GLOBAL MANAGED FUND (GROWTH)

Investment Objective

The objective of this fund is to provide medium to long term capital appreciation by investing in the core funds, Global Equity, Global Bond, Singapore Equity and Singapore Bond.

Investment Scope

The Growth Fund is invested in NTUC Income's core funds in the following proportions: Singapore Equity (15%), Global Equity (55%), Singapore Bond (10%), and Global Bond (20%). The fund is denominated in Singapore Dollars.

Fund Details as of 31 December 2010

Launch Date	2 January 2003
Fund Size	S$ 271.71 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	Charges at core fund levels as follow: Singapore Equity: 0.65% p.a. Singapore Bond: 0.5% p.a. Global Equity: 1.25% p.a. Global Bond: 0.85% p.a. Based on the above management fees charged to the respective Core Funds, the computed effective management fee applicable is 1.005% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPF Rating	Medium to high risk, Broadly Diversified
Benchmark	15% FTSE Straits Times Index (FTSE STI) 55% MSCI World Index in Singapore Dollars 10% UOB Long Bond Index 20% Barclays Global Aggregate in Singapore Dollars

The Annual Management Charge 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.

With effect from 15 October 2010, Schroder Investment Management Ltd replaced Alliance Bernstein as one of the sub-managers for the Global Equity Fund.

With effect from 22 October 2010, Combined Fund (Growth) was renamed Global Managed Fund (Growth) to better reflect the geographical scope of the investments.

Top 10 Holdings

December 2010	S$ (mil)	% of Net Asset Value
GLOBAL EQUITY FUND	147.4	54.2
SINGAPORE EQUITY FUND	53.8	19.8
GLOBAL BOND FUND	48.0	17.7
SINGAPORE BOND FUND	23.1	8.5
N.A.	N.A.	N.A.

December 2009	S$ (mil)	% of Net Asset Value
GLOBAL EQUITY FUND	156.1	56.2
SINGAPORE EQUITY FUND	50.4	18.2
GLOBAL BOND FUND	47.3	17.0
SINGAPORE BOND FUND	23.5	8.5
N.A.	N.A.	N.A.

Fund Manager

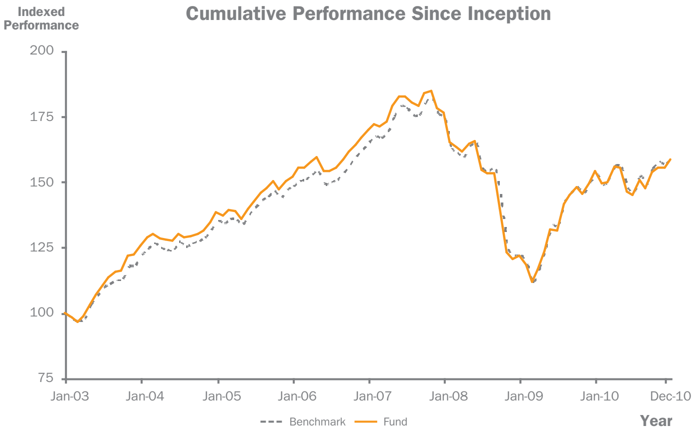
NTUC Income Insurance Co-operative Limited is the Investment Manager of the fund.

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

Fund Performance vs Benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Growth)	2.1%	3.3%	9.5%	3.0%	-3.5%	0.8%	N.A.	5.9%
Benchmark	2.2%	3.1%	9.6%	4.7%	-2.7%	1.6%	N.A.	6.1%

GLOBAL MANAGED FUND (GROWTH)



The returns are calculated using bid-to-bid prices, 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.

Market Review

Global Bond

2010 represents another volatile year as the rally in the global government bond markets in the first nine months was brought to a halt in the fourth quarter on the willingness of policymakers to add stimulus measures and signs that economic fundamentals are improving. The U.S. Federal Reserve's official announcement of a second round of quantitative easing (QE2) in early November led to a sell-off in bonds and at the same time, reflected the view that further monetary easing sharply reduced the risk of a "double-dip."

The Fed, the European Central Bank, the Bank of England and the Bank of Japan have all maintained rates at or near all time lows and sought creative ways to deliver ever more support. In contrast, Australia, Brazil, China and several other Emerging market (EM) countries have all raised rates to address concerns of overheating fueled by robust economic growth and a flood of foreign capital inflows. The Eurozone continued to struggle with the peripheral debt crisis as Ireland became the second member country to accept an EU bailout.

U.S.

U.S. third quarter GDP grew by 2.6%, and though it was flattered by inventories it was an improvement from the second quarter's 1.7% figure. Moreover, unemployment claims and the ISM indexes indicated that the cyclical momentum is improving. On the consumer front, as November's core retail sales - excluding automobile and gasoline – climbed and holiday sales were notably strong. However, the unemployment rate remained elevated at 9.4%, and housing market data remained soft. U.S. government bonds returned 5.87% in 2010 as the benchmark 10-year yield dropped by 49 basis points (bps) to end the year at 3.30%.

Euroland & UK

By comparison, growth in Europe expanded just 1.4% in the third quarter after a downward revision to consumption and investment. While European business sentiment managed to show improvement, Germany remained the sole bright spot while the rest of the region continued to underperform. The U.K., too, remained weak; consumer spending remained challenged amid still-tight credit conditions and weak confidence, and the unemployment rate moved higher as the public sector has begun to shed jobs as part of the front-loaded budget cuts. German government bonds handed investors an annual return of 5.75% on a dollar hedged basis as the 10-year yield decreased by 42 bps to 2.96% at year-end. On the other hand, UK government bond posted a gain of 7.16% (dollar hedged) and 10-year yield dropped by 67 bps to end the year at 3.40%.

Japan

Japan's nascent recovery showed signs of stalling as real exports marked a fourth consecutive drop in November on the back of softer external demand and a strong yen. For the whole of 2010, Japanese government bonds returned 2.87% on a dollar hedged basis and the 10-year yield decreased by 17 bps to end the year at 1.13%.

Market Outlook

Strong growth and the potential for rising inflation in emerging economies will likely be offset by weaker growth in most developed economies, especially peripheral Europe. Among developed countries, the U.S., Canada and Australia are expected to grow the fastest. Key elements of our outlook include:

- Policy Stimulus Boosts U.S. Growth – The payroll tax cut and business tax credit, should boost growth over a cyclical time frame by pushing future consumption and investment forward into 2011.
- Range- Bound U.S. Rates - With U.S. unemployment still near 10%, the Fed is unlikely to raise short term rates until probably 2012. With the short end of the yield curve anchored near current low levels, our manager expects the 10-year Treasury yield to range between 3.0 and 4.0% over the next year.
- Weaker Growth in Europe and the U.K. - Europe and the U.K. are expected to attempt significant fiscal policy contraction to stabilize their respective debt burdens. Potential failure of policy coordination in Europe poses significant risks to the entire global economy as one or more sovereign defaults could give rise to a banking crisis with broad systemic consequences.
- Weaker Growth in Japan - Japan faces a shrinking working age population and persistent deflationary pressure, partly mitigated by the success of its high value added industrial base in China and the rest of Asia.
- Faster Growth in EM – China and most other EM should enjoy faster growth than the developed world, as slowing exports are likely to be offset by continued growth in domestic demand. Emerging economies are shifting focus toward tightening fiscal and monetary policies to combat cyclical inflationary pressure

Singapore Bond

Singapore government bonds ended the volatile half-year period weaker. The market was initially boosted by continued dovish comments from central banks, which prompted investors moving into longer maturity bonds in search of higher yields. Government bonds then came under pressure in the fourth quarter on optimism about strengthening global economic growth and return of risk appetite despite Federal Reserve's announcement of the US$600 billion purchase program of US Treasuries. The entire government yield curve shifted higher with the spread between 2-year and 10-year government bond yields widened 28 basis points (bp) to close at 222 bp. Overall, the UOB government long bond index declined 1.2% in the second half of the year.

Singapore economy is expected to grow at a robust 4% to 6% pace in 2011 on the back of the resilient services sector and supportive external demand conditions especially in Asia. With economic activity remain at high level and inflation risk tilting to the upside, the monetary authority tightened policy further last October by widening the policy band and steepening the slope of the trade-weighted Singapore dollar. The local unit strengthened 9% over the six month period ended December 2010 to close at 1.28 against the greenback. Meanwhile, consumer price inflation accelerated to 3.8% in November from a year ago, up from 3.5% the previous month. Tight labour market, rising domestic cost pressure and higher commodity prices are likely to keep inflation risks tilted to the upside in the near term.

Singapore is expected to continue benefiting from the fund inflows into the Asian region thereby keeping the domestic system flushed with liquidity and short term interest rates low. This should help moderate the rise in local bond yields. Nevertheless, the still robust growth outlook and increased risk appetite should continue to underpin the demand for credits. We favour medium term corporate papers for yield pick-up and would look to add exposure on market pull-back.

Global Equity
Global equities as measured by the MSCI World Index in Singapore dollar terms returned 13.21% for the second half of 2010. The strong corporate profits and growth-boosting policies in the US partly offset concerns about the ongoing sovereign debt crisis in the euro zone. Most countries delivered positive returns, with markets in only a few of the debt-laden European countries ending lower. All sectors advanced, led by cyclical areas of the market.

Similarly, the U.S. Standard & Poor 500 Index in Singapore dollar terms returned 12.07% for the second half of 2010. Stocks rallied, led by economically sensitive sectors, with energy sector delivering the strongest return. Retailers benefited as consumer spending approached pre-recession levels. Industrials were helped by demand from emerging markets. Economic data showed incremental improvement, corporate earnings reports were robust and the Federal Reserve initiated a second round of quantitative easing to stimulate the economy. Reinvigorated holiday spending, a rise in industrial production, increased bank lending and improved business optimism all contributed to a growing view among investors that the worst-case scenario of relapse into recession would not come to pass. In contrast, unemployment remained elevated at just below 10% and data on home sales and prices remained bleak.

European stocks as measured by Dow Jones STOXX 50 Index in Singapore dollars terms returned 9.79% for the second half of 2010. Economies in Germany and the US, a major trading partner of Europe, picked up momentum. Exporters also benefited from the weaker euro and rising emerging markets demand. A rebound in merger activity and improved corporate earnings further lifted stocks. Following Greece's rescue earlier in the year, Ireland became the second euro zone nation to receive emergency funding from the European Union and International Monetary Fund, totalling €85 billion. Italy made budget cuts totalling €25 billion over two years as it too faced scrutiny. The fiscal health of Spain and Portugal was also in focus. The debt crisis weighed on financials, especially in the countries facing the most acute fiscal problems.

In Japan, the Nikkei Composite Index in Singapore dollars terms returned 9.01% for the second half of 2010. Japan led Pacific markets higher as financial stocks rebounded and other economically sensitive sectors improved. Economic growth data was better than expected, though exports still suffered from a rising yen. Japanese exports rose 8.8% in October, a slowdown from September's 15.9% growth. The yen appreciated a further 3% against the US dollar, bringing its year-to-date rise to almost 15%.

Emerging markets equities continued to climb following last quarter's steep rally. Although sustained capital inflows buoyed financial assets, investors worried about the impact of tighter monetary policies on China and India as authorities tried to stem inflationary pressures. Returns varied widely, with double-digit gains in South Korea, Taiwan, Russia, South Africa and Mexico tempered by muted returns in China and India as well as declines in several Central and Eastern European markets. Developing economies kept up their rapid pace of growth as China's GDP expanded 9.6% in the third quarter and India's GDP grew by a better-than-expected 8.9%. China raised interest rates for the first time in nearly three years in October and raised them again in December as inflation rose above 5%. India, meanwhile, lifted interest rates for the sixth time in 2010.

Market Outlook
At this point in the cycle, there are a number of risks to growth: some banking systems remain fragile, debt burdens among some European economies appear unsustainable and monetary policy is losing its power to boost the flow of credit to the broader economy.

On the other hand, in the corporate sector, as profits have grown — thanks in part to cost cutting, business reorganizations and debt restructuring — firms have managed to generate and set aside large sums of cash. Inevitably, corporations will need to deploy some of their surplus funds. Dividend growth, capital spending and acquisitions can therefore be expected to become a bigger feature of the global investment landscape, presenting potentially attractive investment opportunities in equities. Consumer spending can also be expected to increase as personal income rises, boosting prospects for consumer-related companies.

Singapore Equity
In Jun – Dec 2010, the Straits Times Index gained 12.5% to close at 3190, and up 10.1% for the year. Consumer discretionary was the best performing sector (+42.8%), as confidence over Asia's growth prospects revived. Telecom was the worst performer, ended flat for the period.

In October, Monetary Authority of Singapore made a surprising pre-emptive move by allowing steeper appreciation of the Sing dollar and also widening the trading band. The pressure on inflation should diminish with slower growth in the economy. The economy grew about 15.1% in 2010 and GDP growth will

GLOBAL MANAGED FUND (GROWTH)

moderate to 5% in 2011. The Budget 2011 announced in February will provide clues about the government's attitude towards fiscal and monetary policies in the lead up to general elections.

On the property front, the government surprised the market with additional property cooling measures. The measures include reducing Loan-to-Value for private property buyer, introducing seller's stamp duty and further restricting Permanent Residents' eligibility for HDB resale properties. On the supply side, the government remains generous in its land sales program for the first half of 2011. There will be a total of 14,300 private residential units, this is higher than the 13,900 private residential units made available in the second half of 2010 Government Land Sale program.

Going forward, Singapore can benefit from ample global liquidity through lifting regional demand for services. We prefer tourism-related stocks, commercial landlords and offshore marine rig builders. Another area of focus will be on cash-generative companies who may engage in capital management or speed up in capital expenditure.

We remain focused on quality blue chips and big cap stocks. Our focus is on finding companies with strong earnings growth, solid balance sheet and quality management. We will continually re-assess the companies' fundamental in the coming months.

Risks

The risk in the Growth Fund is diversified by investing in a mixture of local and global bonds and equities. As the fund has investments in equities and bonds, it is subjected to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counter party risk; and (2) debt risk which includes interest rate sensitivity, credit risk, changes in debt rating and credit rating, currency risk and sovereign risk. This is not an exhaustive list of 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.

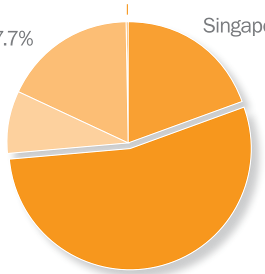
NTUC Income's ILP funds are intended for long term investment. It is not suited for any short term speculation. You should not expect to obtain any short term gains from investing in NTUC Income's ILP funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

Expense and Turnover Ratio

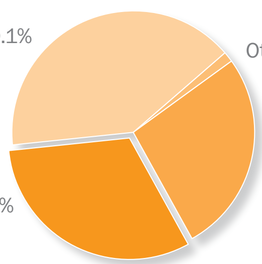
	As of 31 December 2010	As of 31 December 2009
Expense Ratio	1.18%	1.21%
Turnover Ratio		
Singapore Equity	81.69%	21.32%
Singapore Bond	41.43%	31.83%
Global Equity	66.60%	53.76%
Global Bond	620.97%	238.18%

Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

Asset and Country Allocation as of 31 December 2010



	S$ (mil)
Singapore Equity	53.8
Global Equity	147.4
Singapore Bond	23.1
Global Bond	48.0
Cash	-0.6
Total	271.7

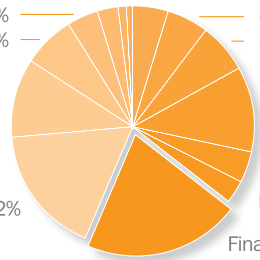


	S$ (mil)
Asia	4.0
Europe	4.6
North America	5.8
Others	0.2
Total	14.6

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off.

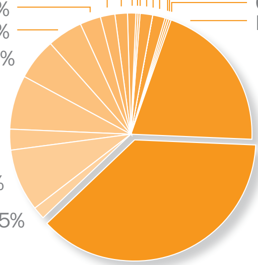
GLOBAL MANAGED FUND (GROWTH)

Sector Allocation as of 31 December 2010



	S$ (mil)
Asset Backed Securities	2.7
Basic Materials	12.7
Communications	15.0
Consumer, Cyclical	18.0
Consumer, Non-cyclical	31.6
Diversified	11.1
Energy	8.4
Financial	57.0
Funds	46.9
Government	28.3
Industrial	18.8
Mortgage Securities	11.6
Technology	7.6
Utilities	2.5
Total	272.3

Credit Rating of Debt Securities



S&P's rating or its equivalent

	S$ (mil)
AAA	26.7
AA+	1.1
AA	5.9
AA-	2.1
A+	5.0
A	4.1
A-	3.3
BBB+	1.8
BBB	1.5
BBB-	1.1
BB+	0.8
BB	0.3
BB-	0.2
B+	1.1
B	0.1
B-	1.2
CCC+	0.1
CCC	0.2
CCC-	0.1
D	0.0
Unrated	14.4
Total	71.2

'Unrated' refers to debt securities which are not rated by S&P or other equivalent rating agencies, including but not limited to treasury bills, bonds issued by government, government agency, statutory board or corporate.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off.

GLOBAL MANAGED FUND (GROWTH)

Summarised Financial Statement as of 31 December 2010

	S$
Net assets as of 1 January 2010	277,462,480
Purchase of new units	23,152,519
Redemption of units	(37,194,347)
Gain/(loss) on investments and other income	8,288,189
Net assets as of 31 December 2010	271,708,841

Units in issue	171,378,715
Net asset value per unit	
- at the beginning of the year	1.539
- as of 31 December 2010	1.585

Exposure to Derivatives
More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

Related Party Disclosure
More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

Soft Dollar Commission or Arrangement
More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

Conflict of Interests
More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

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

Material Changes
There are no material changes in the investment objective and orientation of the fund for the financial period ended 31 December 2010.

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) twice a year.