

ASIAN INCOME FUND

Prepared on 30 April 2014

ntuc
Income
 made different

NTUC Income Asian Income Fund is designed for investors who are looking for capital stability and potential income over the medium to longer term by investing primarily in Asian equities (including real estate investment trusts) and Asian fixed income securities.

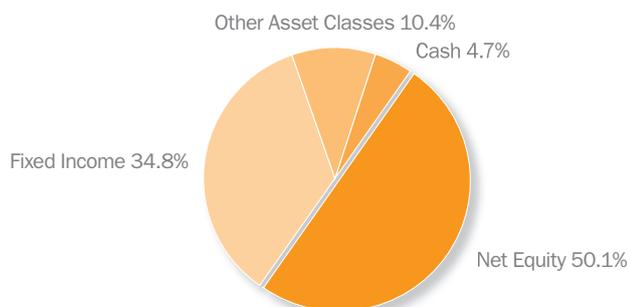
Investors with a moderately aggressive risk profile and are looking for a regular income solution can invest directly in the Asian Income Fund which offers a monthly payout feature, with a potential distribution of 5% - 6% per annum.

The Asian Income Fund is managed with an objective to target a 5% to 6% annual return. This is achieved by investing in Asian equities and fixed income securities. The fund is neither constrained to nor is it targeting any specific benchmark. However, as an indication of the performance of such a strategy, investors can consider the performance of a reference benchmark comprising 50% MSCI AC Asia Pacific ex Japan Net and 50% JP Morgan Asia Credit Index. This strategy is acquired through an investment in the Schroder Asian Income, which has a performance history since October 2011. The performance of the sub-fund may differ from the performance of the Schroder Asian Income due to the different distribution channels and services provided by the Fund Manager. We estimate that the differences in performance will not be significant.

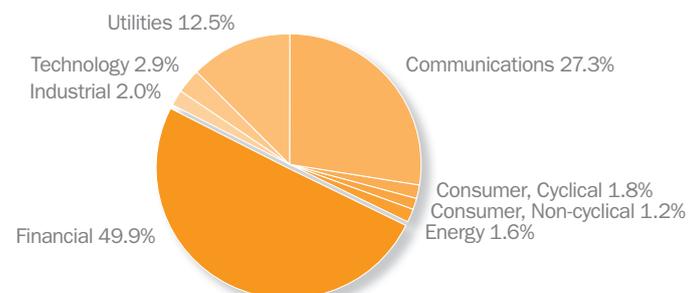
The sub-fund will actively allocate between Asian equities, Asian fixed income securities, cash and other permissible investments to achieve its objective. The sub-fund will use a cyclical approach to asset allocation where the asset mix will be adjusted according to the four phases of the economic cycle – recovery, expansion, slowdown and recession – based on a combination of fundamental and quantitative factors such as asset class valuation, macroeconomic data and liquidity. Cash will be treated as a separate asset class and will be deployed if necessary to limit downside risk during adverse market conditions.

In addition to active asset allocation, the sub-fund will also perform active security selection for its investments in Asian equities, Asian fixed income securities and other permissible investments. For the Asian equities portfolio, the sub-fund intends to focus on companies that are able to create true shareholder value, have a strong and stable earnings stream and have a strong sustainable dividend yield. For the Asian fixed income portfolio, the sub-fund intends to select securities that deliver attractive yield and capital growth taking into account both fundamental and technical views such as valuation, demand/supply conditions and liquidity. The sub-fund will also manage the impact of interest rate movements on the value of the portfolio.

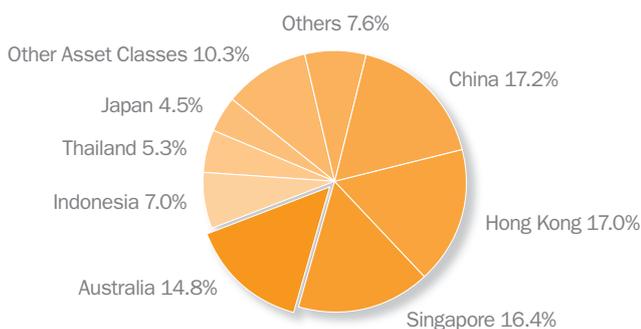
Asset allocation breakdown as of 28 February 2014



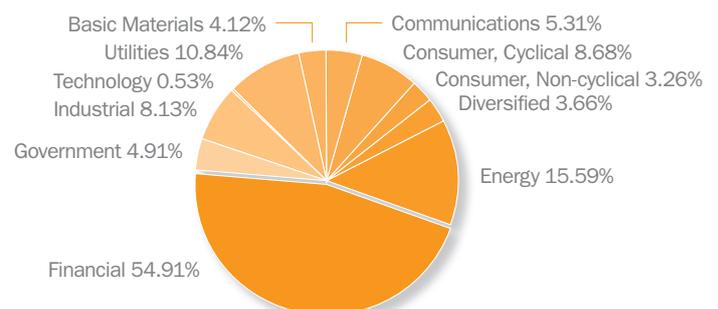
Equity sector allocation breakdown as of 28 February 2014



Country allocation breakdown as of 28 February 2014



Fixed income sector allocation breakdown as of 28 February 2014



ASIAN INCOME FUND

Investment objective

The Asian Income Fund aims to provide income and capital growth over the medium to longer term by investing primarily in Asian equities (including real estate investment trusts) and Asian fixed income securities. The sub-fund has a yield focused strategy and potentially can invest in Asian high dividend yielding equities and Asian high yielding credits which can be below investment grade or unrated. The sub-fund intends to achieve this objective by investing all or substantially all of its assets in Schroder International Opportunities Portfolio – Schroder Asian Income which is managed by Schroder Investment Management (Singapore) Ltd.

The sub-fund offers a monthly payout feature, with a potential distribution of 5% to 6% per annum. The sub-fund is not a capital guaranteed fund, i.e. the amount of capital invested or return received is not guaranteed. The sub-fund is denominated in Singapore dollars.

Fund details

Fund	Asian Income Fund
Initial Launch Period	12 May 2014
Initial Issue Price	Offer Price: 1.000 Bid Price: 0.966
Annual Management Fee	1.25% per annum. This is not guaranteed and may be reviewed from time-to-time. However, it shall not exceed 2.0% of the fund balance at any point of time.
Fund Manager	NTUC Income Insurance Co-operative Limited
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Reference Benchmark	The Asian Income Fund is managed with an objective to target a 5% to 6% annual return. This is achieved by investing in Asian equities and fixed income securities. The fund is neither constrained to nor is it targeting any specific benchmark. However, as an indication of the performance of such a strategy, investors can consider the performance of a reference benchmark comprising 50% MSCI AC Asia Pacific ex Japan Net and 50% JP Morgan Asia Credit Index.
Subscription Method	Cash/SRS
CPFIS Risk Classification of Investment-Linked Insurance Products (ILP)	NA
Financial Year End	31 December
Distribution for Asian Income Fund	<p>The sub-fund offers a monthly payout feature, with a potential distribution of 5% - 6% per annum.</p> <p>The declaration date is set on the last 2nd working day of the month. If these dates fall on a weekend/public holiday, the last business day before these dates will be taken as the declaration date. The declaration date is subject to review and you will be given at least 1 month notice of any changes.</p> <p>The distribution will be made out of the income, capital gains, and/or capital of the sub-fund. The Manager has the sole discretion to determine whether a distribution be made as well as on the rate and frequency of distribution to be made.</p> <p>The first distribution is scheduled to start in May 2014. However, all monthly distribution from the sub-fund will be accumulated and payable within 45 days after 30 October 2014. The distribution from Asian Income Fund will be payable on a monthly basis with effect from November 2014. Thereafter the Manager intends to pay the distribution within 45 days from the declaration date.</p> <p>The distributions are not guaranteed.</p> <p>The default option for distribution is to reinvest them into the sub-fund. If policyholder wants to encash the distribution, he must notify the Manager in writing at least 30 days before the Declaration Date. Any distribution below S\$50 has to be reinvested and encashment is not allowed. Any distribution payable for investment bought using SRS monies, if applicable, will also be reinvested.</p>

ASIAN INCOME FUND

Information on the Manager

The sub-fund is managed by NTUC Income Insurance Co-operative Limited. It invests all or substantially all of its assets in Schroder International Opportunities Portfolio – Schroder Asian Income which is managed by Schroder Investment Management (Singapore) Ltd.

NTUC Income Insurance Co-operative Limited

NTUC Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to NTUC Income for trusted advice and solutions when making their most important financial decisions. Our wide network of advisers and partners provide life, health and general insurance to serve the protection, savings and investments needs of customers across all segments of society.

As a social enterprise, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2013, NTUC Income had \$29.6 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and is predicated on its core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Ltd

Schroder Investment Management (Singapore) Ltd is the Investment Manager of Schroder International Opportunities Portfolio – Schroder Asian Income. Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

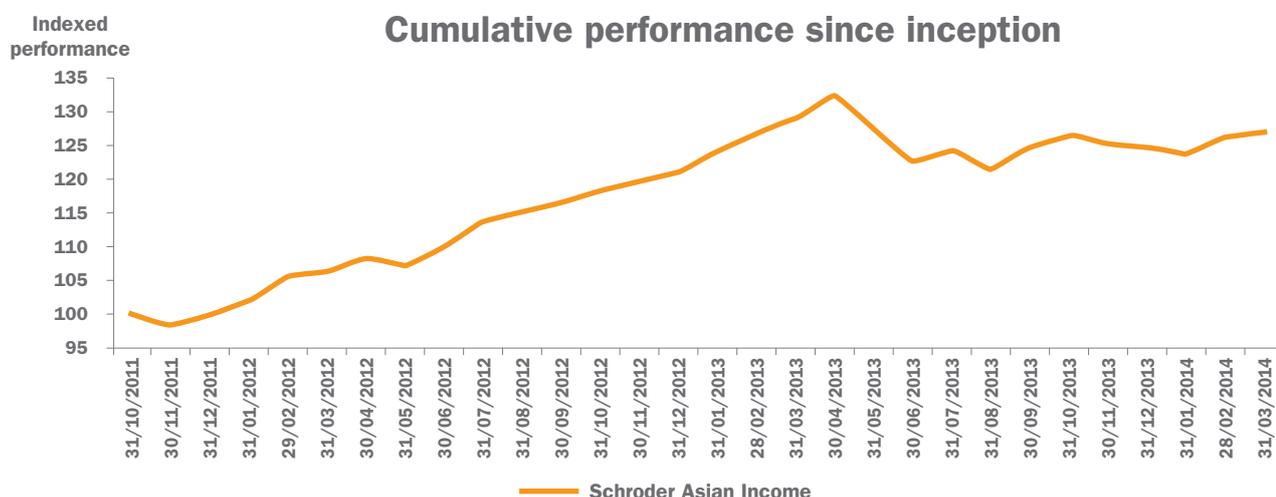
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totaled US\$435.4 billion (as of 31 Dec 2013).

Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company (37 Offices in 27 countries), and 395 portfolio managers and analysts# covering the world's investment markets, they offer their clients a comprehensive range of products and services.

#Source: Schroders, as at 31 December 2013.

Performance of Schroder Asian Income

	1-month	3-month	6-month	1-year	Since inception (annualised)
Schroder Asian Income	0.55%	1.78%	1.80%	-1.68%	10.36%



The returns are calculated using bid-to-bid prices, in Singapore dollar terms, with dividends and distributions reinvested. Past performance is not necessarily indicative of future performance. Fees & charges payable through deduction of premium or cancellation of units are excluded from this calculation.

ASIAN INCOME FUND

Risks

Key Risks

NTUC Income's ILP funds are intended for long-term investment, it is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suit your risk appetite. You may wish to consult your financial adviser before investing in any ILP fund.

The securities and instruments in which the sub-fund may invest are subject to market fluctuations and other risks inherent in such investments and there can be no assurance that any appreciation in value will occur.

As the sub-fund has direct/indirect investments in equities and bonds, it is subject to equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk; and debt risk which includes interest rate sensitivity, credit risks, changes in debt rating and credit rating, currency risks and sovereign risks.

You should be aware that past performance is not indicative of future performance. The value of the units may rise or fall as the performance of the fund changes.

The risk factors may cause you to lose some or all of your investments. A description of the major risks is provided below. This is not an exhaustive list of risks.

Market and Credit Risks

You are exposed to market risk. The value of investments by the sub-fund may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risks. The sub-fund is subject to the risk that some issuers of debt securities and other investments made by the sub fund may not make payments on such obligations. Further, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of the sub-fund. A change in the quality rating of a security can also affect the security's liquidity and make it more difficult to sell.

Equity and Interest Rate Risks

You are exposed to equity risk. Investments in stocks and other equity securities and their derivatives are subject to market risks that historically have resulted in greater price volatility than that experienced by bonds and other fixed income securities. Investment in convertible instruments which may be converted into equity tends to yield a fairly stable return before conversion but its price usually has a greater volatility than that of the underlying equity.

You are exposed to interest rate risk. Investments in bonds, debentures, loan stocks, convertibles and other debt securities may decline in value if interest rates change. In general, the price of debt securities rises when interest rates fall, and falls when interest rates rise. Interest rate risk is generally greater for investments with long durations or maturities.

Liquidity Risks

You are exposed to liquidity risk. There is no secondary market for the sub-fund. All redemption requests should be made to the Manager or its appointed agents.

Product-Specific Risks

You are exposed to risks relating to investment grade, below investment grade and unrated debt securities. There is a risk that investment grade securities that the sub-fund invests in may be downgraded due to adverse market conditions. In the event of a down-grading of the credit rating of a security or an issuer relating to a security that the sub-fund invests in, the value of the sub-fund may be adversely affected. The sub-fund may invest in debt securities below investment grade which are generally accompanied by a higher degree of counterparty risk, credit risk and liquidity risk than higher rated, lower yielding securities. Investment in unrated debt securities may be subject to risks similar to those associated with below investment grade debt securities.

You are exposed to risk relating to distributions. The Manager of the sub-fund has the absolute discretion to determine whether a distribution is to be made. The Manager also reserves the right to review and make changes to the distribution policy from time to time. Where the income generated by the sub-fund is insufficient to pay distributions as declared, the Manager may at its discretion make such distributions out of the capital of the sub-fund. In circumstances where distributions are paid out of the capital of the sub-fund, the NAV of the sub-fund will be reduced.

You are also exposed to emerging markets and frontier risk. Emerging markets will generally be subject to greater political, legal, counterparty and operational risk.

ASIAN INCOME FUND

Financial Derivatives Risk/Exposure to derivatives

You are exposed to financial derivatives risks. The sub-fund may use financial derivatives for hedging and/or efficient portfolio management purposes. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. These instruments are highly volatile and their market values may subject to wide fluctuations. The sub-fund's ability to use such instruments successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the derivatives do not work as anticipated, the sub-fund could suffer greater losses than if the sub-fund had not used the derivatives. The global exposure of the sub-fund to financial derivatives or embedded financial derivatives will be calculated using the commitment approach and in accordance with provisions of the Code on Collective Investment Schemes. The Manager will ensure that the risk management and compliance procedures are adequate and have been or will be implemented and that it has the necessary expertise to manage the risk relating to the use of financial derivatives.

Soft dollar commission or arrangement

The Manager shall not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore.

Conflict of interests

The Manager does not expect to encounter any conflicts of interest in the management of the sub-fund.

Other parties

The auditor of this fund is PricewaterhouseCoopers (PWC). Please note that financial results ending 31 December of each year will be audited.

Reports

The financial year end of the fund is 31 December of each year. As part of the continuous efforts to update you on the performance of the funds you have invested in, we produce a Fund Report (with summarised financial statements) which will be available by the end of August of each year and the Relevant Audited Report by the end of March of the following year respectively.