

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

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**NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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STATEMENT BY DIRECTORS

On behalf of the Board, the financial statements set out on pages 4 to 50 present fairly, in all material respects, the state of affairs of the NTUC Income Funds of NTUC Income Insurance Co-operative Limited as at 31 December 2008 and the increase or decrease in net assets for the year then ended, in accordance with the stated accounting policies.



Tan Suee Chieh
Principal Officer

Singapore, **27 MAR 2009**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NTUC INCOME
INSURANCE CO-OPERATIVE LIMITED – NTUC INCOME FUNDS**

We have audited the financial statements of NTUC Income Funds (set out in note 1) of NTUC Income Insurance Co-operative Limited (the "Co-operative") set out on pages 4 to 50, which comprise the Balance Sheets as at 31 December 2008, Capital and Income Accounts for the year then ended, and the summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Co-operative's management is responsible for the preparation and fair presentation of these financial statements in accordance with the stated accounting policies. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair capital and income accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NTUC INCOME
INSURANCE CO-OPERATIVE LIMITED – NTUC INCOME FUNDS

(continued)

Opinion

In our opinion, the financial statements present fairly, in all material aspects, the state of affairs of the respective NTUC Income Funds as at 31 December 2008, and the movements in their respective net assets for the year then ended in accordance with the accounting policies set out in Note 2.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 5 to the financial statements, which refers to the termination of the Amanah Bond Fund, Amanah Equity Fund, Japan Equity Fund, as well as Europe Equity Fund subsequent to the balance sheet date. The financial statements are prepared in accordance to the accounting policies set out in Note 2 which is, in all material aspects, similar to that prepared on a liquidation basis of accounting.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and
Certified Public Accountants

Singapore, 27 MAR 2009

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2008

	Note	Prime Fund 2008		Prime Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		498,429,996	212,352,136	424,860,679	193,327,645
Premiums	4 (a)	20,061,923	20,061,923	24,488,727	24,488,727
Surrenders	4 (b)	(16,720,546)	(16,720,546)	(36,610,683)	(36,610,683)
(Withdrawal)/ injection by Co-operative		(205,744,946)	-	12,121,956	-
Net (cancellation)/ creation		(202,403,569)	3,341,377	-	(12,121,956)
Net investment (loss)/ income		(135,682,176)	(57,260,806)	78,126,149	33,084,687
Management fees and other charges	4 (c)	(3,483,284)	(1,571,740)	(4,556,832)	(1,938,240)
		(341,569,029)	(55,491,169)	73,569,317	19,024,491
Value of fund at 31 December		156,860,967	156,860,967	498,429,996	212,352,136

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	Note	Trust Fund 2008		Trust Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		183,680,074	97,889,889	165,246,909	77,361,126
Premiums	4 (a)	6,596,697	6,596,697	36,194,527	36,194,527
Surrenders	4 (b)	(8,152,999)	(8,152,999)	(23,456,833)	(23,456,833)
Withdrawal by Co-operative		(63,522,714)	-	(12,737,694)	-
Net (cancellation)/ creation		(65,079,016)	(1,556,302)	-	12,737,694
Net investment (loss)/ income		(45,574,429)	(23,898,176)	20,181,307	8,661,167
Management fees and other charges	4 (c)	(1,325,786)	(734,568)	(1,748,142)	(870,098)
		(111,979,231)	(26,189,046)	18,433,165	20,528,763
Value of fund at 31 December		71,700,843	71,700,843	183,680,074	97,889,889

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2008

	Note	Enhanced Fund 2008		Enhanced Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		157,708,081	99,200,851	133,094,059	71,458,562
Premiums	4 (a)	9,462,469	9,462,469	33,906,128	33,906,128
Surrenders	4 (b)	(9,869,830)	(9,869,830)	(17,460,151)	(17,460,151)
Withdrawal by Co-operative Net (cancellation)/ creation		<u>(40,847,242)</u>	<u>-</u>	<u>(16,445,977)</u>	<u>-</u>
		(41,254,603)	(407,361)	-	16,445,977
Net investment (loss)/ income		(47,726,618)	(30,448,830)	26,073,612	12,081,914
Management fees and other charges	4 (c)	<u>(1,139,337)</u>	<u>(757,137)</u>	<u>(1,459,590)</u>	<u>(785,602)</u>
		<u>(90,120,558)</u>	<u>(31,613,328)</u>	<u>24,614,022</u>	<u>27,742,289</u>
Value of fund at 31 December		<u>67,587,523</u>	<u>67,587,523</u>	<u>157,708,081</u>	<u>99,200,851</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2008

	Note	Takaful Fund 2008		Takaful Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		73,180,873	27,834,926	62,699,857	29,774,467
Premiums	4 (a)	1,670,419	1,670,419	1,429,236	1,429,236
Surrenders	4 (b)	(1,738,560)	(1,738,560)	(8,081,395)	(8,081,395)
Injection by Co-operative		67,761	-	6,652,159	-
Net cancellation		(380)	(68,141)	-	(6,652,159)
Net investment (loss)/ income		(30,075,914)	(11,026,943)	11,111,257	4,975,616
Management fees and other charges	4 (c)	(578,961)	(213,330)	(630,241)	(262,998)
		<u>(30,655,255)</u>	<u>(11,308,414)</u>	<u>10,481,016</u>	<u>(1,939,541)</u>
Value of fund at 31 December		42,525,618	16,526,512	73,180,873	27,834,926

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For the financial year ended 31 December 2008

	Note	Global Equity Fund 2008		Global Equity Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		847,345,816	37,034,981	860,820,009	40,075,315
Premiums	4 (a)	3,761,050	3,761,050	8,792,286	8,792,286
Surrenders	4 (b)	(2,743,603)	(2,743,603)	(11,034,120)	(11,034,120)
(Withdrawal)/ injection by Co-operative		(98,796,252)	-	2,241,834	-
Net (cancellation)/ creation		(97,778,805)	1,017,447	-	(2,241,834)
Net investment (loss)/ income		(330,207,845)	(16,751,506)	308,460	(175,454)
Management fees and other charges	4 (c)	(7,811,357)	(367,455)	(13,782,653)	(623,046)
		<u>(435,798,007)</u>	<u>(16,101,514)</u>	<u>(13,474,193)</u>	<u>(3,040,334)</u>
Value of fund at 31 December		411,547,809	20,933,467	847,345,816	37,034,981

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	Note	Singapore Bond Fund 2008		Singapore Bond Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		1,614,359,441	21,949,949	1,405,959,186	18,732,385
Premiums	4 (a)	14,115,661	14,115,661	4,010,372	4,010,372
Surrenders	4 (b)	(4,713,347)	(4,713,347)	(1,719,117)	(1,719,117)
(Withdrawal)/ injection by Co-operative Net (cancellation)/ creation		(1,499,778,935)	-	157,708,745	-
		<u>(1,490,376,621)</u>	<u>9,402,314</u>	<u>160,000,000</u>	<u>2,291,255</u>
Net investment income		88,496,686	1,998,264	56,256,770	1,034,239
Management fees and other charges	4 (c)	(7,390,273)	(132,447)	(7,856,515)	(107,930)
		<u>(1,409,270,208)</u>	<u>11,268,131</u>	<u>208,400,255</u>	<u>3,217,564</u>
Value of fund at 31 December		<u>205,089,233</u>	<u>33,218,080</u>	<u>1,614,359,441</u>	<u>21,949,949</u>

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	Note	Technology Fund 2008		Technology Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		252,876,159	90,055,214	221,627,482	117,422,432
Premiums	4 (a)	6,005,951	6,005,951	5,944,592	5,944,592
Surrenders	4 (b)	(5,317,803)	(5,317,803)	(47,908,281)	(47,908,281)
(Withdrawal)/ injection by Co-operative		(672,218)	-	41,963,689	-
Net creation/ (cancellation)		15,930	688,148	-	(41,963,689)
Net investment (loss)/ income		(124,832,327)	(44,028,523)	34,881,382	16,141,002
Management fees and other charges	4 (c)	(2,077,991)	(739,341)	(3,632,705)	(1,544,531)
		<u>(126,894,388)</u>	<u>(44,079,716)</u>	<u>31,248,677</u>	<u>(27,367,218)</u>
Value of fund at 31 December		125,981,771	45,975,498	252,876,159	90,055,214

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	Note	Japan Equity Fund 2008		Japan Equity Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		17,561,821	6,558,271	20,602,724	15,038,701
Premiums	4 (a)	285,625	285,625	881,762	881,762
Surrenders	4 (b)	(2,423,372)	(2,423,372)	(8,002,059)	(8,002,059)
Injection by Co-operative		2,100,206	-	7,120,297	-
Net cancellation		(37,541)	(2,137,747)	-	(7,120,297)
Net investment loss		(5,184,017)	(1,874,089)	(2,737,807)	(1,208,445)
Management fees and other charges	4 (c)	(196,814)	(70,586)	(303,096)	(151,688)
		<u>(5,418,372)</u>	<u>(4,082,422)</u>	<u>(3,040,903)</u>	<u>(8,480,430)</u>
Value of fund at 31 December		12,143,449	2,475,849	17,561,821	6,558,271

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	Note	Europe Equity Fund 2008		Europe Equity Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		144,541,381	6,039,124	142,291,853	3,981,000
Premiums	4 (a)	430,499	430,499	3,615,975	3,615,975
Surrenders	4 (b)	(1,845,330)	(1,845,330)	(1,411,040)	(1,411,040)
Injection/ (withdrawal) by Co-operative		1,404,587	-	(2,204,935)	-
Net (cancellation)/ creation		(10,244)	(1,414,831)	-	2,204,935
Net investment (loss)/ income		(69,474,816)	(2,788,946)	4,205,255	(74,069)
Management fees and other charges	4 (c)	(1,374,461)	(55,314)	(1,955,727)	(72,742)
		<u>(70,859,521)</u>	<u>(4,259,091)</u>	<u>2,249,528</u>	<u>2,058,124</u>
Value of fund at 31 December		73,681,860	1,780,033	144,541,381	6,039,124

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	Note	Singapore Equity Fund 2008		Singapore Equity Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		1,084,950,072	88,504,329	896,796,258	18,451,891
Premiums	4 (a)	26,163,051	26,163,051	78,901,987	78,901,987
Surrenders	4 (b)	(9,671,683)	(9,671,683)	(12,074,004)	(12,074,004)
Withdrawal by Co-operative		(89,030,587)	-	(66,827,983)	-
Net (cancellation)/ creation		(72,539,219)	16,491,368	-	66,827,983
Net investment (loss)/ income		(483,230,710)	(46,667,074)	194,360,321	3,524,632
Management fees and other charges	4 (c)	(5,385,405)	(508,372)	(6,206,507)	(300,177)
		(561,155,334)	(30,684,078)	188,153,814	70,052,438
Value of fund at 31 December		523,794,738	57,820,251	1,084,950,072	88,504,329

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	Note	Global Bond Fund 2008		Global Bond Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		1,161,977,118	5,259,320	1,141,378,960	5,309,868
Premiums	4 (a)	932,299	932,299	1,388,387	1,388,387
Surrenders	4 (b)	(1,123,424)	(1,123,424)	(1,482,513)	(1,482,513)
(Withdrawal)/ injection by Co-operative		(333,699,190)	-	94,126	-
Net cancellation		(333,890,315)	(191,125)	-	(94,126)
Net investment (loss)/ income		(1,696,706)	(286,337)	31,824,298	105,676
Management fees and other charges	4 (c)	(8,641,909)	(51,190)	(11,226,140)	(62,098)
		(344,228,930)	(528,652)	20,598,158	(50,548)
Value of fund at 31 December		817,748,188	4,730,668	1,161,977,118	5,259,320

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	Note	Growth Fund 2008		Growth Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		283,072,007	276,979,731	250,885,500	221,229,540
Premiums	4 (a)	46,656,009	46,656,009	112,896,983	112,896,983
Surrenders	4 (b)	(27,822,317)	(27,822,317)	(60,352,178)	(60,352,178)
Withdrawal by Co-operative		(7,695)	-	(52,544,805)	-
Net creation		18,825,997	18,833,692	-	52,544,805
Net investment (loss)/ income		(93,044,445)	(87,108,062)	35,392,706	6,054,042
Management fees and other charges	4 (c)	(2,558,728)	(2,410,530)	(3,206,199)	(2,848,656)
		<u>(76,777,176)</u>	<u>(70,684,900)</u>	<u>32,186,507</u>	<u>55,750,191</u>
Value of fund at 31 December		206,294,831	206,294,831	283,072,007	276,979,731

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	Note	Balanced Fund 2008		Balanced Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		243,501,169	222,761,013	235,550,764	189,353,887
Premiums	4 (a)	27,375,307	27,375,307	73,490,455	73,490,455
Surrenders	4 (b)	(17,498,547)	(17,498,547)	(44,045,503)	(44,045,503)
Withdrawal by Co-operative		(15,788,386)	-	(29,444,952)	-
Net (cancellation)/ creation		(5,911,626)	9,876,760	-	29,444,952
Net investment (loss)/ income		(53,841,904)	(49,042,772)	10,662,630	6,152,703
Management fees and other charges	4 (c)	(2,027,281)	(1,874,643)	(2,712,225)	(2,190,529)
		(61,780,811)	(41,040,655)	7,950,405	33,407,126
Value of fund at 31 December		181,720,358	181,720,358	243,501,169	222,761,013

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	Note	Conservative Fund 2008		Conservative Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		68,824,050	14,171,274	66,902,069	12,659,877
Premiums	4 (a)	3,580,524	3,580,524	3,931,387	3,931,387
Surrenders	4 (b)	(1,651,832)	(1,651,832)	(2,678,781)	(2,678,781)
Withdrawal by Co-operative		(47,429,554)	-	(1,252,606)	-
Net (cancellation)/ creation		(45,500,862)	1,928,692	-	1,252,606
Net investment (loss)/ income		(8,719,047)	(1,867,717)	2,632,471	403,550
Management fees and other charges	4 (c)	(493,785)	(121,893)	(710,490)	(144,759)
		(54,713,694)	(60,918)	1,921,981	1,511,397
Value of fund at 31 December		14,110,356	14,110,356	68,824,050	14,171,274

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	Note	Amanah Bond Fund 2008		Amanah Bond Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		220,471,011	4,394,186	215,007,248	4,457,728
Premiums	4 (a)	99,117	99,117	2,209,742	2,209,742
Surrenders	4 (b)	(2,407,499)	(2,407,499)	(2,340,583)	(2,340,583)
(Withdrawal)/ injection by Co-operative		(37,699,672)	-	130,841	-
Net cancellation		(40,008,054)	(2,308,382)	-	(130,841)
Net investment income		484,411	24,534	7,266,374	109,736
Management fees and other charges	4 (c)	(1,527,237)	(23,843)	(1,802,611)	(42,437)
		(41,050,880)	(2,307,691)	5,463,763	(63,542)
Value of fund at 31 December		179,420,131	2,086,495	220,471,011	4,394,186

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	Note	Amanah Equity Fund 2008		Amanah Equity Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		255,875,091	17,277,145	234,341,415	22,068,110
Premiums	4 (a)	1,746,724	1,746,724	4,064,235	4,064,235
Surrenders	4 (b)	(5,362,928)	(5,362,928)	(10,500,174)	(10,500,174)
Injection by Co-operative		3,618,264	-	6,435,939	-
Net creation/ (cancellation)		2,060	(3,616,204)	-	(6,435,939)
Net investment (loss)/ income		(91,605,661)	(6,257,282)	24,062,194	1,835,758
Management fees and other charges	4 (c)	(2,170,947)	(148,844)	(2,528,518)	(190,784)
		<u>(93,774,548)</u>	<u>(10,022,330)</u>	<u>21,533,676</u>	<u>(4,790,965)</u>
Value of fund at 31 December		162,100,543	7,254,815	255,875,091	17,277,145

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	Note	Money Market Fund 2008		Money Market Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January		375,747,622	57,489,538	365,621,220	15,984,939
Premiums	4 (a)	43,673,223	43,673,223	61,489,763	61,489,763
Surrenders	4 (b)	(47,840,388)	(47,840,388)	(13,200,528)	(13,200,528)
Withdrawal by Co-operative		(321,628,564)	-	(48,289,235)	-
Net (cancellation)/ creation		(325,795,729)	(4,167,165)	-	48,289,235
Net investment income/ (loss)		4,957,875	1,087,252	11,059,656	(6,682,408)
Management fees and other charges	4 (c)	(665,887)	(165,744)	(933,254)	(102,228)
		(321,503,741)	(3,245,657)	10,126,402	41,504,599
Value of fund at 31 December		54,243,881	54,243,881	375,747,622	57,489,538

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Prime Fund 2008		Prime Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Equities		75,088,244	75,088,244	302,769,265	128,992,437
Debt securities		71,821,185	71,821,185	164,331,672	70,012,203
Financial derivatives	4 (e)	67,006	67,006	180,088	76,725
Other receivables and assets		779,781	779,781	1,292,975	550,862
Cash and cash equivalents		9,354,904	9,354,904	32,856,251	13,998,144
Total assets		157,111,120	157,111,120	501,430,251	213,630,371
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		250,153	250,153	3,000,255	1,278,235
Total liabilities		250,153	250,153	3,000,255	1,278,235
Value of fund		156,860,967	156,860,967	498,429,996	212,352,136
Units in Issue		36,505,076	36,505,076	84,550,117	36,021,907
Net assets per unit (bid price)		4.297	4.297	5.895	5.895

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Trust Fund 2008		Trust Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		35,362,187	35,362,187	109,064,971	58,124,747
Debt securities		31,302,318	31,302,318	61,002,735	32,510,608
Financial derivatives	4 (e)	30,918	30,918	68,721	36,624
Other receivables and assets		458,403	458,403	857,208	456,838
Cash and cash equivalents		4,655,664	4,655,664	13,829,665	7,370,339
Total assets		71,809,490	71,809,490	184,823,300	98,499,156
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		108,647	108,647	1,143,226	609,267
Total liabilities		108,647	108,647	1,143,226	609,267
Value of fund		71,700,843	71,700,843	183,680,074	97,889,889
Units in Issue		44,795,797	44,795,797	85,909,833	45,784,514
Net assets per unit (bid price)		1.601	1.601	2.138	2.138

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Enhanced Fund 2008		Enhanced Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		37,110,258	37,110,258	108,983,339	68,552,226
Debt securities		21,460,567	21,460,567	39,669,439	24,952,698
Financial derivatives	4 (e)	21,858	21,858	45,793	28,804
Other receivables and assets		207,088	207,088	476,987	300,032
Cash and cash equivalents		8,912,350	8,912,350	9,516,053	5,985,746
Total assets		67,712,121	67,712,121	158,691,611	99,819,506
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		124,598	124,598	983,530	618,655
Total liabilities		124,598	124,598	983,530	618,655
Value of fund		67,587,523	67,587,523	157,708,081	99,200,851
Units in issue		59,180,807	59,180,807	95,407,800	60,013,013
Net assets per unit (bid price)		1.142	1.142	1.653	1.653

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Takaful Fund 2008		Takaful Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		40,201,977	15,623,487	64,594,896	24,569,182
Debt securities		-	-	-	-
Financial derivatives	4 (e)	-	-	-	-
Other receivables and assets		57,328	22,279	179,912	68,431
Cash and cash equivalents		2,307,473	896,742	8,899,232	3,384,894
Total assets		42,566,778	16,542,508	73,674,040	28,022,507
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		41,160	15,996	493,167	187,581
Total liabilities		41,160	15,996	493,167	187,581
Value of fund		42,525,618	16,526,512	73,180,873	27,834,926
Units in Issue		97,390,666	37,848,424	97,390,666	37,043,309
Net assets per unit (bid price)		0.437	0.437	0.751	0.751

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Global Equity Fund 2008		Global Equity Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		410,792,425	20,895,044	838,233,073	36,636,690
Debt securities		-	-	-	-
Financial derivatives	4 (e)	-	-	3,399	149
Other receivables and assets		2,308,801	117,438	1,773,103	77,497
Cash and cash equivalents		11,962,622	608,481	15,951,250	697,182
Total assets		425,063,848	21,620,963	855,960,825	37,411,518
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	15	1
Other payables and liabilities		13,516,039	687,496	8,614,994	376,536
Total liabilities		13,516,039	687,496	8,615,009	376,537
Value of fund		411,547,809	20,933,467	847,345,816	37,034,981
Units in Issue		296,354,807	15,074,143	345,543,196	15,102,673
Net assets per unit (bid price)		1.389	1.389	2.452	2.452

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Singapore Bond Fund 2008		Singapore Bond Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		-	-	-	-
Debt securities		199,541,740	32,319,559	1,553,399,398	21,121,094
Financial derivatives	4 (e)	231,364	37,474	2,243,321	30,502
Other receivables and assets		64,113	10,384	10,171	138
Cash and cash equivalents		5,750,197	931,353	64,149,301	872,218
Total assets		205,587,414	33,298,770	1,619,802,191	22,023,952
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		498,181	80,690	5,442,750	74,003
Total liabilities		498,181	80,690	5,442,750	74,003
Value of fund		205,089,233	33,218,080	1,614,359,441	21,949,949
Units in issue		148,329,928	24,024,135	1,243,686,704	16,910,045
Net assets per unit (bid price)		1.383	1.383	1.298	1.298

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Technology Fund 2008		Technology Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		126,301,969	46,092,350	252,392,454	89,882,956
Debt securities		-	-	-	-
Financial derivatives	4 (e)	-	-	-	-
Other receivables and assets		119,671	43,672	1,417,081	504,656
Cash and cash equivalents		5,148,245	1,878,789	3,950,113	1,406,729
Total assets		131,569,885	48,014,811	257,759,648	91,794,341
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		5,588,114	2,039,313	4,883,489	1,739,127
Total liabilities		5,588,114	2,039,313	4,883,489	1,739,127
Value of fund		125,981,771	45,975,498	252,876,159	90,055,214
Units in Issue		929,904,820	339,357,992	929,904,820	331,161,126
Net assets per unit (bid price)		0.135	0.135	0.272	0.272

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Japan Equity Fund 2008		Japan Equity Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		11,377,229	2,319,630	17,094,016	6,383,574
Debt securities		-	-	-	-
Financial derivatives	4 (e)	-	-	-	-
Other receivables and assets		10,724	2,186	5,951	2,222
Cash and cash equivalents		984,748	200,774	639,374	238,767
Total assets		12,372,701	2,522,590	17,739,341	6,624,563
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		229,252	46,741	177,520	66,292
Total liabilities		229,252	46,741	177,520	66,292
Value of fund		12,143,449	2,475,849	17,561,821	6,558,271
Units in Issue		20,943,579	4,270,227	20,943,579	7,821,142
Net assets per unit (bid price)		0.580	0.580	0.839	0.839

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Europe Equity Fund 2008		Europe Equity Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		74,120,924	1,790,640	143,558,231	5,998,047
Debt securities		-	-	-	-
Financial derivatives	4 (e)	-	-	-	-
Other receivables and assets		85,950	2,076	211,928	8,854
Cash and cash equivalents		1,466,482	35,428	4,321,375	180,553
Total assets		75,673,356	1,828,144	148,091,534	6,187,454
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		1,991,496	48,111	3,550,153	148,330
Total liabilities		1,991,496	48,111	3,550,153	148,330
Value of fund		73,681,860	1,780,033	144,541,381	6,039,124
Units in Issue		120,214,971	2,904,182	120,214,971	5,022,736
Net assets per unit (bid price)		0.613	0.613	1.202	1.202

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Singapore Equity Fund 2008		Singapore Equity Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		516,815,225	57,049,802	1,022,873,451	83,440,456
Debt securities		-	-	-	-
Financial derivatives	4 (e)	-	-	-	-
Other receivables and assets		4,502,680	497,038	8,155,174	665,256
Cash and cash equivalents		2,809,010	310,079	58,598,508	4,780,148
Total assets		524,126,915	57,856,919	1,089,627,133	88,885,860
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		332,177	36,668	4,677,061	381,531
Total liabilities		332,177	36,668	4,677,061	381,531
Value of fund		523,794,738	57,820,251	1,084,950,072	88,504,329
Units in Issue		349,161,879	38,543,022	380,245,854	31,018,411
Net assets per unit (bid price)		1.500	1.500	2.853	2.853

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Global Bond Fund 2008		Global Bond Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		-	-	-	-
Debt securities		791,196,732	4,577,069	1,231,773,042	5,575,228
Financial derivatives	4 (e)	74,890,947	433,244	30,060,526	53,938
Other receivables and assets		30,535,455	176,647	80,573,457	364,690
Cash and cash equivalents		52,298,423	302,546	48,774,667	220,763
Total assets		948,921,557	5,489,506	1,391,181,692	6,214,619
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	65,938,799	381,456	18,675,899	2,409
Other payables and liabilities		65,234,570	377,382	210,528,675	952,890
Total liabilities		131,173,369	758,838	229,204,574	955,299
Value of fund		817,748,188	4,730,668	1,161,977,118	5,259,320
Units in Issue		725,945,895	4,199,594	1,026,879,116	4,647,841
Net assets per unit (bid price)		1.126	1.126	1.132	1.132

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Growth Fund 2008		Growth Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		135,947,559	135,947,559	196,061,508	191,841,872
Debt securities		67,504,722	67,504,722	85,150,573	83,317,963
Financial derivatives	4 (e)	3,832,373	3,832,373	1,523,099	1,490,319
Other receivables and assets		2,475,526	2,475,526	4,664,587	4,564,196
Cash and cash equivalents		7,106,411	7,106,411	8,858,527	8,667,874
Total assets		216,866,591	216,866,591	296,258,294	289,882,224
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	3,346,344	3,346,344	924,178	904,288
Other payables and liabilities		7,225,416	7,225,416	12,262,109	11,998,205
Total liabilities		10,571,760	10,571,760	13,186,287	12,902,493
Value of fund		206,294,831	206,294,831	283,072,007	276,979,731
Units in Issue		169,626,161	169,626,161	160,864,908	157,402,796
Net assets per unit (bid price)		1.216	1.216	1.760	1.760

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Balanced Fund 2008		Balanced Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		81,615,693	81,615,693	120,988,086	110,682,954
Debt securities		96,607,239	96,607,239	123,803,817	113,258,856
Financial derivatives	4 (e)	6,025,131	6,025,131	2,275,330	2,081,529
Other receivables and assets		3,005,846	3,005,846	6,379,834	5,836,434
Cash and cash equivalents		7,295,151	7,295,151	8,251,551	7,548,727
Total assets		194,549,060	194,549,060	261,698,618	239,408,500
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	5,270,853	5,270,853	1,384,204	1,266,305
Other payables and liabilities		7,557,849	7,557,849	16,813,245	15,381,182
Total liabilities		12,828,702	12,828,702	18,197,449	16,647,487
Value of fund		181,720,358	181,720,358	243,501,169	222,761,013
Units in Issue		148,410,550	148,410,550	155,708,762	142,446,306
Net assets per unit (bid price)		1.224	1.224	1.564	1.564

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Conservative Fund 2008		Conservative Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		3,997,230	3,997,230	20,941,127	4,311,900
Debt securities		9,782,857	9,782,857	49,003,256	10,090,056
Financial derivatives	4 (e)	626,752	626,752	902,008	185,730
Other receivables and assets		315,094	315,094	2,435,973	501,581
Cash and cash equivalents		606,242	606,242	2,514,876	517,828
Total assets		15,328,175	15,328,175	75,797,240	15,607,095
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	548,565	548,565	548,868	113,015
Other payables and liabilities		669,254	669,254	6,424,322	1,322,806
Total liabilities		1,217,819	1,217,819	6,973,190	1,435,821
Value of fund		14,110,356	14,110,356	68,824,050	14,171,274
Units in issue		11,725,431	11,725,431	50,000,000	10,295,283
Net assets per unit (bid price)		1.203	1.203	1.376	1.376

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Amanah Bond Fund 2008		Amanah Bond Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		-	-	-	-
Debt securities		173,140,484	2,013,468	207,989,567	4,145,419
Financial derivatives	4 (e)	-	-	-	-
Other receivables and assets		938	11	3,739	75
Cash and cash equivalents		9,002,249	104,688	14,079,753	280,622
Total assets		182,143,671	2,118,167	222,073,059	4,426,116
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	503,933	5,860	447,084	8,911
Other payables and liabilities		2,219,607	25,812	1,154,964	23,019
Total liabilities		2,723,540	31,672	1,602,048	31,930
Value of fund		179,420,131	2,086,495	220,471,011	4,394,186
Units in Issue		162,453,305	1,889,186	199,504,073	3,976,296
Net assets per unit (bid price)		1.104	1.104	1.105	1.105

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2008

	Note	Amanah Equity Fund 2008		Amanah Equity Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		164,571,208	7,365,390	255,308,139	17,238,863
Debt securities		-	-	-	-
Financial derivatives	4 (e)	-	-	-	-
Other receivables and assets		251,755	11,267	616,748	41,644
Cash and cash equivalents		868,567	38,873	2,341,429	158,098
Total assets		165,691,530	7,415,530	258,266,316	17,438,605
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		3,590,987	160,715	2,391,225	161,460
Total liabilities		3,590,987	160,715	2,391,225	161,460
Value of fund		162,100,543	7,254,815	255,875,091	17,277,145
Units in Issue		203,025,218	9,086,502	203,025,218	13,708,624
Net assets per unit (bid price)		0.798	0.798	1.260	1.260

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS
As at 31 December 2008

	Note	Money Market Fund 2008		Money Market Fund 2007	
		Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
ASSETS					
Financial assets					
Equities		-	-	-	-
Debt securities		52,666,841	52,666,841	378,805,468	57,957,389
Financial derivatives	4 (e)	-	-	-	-
Other receivables and assets		1,081,417	1,081,417	5,674	868
Cash and cash equivalents		5,861,189	5,861,189	631,506	96,621
Total assets		59,609,447	59,609,447	379,442,648	58,054,878
LIABILITIES					
Financial liabilities					
Financial derivatives	4 (e)	-	-	-	-
Other payables and liabilities		5,365,566	5,365,566	3,695,026	565,340
Total liabilities		5,365,566	5,365,566	3,695,026	565,340
Value of fund		54,243,881	54,243,881	375,747,622	57,489,538
Units in Issue		49,614,568	49,614,568	348,402,711	53,305,740
Net assets per unit (bid price)		1.093	1.093	1.078	1.078

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

These notes form an integral part of the financial statements.

1 General

The NTUC Income Funds of NTUC Income Insurance Co-operative Limited ("NTUC Income") comprise:

	Launch Date	
Prime Fund	2 August 1973	
Trust Fund	1 May 1994	
Enhanced Fund	1 September 1995	
Takaful Fund	1 September 1995	
Global Equity Fund	1 April 1999	Core Fund
Singapore Bond Fund	1 March 2000	Core Fund
Technology Fund	1 August 2000	
Japan Equity Fund	1 August 2000	
Europe Equity Fund	1 August 2000	
Singapore Equity Fund	2 January 2003	Core Fund
Global Bond Fund	2 January 2003	Core Fund
Growth Fund	2 January 2003	Combined Fund
Balanced Fund	2 January 2003	Combined Fund
Conservative Fund	2 January 2003	Combined Fund
Amanah Bond Fund	25 May 2005	
Amanah Equity Fund	25 May 2005	
Money Market Fund	1 May 2006	

A policyholder may invest directly in any of the above Funds. The Combined Funds only invest in units issued by the Core Funds.

Prime Fund

The Prime Fund is an open ended investment linked fund that invests in the equity markets of Singapore, Hong Kong and Thailand as well as regional bonds. The fund is managed by NTUC Income.

Trust Fund

The Trust Fund is an open ended investment linked fund that invests in Singapore equities and bonds. The fund is managed by NTUC Income.

Enhanced Fund

The Enhanced Fund is an open ended investment linked fund that invests in Singapore bonds and the equity markets of Singapore, Hong Kong and Thailand. The fund is managed by NTUC Income.

**NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

1 General (cont'd)

Takaful Fund

The Takaful Fund is an open ended investment linked fund that invests in a diversified global portfolio of equities of companies whose businesses are in compliance with Islamic guidelines. Approximately 48% (2007: 49%) of the fund is managed internally by NTUC Income, while approximately 52% (2007: 51%) of the fund is invested into Hegira Global Equity Fund, which is an Islamic Fund managed by Wellington International Management Company.

Global Equity Fund (Core Fund)

The Global Equity Fund is an open ended investment linked fund that invests in global equities. The fund is jointly managed by Capital International Management, MFS Investment Management and AllianceBernstein.

Singapore Bond Fund (Core Fund)

The Singapore Bond Fund is an open ended investment linked fund that invests in Singapore dollar denominated corporate and sovereign bonds. The fund is managed by NTUC Income.

Technology Fund

The Technology Fund is an open ended investment linked fund that invests in technology-related equities globally. The fund is jointly managed by the Trust Company of the West (TCW), Baron Capital and Columbia Management.

Japan Equity Fund

The Japan Equity Fund is an open ended investment linked fund that invests in Japanese equities. The fund is managed by UOB Asset Management.

Europe Equity Fund

The Europe Equity Fund is an open ended investment linked fund that invests in European equities. The fund is managed by State Street Global Advisors.

Singapore Equity Fund (Core Fund)

The Singapore Equity Fund is an open ended investment linked fund that invests in Singapore equities. Approximately 67% (2007: 65%) of the fund is invested into StreetTracks Straits Times Index Fund, which is managed by State Street Global Advisors. The balance of the fund is jointly managed by NTUC Income and DBS Asset Management.

**NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008**

1 General (cont'd)

Global Bond Fund (Core Fund)

The Global Bond Fund is an open ended investment linked fund that invests in global government bonds, corporate bonds, mortgage-backed securities and asset-backed securities. The fund is jointly managed by Fischer Francis, PIMCO and Wellington Management Company.

Growth Fund (Combined Fund)

The Growth Fund is an open ended investment linked fund that invests in NTUC Income's Core Funds in the following proportions: Singapore Equity Fund (15%), Global Equity Fund (55%), Singapore Bond Fund (10%) and Global Bond Fund (20%).

Balanced Fund (Combined Fund)

The Balanced Fund is an open ended investment linked fund that invests in NTUC Income's Core Funds in the following proportions: Singapore Equity Fund (10%), Global Equity Fund (40%), Singapore Bond Fund (15%) and Global Bond Fund (35%).

Conservative Fund (Combined Funds)

The Conservative Fund is an open ended investment linked fund that invests in NTUC Income's Core Funds in the following proportions: Singapore Equity Fund (5%), Global Equity Fund (25%), Singapore Bond Fund (20%) and Global Bond Fund (50%).

Amanah Bond Fund

The Amanah Bond Fund is an open ended investment linked fund that invests in a diversified global portfolio of fixed income instruments that are in compliance with Islamic guidelines. The fund is jointly managed by RHB Asset Management Sdn Bhd and CIMB-Principal Asset Management Berhad.

Amanah Equity Fund

The Amanah Equity Fund is an open ended investment linked fund that invests in a diversified global portfolio of equities of companies whose businesses are in compliance with Islamic guidelines. The fund is managed by State Street Global Advisors.

Money Market Fund

The Money Market Fund is an open ended investment linked fund that invests in short-term fixed income instruments to achieve a return that is better than short-term deposits while maintaining liquidity and security of capital.

**NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008**

1 General (cont'd)

Previously, NTUC Income has direct holdings in each NTUC Income Fund. During the financial year ended 31 December 2008, NTUC Income has redeemed its direct holdings from the following NTUC Income Funds:

Balanced Fund, Conservative Fund, Growth Fund, Enhanced Fund, Prime Fund, Trust Fund, Money Market Fund and Singapore Bond Fund.

2 Significant Accounting Policies

(a) Basis of preparation

The financial statements of the NTUC Income Funds, which are expressed in Singapore dollars, have been prepared on the historical cost basis, except for investments and derivatives which are stated at fair value.

(b) Recognition of income and expenses

Dividend income is recognized when the right to receive payment is established.

Interest income on bank deposits is recognized on a time-proportionate basis using the effective interest method.

Expenses are recognised on an accrual basis.

(c) Investments

All purchases of investments are recognised on their trade dates, the date the commitment exists to purchase the investments. The investments are initially recorded at fair value, being the consideration given and excluding acquisition charges associated with the investments. After initial recognition, the unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account. The bid price has been adopted for all investments. Unquoted fixed income securities are valued at bid prices quoted by banks, inclusive of accrued interest.

(d) Realised gains/losses from sale of investments

All sales of investments are recognised on their trade dates, the date the fund commits to sell the investments.

Realised gains/losses from the sale of investments are taken to the Capital and Income Account.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

2 Significant Accounting Policies (cont'd)

(e) Foreign currency transactions

Foreign currency transactions are translated into Singapore dollars at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date.

Foreign currency differences are recognised in the Capital and Income Account.

(f) Derivative financial instruments

Derivative financial instruments are measured at initial recognition, and subsequently, at fair value and changes in fair value are recognised in the Capital and Income Account. Transaction costs incurred in buying and selling derivative instruments are recognised in the Capital and Income Account when incurred. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The fair value of a derivative financial instrument is determined by reference to its quoted price if quoted prices are regularly available from an exchange, dealer, or broker and there are regularly recurring market transactions in the instrument.

3 Net Asset Value, Units in Issue and Net Asset Value per unit

For the purpose of the per unit Net Asset Value ("NAV") calculation for issuance and redemption of units, investments are stated at the last available-traded price. In accordance with the accounting policies of the Funds, the investments are valued at current bid prices.

The effect of the changes on the NAV of each Fund in relation to the change in valuation basis from last known traded price to bid price at the balance sheet date is given below:

<i>Prime Fund</i>	S\$	Units in Issue	NAV per unit (S\$)
NAV (at last done price)	157,305,160	36,505,076	4.309
Less: Effect of adopting bid prices as fair value	(444,193)		
NAV (at bid price)	<u>156,860,967</u>		

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

3 Net Asset Value, Units in Issue and Net Asset Value per unit (continued)

<i>Trust Fund</i>	S\$	Units in Issue	NAV per unit (S\$)
NAV (at last done price)	71,827,724	44,795,797	1.603
Less: Effect of adopting bid prices as fair value	(126,881)		
NAV (at bid price)	<u>71,700,843</u>		
 <i>Enhanced Fund</i>	 S\$		
NAV (at last done price)	67,832,189	59,180,807	1.146
Less: Effect of adopting bid prices as fair value	(244,666)		
NAV (at bid price)	<u>67,587,523</u>		
 <i>Takaful Fund</i>	 S\$		
NAV (at last done price)	42,552,676	97,390,666	0.437
Less: Effect of adopting bid prices as fair value	(27,058)		
NAV (at bid price)	<u>42,525,618</u>		
 <i>Global Equity Fund</i>	 S\$		
NAV (at last done price)	412,393,650	296,354,807	1.392
Less: Effect of adopting bid prices as fair value	(845,841)		
NAV (at bid price)	<u>411,547,809</u>		
 <i>Singapore Bond Fund</i>	 S\$		
NAV (at last done price)	205,089,233	148,329,928	1.383
Less: Effect of adopting bid prices as fair value	-		
NAV (at bid price)	<u>205,089,233</u>		

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

3 Net Asset Value, Units in Issue and Net Asset Value per unit (continued)

	S\$	Units in Issue	NAV per unit (S\$)
Technology Fund			
NAV (at last done price)	126,241,418	929,904,820	0.136
Less: Effect of adopting bid prices as fair value	(259,647)		
NAV (at bid price)	<u>125,981,771</u>		
Japan Equity Fund			
NAV (at last done price)	12,173,631	20,943,579	0.581
Less: Effect of adopting bid prices as fair value	(30,182)		
NAV (at bid price)	<u>12,143,449</u>		
Europe Equity Fund			
NAV (at last done price)	73,933,855	120,214,971	0.615
Less: Effect of adopting bid prices as fair value	(251,995)		
NAV (at bid price)	<u>73,681,860</u>		
Singapore Equity Fund			
NAV (at last done price)	524,331,844	349,161,879	1.502
Less: Effect of adopting bid prices as fair value	(537,106)		
NAV (at bid price)	<u>523,794,738</u>		
Global Bond Fund			
NAV (at last done price)	817,748,188	725,945,895	1.126
Less: Effect of adopting bid prices as fair value	-		
NAV (at bid price)	<u>817,748,188</u>		

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

3 Net Asset Value, Units in Issue and Net Asset Value per unit (continued)

	S\$	Units in Issue	NAV per unit (S\$)
Growth Fund			
NAV (at last done price)	206,587,404	169,626,161	1.218
Less: Effect of adopting bid prices as fair value	(292,573)		
NAV (at bid price)	<u>206,294,831</u>		
Balanced Fund			
NAV (at last done price)	181,888,569	148,410,550	1.226
Less: Effect of adopting bid prices as fair value	(168,211)		
NAV (at bid price)	<u>181,720,358</u>		
Conservative Fund			
NAV (at last done price)	14,117,852	11,725,431	1.204
Less: Effect of adopting bid prices as fair value	(7,496)		
NAV (at bid price)	<u>14,110,356</u>		
Amanah Bond Fund			
NAV (at last done price)	179,420,131	162,453,305	1.104
Less: Effect of adopting bid prices as fair value	-		
NAV (at bid price)	<u>179,420,131</u>		
Amanah Equity Fund			
NAV (at last done price)	162,373,099	203,025,218	0.800
Less: Effect of adopting bid prices as fair value	(272,556)		
NAV (at bid price)	<u>162,100,543</u>		

**NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008**

3 Net Asset Value, Units in Issue and Net Asset Value per unit (continued)

<i>Money Market Fund</i>	S\$	Units in Issue	NAV per unit (S\$)
NAV (at last done price)	54,243,881	49,614,568	1.093
Less: Effect of adopting bid prices as fair value	-		
NAV (at bid price)	<u>54,243,881</u>		

4 Other notes on Investment-Linked Policies

(a) Premiums

Premiums represent the net amount received from the policyholder less initial charges (including the bid-offer spread) and for the purchase of units in the NTUC Income Funds.

(b) Surrenders

Surrenders represent the net asset values (bid price) of the units paid to policyholders when they surrender their unit-linked policies.

(c) Fees and charges

Management fees

The annual management charges for each Fund are accrued on a daily basis and payable to the Life Insurance Par Fund.

The annual management charges payable to the Life Insurance Par Fund include the risk premium to provide for a minimum guaranteed benefit payments exceeding the net asset value of the policy upon death of the policyholder.

Policy fees

An initial policy fee is deducted for administration and policy setup costs.

An annual renewal policy is deducted at each policy anniversary. It is waived if the net premium paid exceeds a specific amount, currently set at S\$8,000. The net premium is the sum of all premiums paid less total withdrawals less total rider premiums paid.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

4 Other notes on Investment-Linked Policies (continued)

Advisory fee

For regular premium investment linked policy, an advisory fee is charged to policyholders to cover the commission paid to advisors. The advisory fee is deducted on the policy anniversary date from the policyholder's fund balance.

The advisory fee for regular premium investment linked policies offered by the Co-operative are as follows:

Regular premium investment linked policies	Advisory fees
Ideal Plan (ID2)	15% (of the annualised regular premiums for the first three year)
Ideal Plan (ID6)	20% (of the monthly premium for the first three years)

(d) Taxation

No provision for taxation is made in the financial statements as NTUC Income Insurance Co-operative is exempt from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Cap. 134.

(e) Derivative financial instruments

Derivative contracts are entered for the purposes of hedging foreign currency and interest risk exposures and efficient portfolio management. The derivative contracts traded include foreign exchange forward contracts, interest rate swaps, currency swaps and currency options.

	Notional Amount S\$	Fair Value Receivable S\$	Payable S\$
As at 31 December 2008			
<i>Prime Fund</i>			
Cross Currency Swap	421,481	67,006	-
<i>Trust Fund</i>			
Cross Currency Swap	194,484	30,918	-
<i>Enhanced Fund</i>			
Cross Currency Swap	137,493	21,858	-

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

4 Other notes on Investment-Linked Policies (continued)

(e) Derivative financial instruments (continued)

	Notional Amount S\$	Fair Value	
		Receivable S\$	Payable S\$
<u>As at 31 December 2008</u>			
<i>Singapore Bond Fund</i>			
Cross Currency Swap	1,455,338	231,364	-
<i>Global Bond Fund</i>			
Forward Foreign Exchange Contracts	1,384,992,382	36,584,308	29,445,045
Interest Rate Swaps	1,025,603,322	36,986,340	36,262,496
Options	51,700,000	1,320,299	231,258
<i>Growth Fund</i>			
Forward Foreign Exchange Contracts	70,287,318	1,856,626	1,494,314
Interest Rate Swaps	52,048,594	1,877,029	1,840,294
Options	2,623,735	67,004	11,736
Cross Currency Swaps	199,490	31,714	-
<i>Balanced Fund</i>			
Forward Foreign Exchange Contracts	110,710,108	2,924,386	2,353,705
Interest Rate Swaps	81,982,151	2,956,523	2,898,662
Options	4,132,667	105,539	18,486
Cross Currency Swaps	243,326	38,683	-
<i>Conservative Fund</i>			
Forward Foreign Exchange Contracts	11,522,183	304,356	244,962
Interest Rate Swaps	8,532,313	307,701	301,679
Options	430,108	10,984	1,924
Cross Currency Swaps	23,344	3,711	-
<i>Amanah Bond Fund</i>			
Forward Foreign Exchange Contracts	158,000,000	-	503,933

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

4 Other notes on Investment-Linked Policies (continued)

(e) Derivative financial instruments

	Notional Amount S\$	Fair Value	
		Receivable S\$	Payable S\$
<u>As at 31 December 2007</u>			
<i>Prime Fund</i>			
Cross Currency Swap	963,329	180,088	-
<i>Trust Fund</i>			
Cross Currency Swap	367,601	68,721	-
<i>Enhanced Fund</i>			
Cross Currency Swap	244,955	45,793	-
<i>Global Equity Fund</i>			
Forward Foreign Exchange Contracts	257,082	3,399	15
<i>Singapore Bond Fund</i>			
Cross Currency Swap	12,000,000	2,243,321	-
<i>Global Bond Fund</i>			
Forward Foreign Exchange Contracts	2,580,096,330	22,946,211	11,029,329
Interest Rate Swaps	1,254,760,580	7,114,315	7,646,570
<i>Growth Fund</i>			
Forward Foreign Exchange Contracts	127,722,319	1,136,105	545,788
Interest Rate Swaps	62,091,731	352,051	378,390
Cross Currency Swaps	186,917	34,943	-
<i>Balanced Fund</i>			
Forward Foreign Exchange Contracts	191,258,298	1,701,091	817,463
Interest Rate Swaps	92,999,139	527,292	566,741
Cross Currency Swaps	251,128	46,947	-
<i>Conservative Fund</i>			
Forward Foreign Exchange Contracts	75,831,824	674,436	324,142
Interest Rate Swaps	36,876,246	209,083	224,726
Cross Currency Swaps	98,900	18,489	-
<i>Amanah Bond Fund</i>			
Forward Foreign Exchange Contracts	196,000,000	-	447,084

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

5 Events occurring after balance sheet date

Amanah Bond Fund, Amanah Equity Fund, Japan Equity Fund and Europe Equity Fund are terminated in March 2009. Notice of the terminations and options for the policyholders has been sent to the policyholders in December 2008. There is no impact to the financial statements for the financial year ended 31 December 2008 of these four funds.

6 Comparatives

Previously, in the Capital and Income Account of each fund, premiums and surrenders from direct ILP policyholders are presented only in the column under ILP Policyholders. For the financial year ended 31 December 2008, such premiums and surrenders are also presented in the Fund Total column of the Capital and Income Account. The comparatives of all the Funds have been amended accordingly. There is no impact to the value of each Fund as at 31 December 2007 arising from the amendments.