the range of CPFIS offerings.

2. How will the new investment scheme differ from CPFIS?

While the same eligibility criteria to invest and withdrawal conditions for sales proceeds apply to both schemes, the new scheme and CPFIS cater to different investment approaches. CPFIS serves investors who want to actively select from and manage a broader range of investment products, while the new scheme will cater to those preferring simplified, low-cost long-term investment options which do not need active rebalancing by the investor.

	New investment scheme	**CPFIS**
Target investor profile	• Investors who are able and willing to stay invested in the long term (e.g. 20 years), but may have less financial expertise or prefer not to actively manage their investments	• Investors with more financial expertise and time to actively manage their investments
Nature of products	• Pre-mixed portfolio that follows a glidepath, with phased liquidation before target date to mitigate risk of exiting during a downturn	• Wide range of investment products (including insurance products, unit trusts, fixed deposits, bonds and shares) for investors to select and manage their own portfolios
Number of products	• Two to three product providers with curated options, to simplify decision-making for investors	• Wide variety of more than 700 products catering to different preferences and risk appetites
Fees	• All-in fees capped to allow investors to minimise costs and to retain and benefit from more of their investment returns	• Generally, higher fee cap than the new investment scheme

3. Why does the new investment scheme comprise commercial offerings, instead of having the Government directly manage the investments?

Market players have built the capability and expertise to offer life-cycle investment products at competitive costs, and are well-placed to provide this investment option to investors. Moreover, commercial product providers would be able to offer competitive fees by scaling up their products with their non-CPFIS investor base.

The Government's role is to safeguard investors' interests through regulatory oversight and act as a gatekeeper for quality investment products, while keeping investment costs low. As with the CPFIS, the Government will carefully curate the product providers and products offered under the new scheme to ensure the products' features and quality meet the needs of CPF investors.

ANNEX C – Background on CPF Investment Scheme (CPFIS)

The CPF Investment Scheme (CPFIS) provides members with the option to invest their CPF savings in various instruments such as insurance products, unit trusts, fixed deposits, bonds and shares. Since its inception in 1986, the Government has been enhancing CPFIS to provide CPF members with quality, low-cost investment options that can potentially enhance their retirement savings.

Three key focus areas in the evolution of CPFIS:

1. Focused on good quality investment products
    a. 2006: Stringent admission criteria meant new funds seeking inclusion under CPFIS had to meet rigorous requirements
    b. 2011: Tightened admission criteria to include only top quartile funds, and reduced number of funds to simplify members' options
    c. 2019: Onboarded first digital adviser to enhance value proposition for investors

2. Reduced cost of investing to ensure members retain more of their investment returns
    a. 2007: Implemented fee caps
    b. 2008: Tightened expense ratio requirements
    c. 2016: Further reduced expense ratio caps
    d. 2018: Further reduced sales charge and wrap fee cap
    e. 2020: Removed sales charges and reduced annual wrap fees to 0.4% of assets under management per annum

3. Strengthened investor literacy requirements & enhanced customer journey
    a. 2018: Introduced mandatory Self-Awareness Questionnaire to ensure members reflected on their investment knowledge, risk tolerance, and financial goals before investing their CPF savings
    b. 2023: Worked with agent banks to digitise the use of CPF savings for Treasury Bills (T-bills) in approximately 3 months

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Stats on CPFIS (as at 30 September 2025)

1. Number of CPFIS investors

	CPFIS-OA[1]	**CPFIS-SA**
No. of members with active CPFIS investments	458,000	217,000
% of members with active CPFIS investment (of all CPFIS-eligible members[2])	28.1%	22.1%

2. Amount invested under CPFIS

	CPFIS-OA	**CPFIS-SA**
Net amount held ($ billion)	16.6	4.7

3. Performance of CPFIS

Based on the cumulative performance between 2016 and 2024, 71% of CPFIS-OA investors (491,000) made cumulative total profits above 2.5% p.a.

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[1] This refers to members with active investment holdings under CPFIS-OA refer to members with quantity of CPFIS-OA holdings>0 or cost of investment>0.

[2] The number of CPF members eligible for CPFIS-OA and CPFIS-SA as at 30 Sep 2025 were 1.63 million and 0.98 million respectively, referring to those who had investible OA and SA savings respectively.

ANNEX D – Glossary & Translated Terms

Glossary:

Term	Definition
All-in fees	Inclusive of TER, wrap fees, and distribution costs.
Expression of Interest (EOI)	A pre-qualification or market-sensing method used to identify capable providers for proposed goods, services, or projects.
Glidepath	The predetermined asset allocation strategy that shows how a fund's investment mix changes over time, typically becoming more conservative (i.e. lower risk exposure) as it approaches a target date.
Life-cycle investment products	Life-cycle investment products are designed to automatically adjust the investor's portfolio's asset allocation over time as it approaches a specified target date, typically retirement.
Sales charge	A fee paid when buying or selling an investment, which compensates financial intermediaries for their services.
Total Expense Ratio (TER) cost	Measure of total costs associated with managing and operating an investment fund. It includes all administrative fees, management fees, costs for the distribution of dividends, audit fees, legal fees, and other operational costs.
Wrap fees	An annual fee charged by financial advisors or platforms for bundled investment services, including portfolio management, administration, and advice.

Translated Terms:

	Chinese	Malay	Tamil
All-in fees	综合费用	Yuran keseluruhan	அனைத்தும் உள்ளடங்கிய கட்டணம்
Lifetime Retirement Investment Scheme (LRIS)	长期投资退休计划	Skim Pelaburan Persaraan Sepanjang Hayat	ஓய்வுக்காலத்திற்கான வாழ்நாள் முதலீட்டுத் திட்டம்
CPF Investment Scheme (CPFIS)	公积金投资计划	Skim Pelaburan CPF (CPFIS)	மசேநி முதலீட்டுத் திட்டம் (CPFIS)
Expression of Interest (EOI)	意向表达	Penyataan Minat	ஆர்வ வெளிப்பாடு
Glidepath	生命周期资产配置策略	Strategi Pelaburan Glidepath	முதலீட்டு உத்திமுறை மாற்றம்

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Life-cycle investment products	生命周期投资产品	Produk pelaburan kitaran hayat	வாழ்க்கைச் சுழற்சி முதலீட்டு தயாரிப்புகள்
Sales charge	销售费用	Caj jualan	விற்பனைக் கட்டணம்
Total Expense Ratio (TER cost)	总开支比率	Nisbah Jumlah Perbelanjaan (kos TER)	மொத்தச் செலவு விகிதம்
Wrap fees	基金包管费用	Yuran pengurusan	வருடாந்தர சேவைக் கட்டணம்