



Creating Value for Policyowners

Strong investment results from strategic business investments

As a mutual life insurance company, Massachusetts Mutual Life Insurance Company (MassMutual) does not have shareholders. Instead, the company operates for the benefit of its participating policyowners and members. For more than 160 years, we have focused on providing long-term value to these policyowners while maintaining financial strength and stability for the future.

Prudent Investing

Like all insurance companies, MassMutual invests in a variety of assets and employs a range of strategies designed to produce favorable results while minimizing risk.

We also have a long history of investing in strategically aligned non-participating insurance and financial service businesses. These include our annuity and specialty life insurance products; our international insurance subsidiaries; our retirement services business; and asset managers OppenheimerFunds, Babson Capital Management and Baring Asset Management. These businesses have added diversity to our portfolio while delivering very attractive long-term investment results.

OppenheimerFunds

One of our strategic business investments that has been very successful is OppenheimerFunds (OFI) – a household name in investing for over 50 years. MassMutual acquired a controlling interest in the investment company in the early 1990s. OFI has grown significantly, with its assets under management increasing from \$15 billion at the time of purchase, to over \$237 billion as of December 31, 2014. As a result, the value and earnings of OFI have also grown significantly, and it has paid substantial dividends to MassMutual in recent years. This is an example of a strategic business investment that has generated exceptional results for MassMutual.

How MassMutual's Whole Life Policyowners Benefit

Our investment in complementary businesses over a period of many years has benefited our participating whole life insurance policyowners in a couple of ways:

- First, it has allowed us to pay higher whole life policy dividends.
- Second, it has helped MassMutual maintain a high level of financial strength and stability.

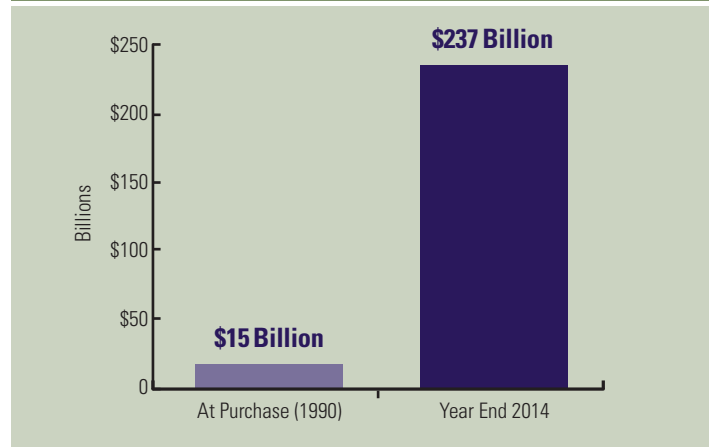
Higher Dividends

MassMutual's participating whole life policyowners are eligible to receive annual dividends. While dividends are not guaranteed, the company has paid them consistently since the 1860s. Policy dividends include three components that reflect the company's operating experience with respect to:

- Mortality (Death Claims);
- Expenses; and
- Investment Results.

The investment component of dividends is based on the Dividend Interest Rate (DIR), which is declared annually and may vary from one year to the next. Strategic business investments have helped support MassMutual's DIR and, to a certain extent, insulate it from the impact of declining interest rates over the past several years. As a result, these investments have allowed us to pay higher dividends to our whole life policyowners.

OppenheimerFunds – Assets Under Management



Financial Strength and Stability

Strategic business investments have also contributed to MassMutual's financial strength by helping us:

- Grow our capital and surplus, and
- Continue to reinvest in our business to further strengthen the company.

As a result, we believe that we are better positioned to meet our financial obligations to policyowners, both today and well into the future.

Creating Value for the Future

We continue to look for business opportunities that have the potential to deliver superior long-term investment results. In 2013, we took advantage of the opportunity to purchase The Hartford's retirement services business and merge it with our own. This significantly increased our scale and competitive position in the retirement plan market.

Our goal is to seek out both traditional and strategic business investments that will allow us to pay competitive dividends to our policyowners, while maintaining outstanding financial strength.

