

NTUC INCOME INSURANCE
CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

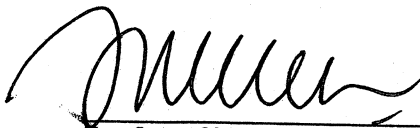
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**NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS**

STATEMENT BY DIRECTORS

On behalf of the Board, the financial statements set out on pages 4 to 52 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 2010 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, **22 MAR 2011**

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

We have audited the accompanying 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 52, which comprise the Balance Sheets as at 31 December 2010, 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, and for 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, that transactions are properly authorised and that they are recorded as necessary to permit the preparation and fair presentation of the capital and income accounts and balance sheets and to maintain accountability of assets.

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.

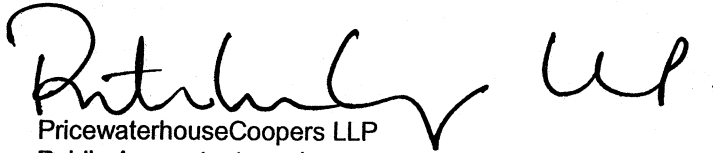
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 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 THE MEMBERS OF NTUC INCOME
INSURANCE CO-OPERATIVE LIMITED – NTUC INCOME FUNDS**
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the state of affairs of the respective NTUC Income Funds as at 31 December 2010, and the movements in their respective net assets for the year then ended in accordance with the accounting policies set out in Note 2.



PricewaterhouseCoopers LLP
Public Accountants and
Certified Public Accountants

Singapore, 22 MAR 2011

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | Note | Prime Fund 2010 S\$ | Prime Fund 2009 S\$ |
|-----------------------------------|-------|---------------------------|---------------------------|
| Value of fund at 1 January | | 219,322,109 | 156,860,967 |
| Premiums | 4 (a) | 13,856,600 | 12,319,604 |
| Surrenders | 4 (b) | (21,413,493) | (11,187,740) |
| Net (cancellation) / creation | | (7,556,893) | 1,131,864 |
| Net investment income | | 15,907,122 | 62,576,797 |
| Management fees and other charges | 4 (c) | (1,388,371) | (1,247,519) |
| | | 6,961,858 | 62,461,142 |
| Value of fund at 31 December | | 226,283,967 | 219,322,109 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | | Singapore Managed Fund | Singapore Managed Fund |
|-----------------------------------|-------------|-------------------------------|-------------------------------|
| | | 2010 | 2009 |
| | Note | S\$ | S\$ |
| Value of fund at 1 January | | 101,345,457 | 71,700,843 |
| Premiums | 4 (a) | 8,355,670 | 5,677,938 |
| Surrenders | 4 (b) | (14,049,552) | (6,212,110) |
| Net cancellation | | (5,693,882) | (534,172) |
| Net investment income | | 8,187,337 | 30,771,273 |
| Management fees and other charges | 4 (c) | (663,672) | (592,487) |
| | | 1,829,783 | 29,644,614 |
| Value of fund at 31 December | | 103,175,240 | 101,345,457 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | | Asia Managed Fund | Asia Managed Fund |
|-----------------------------------|-------------|--------------------------|--------------------------|
| | | 2010 | 2009 |
| | Note | S\$ | S\$ |
| Value of fund at 1 January | | 96,834,800 | 67,587,523 |
| Premiums | 4 (a) | 9,914,347 | 4,819,066 |
| Surrenders | 4 (b) | (14,765,342) | (6,219,633) |
| Net cancellation | | (4,850,995) | (1,400,567) |
| Net investment income | | 11,540,251 | 31,270,081 |
| Management fees and other charges | 4 (c) | (594,778) | (622,237) |
| | | <u>6,094,478</u> | <u>29,247,277</u> |
| Value of fund at 31 December | | <u>102,929,278</u> | <u>96,834,800</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | | Takaful Fund | Takaful Fund |
|-----------------------------------|-------------|---------------------|---------------------|
| | | 2010 | 2009 |
| | Note | S\$ | S\$ |
| Value of fund at 1 January | | 26,518,363 | 42,525,618 |
| Premiums | 4 (a) | 559,757 | 3,475,895 |
| Surrenders | 4 (b) | (3,234,638) | (1,813,651) |
| Withdrawal by Co-operative | | - | (24,156,022) |
| Net cancellation | | (2,674,881) | (22,493,778) |
| Net investment income | | 1,943,559 | 6,754,335 |
| Management fees and other charges | 4 (c) | (255,730) | (267,812) |
| | | (987,052) | (16,007,255) |
| Value of fund at 31 December | | 25,531,311 | 26,518,363 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | | Global Equity Fund 2010 | Global Equity Fund 2009 |
|-----------------------------------|-------|----------------------------|----------------------------|
| | Note | S\$ | S\$ |
| Value of fund at 1 January | | 284,367,167 | 411,547,809 |
| Premiums | 4 (a) | 10,642,053 | 52,522,803 |
| Surrenders | 4 (b) | (25,176,194) | (34,022,945) |
| Withdrawal by Co-operative | | - | (199,438,346) |
| Net cancellation | | (14,534,141) | (180,938,488) |
| Net investment income | | 758,698 | 57,067,712 |
| Management fees and other charges | 4 (c) | (3,125,608) | (3,309,866) |
| | | (16,901,051) | (127,180,642) |
| Value of fund at 31 December | | 267,466,116 | 284,367,167 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | | Singapore Bond Fund | Singapore Bond Fund |
|-----------------------------------|-------------|----------------------------|----------------------------|
| | | 2010 | 2009 |
| | Note | S\$ | S\$ |
| Value of fund at 1 January | | 208,380,620 | 205,089,233 |
| Premiums | 4 (a) | 25,601,637 | 35,040,926 |
| Surrenders | 4 (b) | (13,872,077) | (34,071,944) |
| Net creation | | 11,729,560 | 968,982 |
| Net investment income | | 9,331,127 | 3,312,963 |
| Management fees and other charges | 4 (c) | (1,127,962) | (990,558) |
| | | 19,932,725 | 3,291,387 |
| Value of fund at 31 December | | 228,313,345 | 208,380,620 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | | Global Technology Fund 2010 S\$ | Global Technology Fund 2009 S\$ |
|-----------------------------------|-------------|--|--|
| | Note | | |
| Value of fund at 1 January | | 74,849,831 | 125,981,771 |
| Premiums | 4 (a) | 2,412,473 | 3,257,571 |
| Surrenders | 4 (b) | (13,254,579) | (5,268,500) |
| Withdrawal by Co-operative | | - | (85,626,292) |
| Net cancellation | | (10,842,106) | (87,637,221) |
| Net investment income | | 13,951,753 | 37,388,721 |
| Management fees and other charges | 4 (c) | (923,609) | (883,440) |
| | | 2,186,038 | (51,131,940) |
| Value of fund at 31 December | | 77,035,869 | 74,849,831 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | | Singapore Equity Fund 2010 S\$ | Singapore Equity Fund 2009 S\$ |
|-------------------------------------|-------------|---|---|
| | Note | | |
| Value of fund at 1 January | | 197,823,137 | 523,794,738 |
| Premiums | 4 (a) | 36,663,500 | 39,273,196 |
| Surrenders | 4 (b) | (32,630,589) | (12,366,431) |
| Withdrawal by Co-operative | | - | (398,902,740) |
| Net creation / (cancellation) | | 4,032,911 | (371,995,975) |
| Net investment income | | 22,726,848 | 47,340,167 |
| Management fees and other charges | 4 (c) | (1,265,179) | (1,315,793) |
| | | 25,494,580 | (325,971,601) |
| Value of fund at 31 December | | 223,317,717 | 197,823,137 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | | Global Bond Fund 2010 S\$ | Global Bond Fund 2009 S\$ |
|-----------------------------------|-------------|--|--|
| | Note | | |
| Value of fund at 1 January | | 128,275,746 | 817,748,188 |
| Premiums | 4 (a) | 8,198,211 | 6,357,274 |
| Surrenders | 4 (b) | (13,523,913) | (4,666,605) |
| Withdrawal by Co-operative | | - | (692,856,036) |
| Net cancellation | | (5,325,702) | (691,165,367) |
| Net investment income | | 10,397,756 | 4,045,258 |
| Management fees and other charges | 4 (c) | (1,118,046) | (2,352,333) |
| | | 3,954,008 | (689,472,442) |
| Value of fund at 31 December | | 132,229,754 | 128,275,746 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2010

| | | Global Managed Fund (Growth) 2010 S\$ | Global Managed Fund (Growth) 2009 S\$ |
|-------------------------------|-------|--|--|
| | Note | | |
| Value of fund at 1 January | | 277,462,480 | 206,294,831 |
| Premiums | 4 (a) | 23,152,519 | 32,082,492 |
| Surrenders | 4 (b) | (37,194,347) | (16,327,420) |
| Net (cancellation) / creation | | (14,041,828) | 15,755,072 |
| Net investment income | | 8,288,189 | 55,412,577 |
| | | (5,753,639) | 71,167,649 |
| Value of fund at 31 December | | 271,708,841 | 277,462,480 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2010

| | | Global Managed Fund (Balanced) 2010 S\$ | Global Managed Fund (Balanced) 2009 S\$ |
|------------------------------|-------|--|--|
| | Note | | |
| Value of fund at 1 January | | 216,729,088 | 181,720,358 |
| Premiums | 4 (a) | 8,012,880 | 11,606,992 |
| Surrenders | 4 (b) | (24,951,462) | (11,731,212) |
| Net cancellation | | (16,938,582) | (124,220) |
| Net investment income | | 7,793,202 | 35,132,950 |
| | | (9,145,380) | 35,008,730 |
| Value of fund at 31 December | | 207,583,708 | 216,729,088 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | | Global Managed Fund (Conservative) | Global Managed Fund (Conservative) |
|------------------------------|-------------|---|---|
| | | 2010 | 2009 |
| | Note | S\$ | S\$ |
| Value of fund at 1 January | | 15,263,146 | 14,110,356 |
| Premiums | 4 (a) | 920,974 | 1,308,322 |
| Surrenders | 4 (b) | (2,142,405) | (1,989,452) |
| Net cancellation | | (1,221,431) | (681,130) |
| Net investment income | | 662,533 | 1,833,920 |
| | | (558,898) | 1,152,790 |
| Value of fund at 31 December | | 14,704,248 | 15,263,146 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2010

| | | Money Market Fund 2010 S\$ | Money Market Fund 2009 S\$ |
|-----------------------------------|-------|----------------------------------|----------------------------------|
| | Note | | |
| Value of fund at 1 January | | 45,910,291 | 54,243,881 |
| Premiums | 4 (a) | 43,095,167 | 13,825,945 |
| Surrenders | 4 (b) | (48,755,696) | (22,018,426) |
| Net cancellation | | (5,660,529) | (8,192,481) |
| Net investment income / (loss) | | 715,484 | (15,415) |
| Management fees and other charges | 4 (c) | (110,490) | (125,694) |
| | | (5,055,535) | (8,333,590) |
| Value of fund at 31 December | | 40,854,756 | 45,910,291 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2010

| | | Aim Now Fund |
|-------------------------------------|-------------|--------------------------|
| | | 2010 |
| | Note | S\$ |
| Premiums | 4 (a) | 14,466,840 |
| Surrenders | 4 (b) | (1,023,803) |
| Net creation | | <u>13,443,037</u> |
| Net investment income | | 88,246 |
| Management fees and other charges | 4 (c) | (36,895) |
| | | <u>13,494,388</u> |
| Value of fund at 31 December | | <u>13,494,388</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | Note | Aim 2015 Fund 2010 S\$ |
|-----------------------------------|-------|------------------------------|
| Premiums | 4 (a) | 1,787,884 |
| Surrenders | 4 (b) | <u>(161,807)</u> |
| Net creation | | 1,626,077 |
| Net investment income | | 112,338 |
| Management fees and other charges | 4 (c) | <u>(9,536)</u> |
| | | <u>1,728,879</u> |
| Value of fund at 31 December | | <u>1,728,879</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | | Aim 2025 Fund |
|-------------------------------------|-------------|-------------------------|
| | | 2010 |
| | Note | S\$ |
| Premiums | 4 (a) | 3,619,660 |
| Surrenders | 4 (b) | (159,131) |
| Net creation | | <u>3,460,529</u> |
| Net investment income | | 238,151 |
| Management fees and other charges | 4 (c) | (25,935) |
| | | <u>3,672,745</u> |
| Value of fund at 31 December | | <u>3,672,745</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | Note | Aim 2035 Fund 2010 S\$ |
|-----------------------------------|-------|------------------------------|
| Premiums | 4 (a) | 6,827,790 |
| Surrenders | 4 (b) | <u>(804,701)</u> |
| Net creation | | 6,023,089 |
| Net investment income | | 363,859 |
| Management fees and other charges | 4 (c) | <u>(42,081)</u> |
| | | <u>6,344,867</u> |
| Value of fund at 31 December | | <u>6,344,867</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2010

| | Note | Aim 2045 Fund 2010 S\$ |
|-----------------------------------|-------|------------------------------|
| Premiums | 4 (a) | 6,564,381 |
| Surrenders | 4 (b) | (1,517,264) |
| Net creation | | <u>5,047,117</u> |
| Net investment income | | 713,950 |
| Management fees and other charges | 4 (c) | (48,598) |
| | | <u>5,712,469</u> |
| Value of fund at 31 December | | <u>5,712,469</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | | Prime Fund 2010 S\$ | Prime Fund 2009 S\$ |
|--|-------|---------------------------|---------------------------|
| | Note | | |
| ASSETS | | | |
| Equities | | 225,072,543 | 217,292,539 |
| Debt securities | | 139,385 | 1,170,179 |
| Financial derivatives | 4 (e) | - | - |
| Other receivables and assets | | 374,179 | 621,114 |
| Cash and cash equivalents | | 1,595,523 | 762,975 |
| Total assets | | 227,181,630 | 219,846,807 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | - | - |
| Other payables and liabilities | | 897,663 | 524,698 |
| Total liabilities | | 897,663 | 524,698 |
| Value of fund | | 226,283,967 | 219,322,109 |
| Units in Issue | | 35,448,416 | 36,698,700 |
| Net assets per unit (bid price) | | 6.383 | 5.976 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | | Singapore Managed Fund 2010 S\$ | Singapore Managed Fund 2009 S\$ |
|--|-------|---------------------------------------|---------------------------------------|
| | Note | | |
| ASSETS | | | |
| Financial assets | | | |
| Equities | | 101,067,188 | 97,850,780 |
| Debt securities | | 726,307 | 3,339,152 |
| Financial derivatives | 4 (e) | - | - |
| Other receivables and assets | | 537,689 | 709,696 |
| Cash and cash equivalents | | 1,072,677 | 139,970 |
| Total assets | | 103,403,861 | 102,039,598 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | - | - |
| Other payables and liabilities | | 228,621 | 694,141 |
| Total liabilities | | 228,621 | 694,141 |
| Value of fund | | 103,175,240 | 101,345,457 |
| | | | |
| Units in Issue | | 42,084,022 | 44,248,140 |
| Net assets per unit (bid price) | | 2.452 | 2.290 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | | Asia Managed Fund | Asia Managed Fund |
|--|-------------|--------------------------|--------------------------|
| | | 2010 | 2009 |
| | Note | S\$ | S\$ |
| ASSETS | | | |
| Financial assets | | | |
| Equities | | 102,092,872 | 95,073,662 |
| Debt securities | | 71,615 | 1,354,840 |
| Financial derivatives | 4 (e) | - | - |
| Other receivables and assets | | 756,787 | 280,401 |
| Cash and cash equivalents | | 155,173 | 282,646 |
| Total assets | | 103,076,447 | 96,991,549 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | - | - |
| Other payables and liabilities | | 147,169 | 156,749 |
| Total liabilities | | 147,169 | 156,749 |
| Value of fund | | 102,929,278 | 96,834,800 |
| | | | |
| Units in Issue | | 55,250,850 | 58,257,586 |
| Net assets per unit (bid price) | | 1.863 | 1.662 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | | Takaful Fund 2010 | Takaful Fund 2009 |
|--|-------------|------------------------------|------------------------------|
| | Note | S\$ | S\$ |
| ASSETS | | | |
| Financial assets | | | |
| Equities | | 25,010,595 | 26,313,575 |
| Financial derivatives | 4 (e) | - | - |
| Other receivables and assets | | 580,199 | 51,182 |
| Cash and cash equivalents | | 281,284 | 348,688 |
| Total assets | | 25,872,078 | 26,713,445 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | 760 | - |
| Other payables and liabilities | | 340,007 | 195,082 |
| Total liabilities | | 340,767 | 195,082 |
| Value of fund | | 25,531,311 | 26,518,363 |
| | | | |
| Units in Issue | | 37,779,042 | 41,906,332 |
| Net assets per unit (bid price) | | 0.676 | 0.633 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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BALANCE SHEETS
As at 31 December 2010

| | | Global Equity Fund 2010 S\$ | Global Equity Fund 2009 S\$ |
|--|-------|-----------------------------------|-----------------------------------|
| | Note | | |
| ASSETS | | | |
| Financial assets | | | |
| Equities | | 264,860,970 | 279,552,062 |
| Financial derivatives | 4 (e) | 3,437 | 893 |
| Other receivables and assets | | 1,604,998 | 1,467,239 |
| Cash and cash equivalents | | 2,947,367 | 4,536,917 |
| Total assets | | 269,416,772 | 285,557,111 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | 6,193 | 1,008 |
| Other payables and liabilities | | 1,944,463 | 1,188,936 |
| Total liabilities | | 1,950,656 | 1,189,944 |
| Value of fund | | 267,466,116 | 284,367,167 |
| | | | |
| Units in Issue | | 150,196,452 | 158,545,063 |
| Net assets per unit (bid price) | | 1.781 | 1.794 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | | Singapore Bond Fund 2010 S\$ | Singapore Bond Fund 2009 S\$ |
|--|-------|------------------------------------|------------------------------------|
| | Note | | |
| ASSETS | | | |
| Financial assets | | | |
| Debt securities | | 223,063,613 | 197,504,335 |
| Financial derivatives | 4 (e) | - | 343,110 |
| Other receivables and assets | | 99,243 | 188,944 |
| Cash and cash equivalents | | 14,728,736 | 10,631,985 |
| Total assets | | 237,891,592 | 208,668,374 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | - | - |
| Other payables and liabilities | | 9,578,247 | 287,754 |
| Total liabilities | | 9,578,247 | 287,754 |
| Value of fund | | 228,313,345 | 208,380,620 |
| | | | |
| Units in Issue | | 157,158,027 | 148,881,655 |
| Net assets per unit (bid price) | | 1.453 | 1.400 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | | Global Technology Fund | Global Technology Fund |
|--|-------|------------------------|------------------------|
| | | 2010 | 2009 |
| | Note | S\$ | S\$ |
| ASSETS | | | |
| Financial assets | | | |
| Equities | | 74,008,636 | 74,498,245 |
| Financial derivatives | 4 (e) | - | - |
| Other receivables and assets | | 5,991 | 2,452,231 |
| Cash and cash equivalents | | 3,800,240 | 989,727 |
| Total assets | | 77,814,867 | 77,940,203 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | - | - |
| Other payables and liabilities | | 778,998 | 3,090,372 |
| Total liabilities | | 778,998 | 3,090,372 |
| Value of fund | | 77,035,869 | 74,849,831 |
| | | | |
| Units in Issue | | 285,010,623 | 328,976,579 |
| Net assets per unit (bid price) | | 0.270 | 0.228 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | | Singapore Equity Fund | Singapore Equity Fund |
|--|-------|-----------------------|-----------------------|
| | | 2010 | 2009 |
| | Note | S\$ | S\$ |
| ASSETS | | | |
| Financial assets | | | |
| Equities | | 217,627,588 | 193,037,288 |
| Financial derivatives | 4 (e) | 23,400 | - |
| Other receivables and assets | | 3,009,656 | 3,138,837 |
| Cash and cash equivalents | | 3,435,067 | 2,775,250 |
| Total assets | | 224,095,711 | 198,951,375 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | - | - |
| Other payables and liabilities | | 777,994 | 1,128,238 |
| Total liabilities | | 777,994 | 1,128,238 |
| Value of fund | | 223,317,717 | 197,823,137 |
| | | | |
| Units in Issue | | 81,322,327 | 79,970,656 |
| Net assets per unit (bid price) | | 2.746 | 2.474 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | | Global Bond Fund 2010 S\$ | Global Bond Fund 2009 S\$ |
|--|-------|---------------------------------|---------------------------------|
| | Note | | |
| ASSETS | | | |
| Financial assets | | | |
| Debt securities | | 133,773,999 | 122,474,307 |
| Financial derivatives | 4 (e) | 6,736,897 | 980,497 |
| Other receivables and assets | | 16,606,025 | 3,951,491 |
| Cash and cash equivalents | | 2,657,222 | 4,197,018 |
| Total assets | | 159,774,143 | 131,603,313 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | 3,896,815 | 2,325,612 |
| Other payables and liabilities | | 23,647,574 | 1,001,955 |
| Total liabilities | | 27,544,389 | 3,327,567 |
| Value of fund | | 132,229,754 | 128,275,746 |
| | | | |
| Units in Issue | | 102,647,281 | 106,683,653 |
| Net assets per unit (bid price) | | 1.288 | 1.202 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | Note | Global Managed Fund (Growth) 2010 S\$ | Global Managed Fund (Growth) 2009 S\$ |
|--|-------|--|--|
| ASSETS | | | |
| Financial assets | | | |
| Equities | | 272,332,734 | 277,248,258 |
| Financial derivatives | 4 (e) | - | - |
| Other receivables and assets | | 587,268 | 421,755 |
| Cash and cash equivalents | | 200,000 | 199,990 |
| Total assets | | 273,120,002 | 277,870,003 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | - | - |
| Other payables and liabilities | | 1,411,161 | 407,523 |
| Total liabilities | | 1,411,161 | 407,523 |
| Value of fund | | 271,708,841 | 277,462,480 |
| | | | |
| Units in Issue | | 171,378,715 | 180,325,091 |
| Net assets per unit (bid price) | | 1.585 | 1.539 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | Note | Global Managed Fund (Balanced) 2010 S\$ | Global Managed Fund (Balanced) 2009 S\$ |
|--|-------|--|--|
| ASSETS | | | |
| Financial assets | | | |
| Equities | | 207,917,150 | 216,437,103 |
| Financial derivatives | 4 (e) | - | - |
| Other receivables and assets | | 692,126 | 327,091 |
| Cash and cash equivalents | | 200,000 | 200,000 |
| Total assets | | 208,809,276 | 216,964,194 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | - | - |
| Other payables and liabilities | | 1,225,568 | 235,106 |
| Total liabilities | | 1,225,568 | 235,106 |
| Value of fund | | 207,583,708 | 216,729,088 |
| | | | |
| Units in Issue | | 136,507,671 | 147,919,264 |
| Net assets per unit (bid price) | | 1.521 | 1.465 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | | Global Managed Fund (Conservative) 2010 S\$ | Global Managed Fund (Conservative) 2009 S\$ |
|--|-------|--|--|
| | Note | | |
| ASSETS | | | |
| Financial assets | | | |
| Equities | | 14,627,523 | 15,050,662 |
| Financial derivatives | 4 (e) | - | - |
| Other receivables and assets | | 2,602 | 19,035 |
| Cash and cash equivalents | | 144,570 | 374,168 |
| Total assets | | 14,774,695 | 15,443,865 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | - | - |
| Other payables and liabilities | | 70,447 | 180,719 |
| Total liabilities | | 70,447 | 180,719 |
| Value of fund | | 14,704,248 | 15,263,146 |
| | | | |
| Units in Issue | | 10,299,097 | 11,173,552 |
| Net assets per unit (bid price) | | 1.428 | 1.366 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | | Money Market Fund 2010 S\$ | Money Market Fund 2009 S\$ |
|--|-------|----------------------------------|----------------------------------|
| | Note | | |
| ASSETS | | | |
| Financial assets | | | |
| Debt securities | | 40,573,516 | 44,592,533 |
| Financial derivatives | 4 (e) | - | - |
| Other receivables and assets | | 840,518 | 346,724 |
| Cash and cash equivalents | | 1,089,593 | 1,387,272 |
| Total assets | | 42,503,627 | 46,326,529 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Financial derivatives | 4 (e) | - | - |
| Other payables and liabilities | | 1,648,871 | 416,238 |
| Total liabilities | | 1,648,871 | 416,238 |
| Value of fund | | 40,854,756 | 45,910,291 |
| | | | |
| Units in Issue | | 36,813,699 | 41,569,654 |
| Net assets per unit (bid price) | | 1.110 | 1.104 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | Note | Aim Now Fund 2010 S\$ |
|--|-------|-----------------------------|
| ASSETS | | |
| Financial assets | | |
| Equities | | 10,277,377 |
| Financial derivatives | 4 (e) | 64,248 |
| Other receivables and assets | | 270,730 |
| Cash and cash equivalents | | 3,137,276 |
| Total assets | | 13,749,631 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 4 (e) | 287 |
| Other payables and liabilities | | 254,956 |
| Total liabilities | | 255,243 |
| Value of fund | | 13,494,388 |
| Units in Issue | | 14,010,737 |
| Net assets per unit (bid price) | | 0.963 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | Note | Aim 2015 Fund 2010 S\$ |
|--|-------|------------------------------|
| ASSETS | | |
| Financial assets | | |
| Equities | | 1,449,094 |
| Financial derivatives | 4 (e) | 5,964 |
| Other receivables and assets | | 87,721 |
| Cash and cash equivalents | | 187,428 |
| Total assets | | 1,730,207 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 4 (e) | - |
| Other payables and liabilities | | 1,328 |
| Total liabilities | | 1,328 |
| Value of fund | | 1,728,879 |
| | | |
| Units in Issue | | 1,682,464 |
| Net assets per unit (bid price) | | 1.028 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | Note | Aim 2025 Fund 2010 S\$ |
|--|-------|------------------------------|
| ASSETS | | |
| Financial assets | | |
| Equities | | 3,450,846 |
| Financial derivatives | 4 (e) | 12,513 |
| Other receivables and assets | | 22,003 |
| Cash and cash equivalents | | 190,459 |
| Total assets | | 3,675,821 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 4 (e) | - |
| Other payables and liabilities | | 3,076 |
| Total liabilities | | 3,076 |
| Value of fund | | 3,672,745 |
| Units in Issue | | 3,496,279 |
| Net assets per unit (bid price) | | 1.050 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | Note | Aim 2035 Fund 2010 S\$ |
|--|-------|------------------------------|
| ASSETS | | |
| Financial assets | | |
| Equities | | 5,970,064 |
| Financial derivatives | 4 (e) | 17,291 |
| Other receivables and assets | | 89,859 |
| Cash and cash equivalents | | 291,860 |
| Total assets | | 6,369,074 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 4 (e) | 42 |
| Other payables and liabilities | | 24,165 |
| Total liabilities | | 24,207 |
| Value of fund | | 6,344,867 |
| Units in Issue | | 5,894,983 |
| Net assets per unit (bid price) | | 1.076 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2010

| | Note | Aim 2045 Fund 2010 S\$ |
|--|-------|------------------------------|
| ASSETS | | |
| Financial assets | | |
| Equities | | 5,146,347 |
| Financial derivatives | 4 (e) | 5,634 |
| Other receivables and assets | | 349,901 |
| Cash and cash equivalents | | 272,341 |
| Total assets | | 5,774,223 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 4 (e) | - |
| Other payables and liabilities | | 61,754 |
| Total liabilities | | 61,754 |
| Value of fund | | 5,712,469 |
| | | |
| Units in Issue | | 5,302,852 |
| Net assets per unit (bid price) | | 1.077 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

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 | |
| Singapore Managed Fund (formerly known as Trust Fund) | 1 May 1994 | |
| Asia Managed Fund (formerly known as Enhanced Fund) | 1 September 1995 | |
| Takaful Fund | 1 September 1995 | |
| Global Equity Fund | 1 April 1998 | Core Fund |
| Singapore Bond Fund | 1 March 2000 | Core Fund |
| Global Technology Fund (formerly known as Technology Fund) | 1 August 2000 | |
| Singapore Equity Fund | 2 January 2003 | Core Fund |
| Global Bond Fund | 2 January 2003 | Core Fund |
| Global Managed Fund (Growth) (formerly known as Growth Fund) | 2 January 2003 | Managed Fund |
| Global Managed Fund (Balanced) (formerly known as Balanced Fund) | 2 January 2003 | Managed Fund |
| Global Managed Fund (Conservative) (formerly known as Conservative Fund) | 2 January 2003 | Managed Fund |
| Money Market Fund | 1 May 2006 | |
| Aim Now Fund | 25 September 2009 | Target Maturity Fund |
| Aim 2015 Fund | 25 September 2009 | Target Maturity Fund |
| Aim 2025 Fund | 25 September 2009 | Target Maturity Fund |
| Aim 2035 Fund | 25 September 2009 | Target Maturity Fund |
| Aim 2045 Fund | 25 September 2009 | Target Maturity Fund |

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

1 General (cont'd)

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 also invests approximately 36% (2009: 33%) in Singapore Bond Fund. The fund is managed by NTUC Income.

Singapore Managed Fund

The Singapore Managed Fund is an open ended investment linked fund that invests in Singapore equities and bonds. The fund also invests approximately 34% (2009: 30%) in Singapore Bond Fund. The fund is managed by NTUC Income.

With effect from 22 October 2010, the fund is renamed Singapore Managed Fund (formerly known as Trust Fund) to better reflect the geographical scope of the investments.

Asia Managed Fund

The Asia Managed Fund is an open ended investment linked fund that invests all or substantially all of its assets in the Singapore-domiciled Schroder Asian Growth Fund in relation to the equity portion (70%) and in Singapore Bond Fund in relation to the fixed income portion (30%). The fund is managed by NTUC Income.

With effect from 22 October 2010, the fund is renamed Asia Managed Fund (formerly known as Enhanced Fund) to better reflect the mandate and geographical scope of the investments.

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. With effect from 17 December 2010, the fund is wholly 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 and MFS Investment Management. Effective 15 October 2010, the fund has commenced to invest in Schroders International Selection Fund Global Equity managed by Schroder Investment Management Limited and Alliance Bernstein was removed as one of the sub-managers.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

1 General (cont'd)

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.

Global Technology Fund

The Global Technology Fund is an open ended investment linked fund that invests in technology-related equities globally. With effect from 22 October 2010, the fund is wholly managed by the Trust Company of the West (TCW) and is renamed Global Technology Fund (formerly known as Technology Fund) to better reflect the geographical scope of the investments.

Singapore Equity Fund (Core Fund)

The Singapore Equity Fund is an open ended investment linked fund that invests in Singapore equities. The fund is jointly managed by NTUC Income and State Street Global Advisors.

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 managed by PIMCO.

Global Managed Fund (Growth)

The Global Managed Fund (Growth) 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%).

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

1 General (cont'd)

Global Managed Fund (Balanced)

The Global Managed Fund (Balanced) 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%).

With effect from 22 October 2010, the fund is renamed Global Managed Fund (Balanced) (formerly known as Combined Fund (Balanced)) to better reflect the geographical scope of the investments.

Global Managed Fund (Conservative)

The Global Managed Fund (Conservative) 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%).

With effect from 22 October 2010, the fund is renamed Global Managed Fund (Conservative) (formerly known as Combined Fund (Conservative)) to better reflect the geographical scope of the investments.

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. The fund is managed by NTUC Income.

Aim Now Fund

The Aim Now Fund is an open ended investment linked fund that invests in a diversified portfolio of asset classes including fixed income, equities and alternatives to provide investors with a regular and steady income whilst maintaining a stable capital value. The fund offers a semi-annual payout feature. The fund is managed by Schroder Investment Management (Singapore) Ltd.

Aim 2015 Fund

The Aim 2015 Fund is an open ended investment linked fund that invests in a diversified portfolio of asset classes including fixed income, equities and alternatives. The fund is managed by Schroder Investment Management (Singapore) Ltd.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

1 General (cont'd)

Aim 2025 Fund

The Aim 2025 Fund is an open ended investment linked fund that invests in a diversified portfolio of asset classes including fixed income, equities and alternatives. The fund is managed by Schroder Investment Management (Singapore) Ltd.

Aim 2035 Fund

The Aim 2035 Fund is an open ended investment linked fund that invests in a diversified portfolio of asset classes including fixed income, equities and alternatives. The fund is managed by Schroder Investment Management (Singapore) Ltd.

Aim 2045 Fund

The Aim 2045 Fund is an open ended investment linked fund that invests in a diversified portfolio of asset classes including fixed income, equities and alternatives. The fund is managed by Schroder Investment Management (Singapore) Ltd.

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 recognised when the right to receive payment is established.

Interest income on bank deposits is recognised 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.

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

2 Significant Accounting Policies (cont'd)

(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.

(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.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

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:

| | | Units in Issue | NAV per unit (S\$) |
|--|--------------------|----------------|-----------------------|
| Prime Fund | S\$ | | |
| NAV (at last done price) | 226,561,034 | 35,448,416 | 6.391 |
| Less: Effect of adopting bid prices as fair value | (277,067) | | |
| NAV (at bid price) | <u>226,283,967</u> | | |
| Singapore Managed Fund | S\$ | | |
| NAV (at last done price) | 103,213,175 | 42,084,022 | 2.453 |
| Less: Effect of adopting bid prices as fair value | (37,935) | | |
| NAV (at bid price) | <u>103,175,240</u> | | |
| Asia Managed Fund | S\$ | | |
| NAV (at last done price) | 102,929,278 | 55,250,850 | 1.863 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>102,929,278</u> | | |
| Takaful Fund | S\$ | | |
| NAV (at last done price) | 25,538,777 | 37,779,042 | 0.676 |
| Less: Effect of adopting bid prices as fair value | (7,466) | | |
| NAV (at bid price) | <u>25,531,311</u> | | |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

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

| <i>Global Equity Fund</i> | S\$ | Units in Issue | NAV per unit (S\$) |
|--|--------------------|-----------------------|-------------------------------|
| NAV (at last done price) | 267,500,733 | 150,196,452 | 1.781 |
| Less: Effect of adopting bid prices as fair value | (34,617) | | |
| NAV (at bid price) | <u>267,466,116</u> | | |
| <i>Singapore Bond Fund</i> | S\$ | | |
| NAV (at last done price) | 228,313,345 | 157,158,027 | 1.453 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>228,313,345</u> | | |
| <i>Global Technology Fund</i> | S\$ | | |
| NAV (at last done price) | 77,058,949 | 285,010,623 | 0.270 |
| Less: Effect of adopting bid prices as fair value | (23,080) | | |
| NAV (at bid price) | <u>77,035,869</u> | | |
| <i>Singapore Equity Fund</i> | S\$ | | |
| NAV (at last done price) | 223,434,557 | 81,322,327 | 2.748 |
| Less: Effect of adopting bid prices as fair value | (116,840) | | |
| NAV (at bid price) | <u>223,317,717</u> | | |
| <i>Global Bond Fund</i> | S\$ | | |
| NAV (at last done price) | 132,229,754 | 102,647,281 | 1.288 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>132,229,754</u> | | |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

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

| Global Managed Fund (Growth) | S\$ | Units in Issue | NAV per unit (S\$) |
|--|--------------------|-----------------------|-------------------------------|
| NAV (at last done price) | 271,708,841 | 171,378,715 | 1.585 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>271,708,841</u> | | |
| Global Managed Fund (Balanced) | S\$ | | |
| NAV (at last done price) | 207,583,708 | 136,507,671 | 1.521 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>207,583,708</u> | | |
| Global Managed Fund (Conservative) | S\$ | | |
| NAV (at last done price) | 14,704,248 | 10,299,097 | 1.428 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>14,704,248</u> | | |
| Money Market Fund | S\$ | | |
| NAV (at last done price) | 40,854,756 | 36,813,699 | 1.110 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>40,854,756</u> | | |
| Aim Now Fund | S\$ | | |
| NAV (at last done price) | 13,494,388 | 14,010,737 | 0.963 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>13,494,388</u> | | |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

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

| <i>Aim 2015 Fund</i> | S\$ | Units in Issue | NAV per unit (S\$) |
|--|------------------|-----------------------|-------------------------------|
| NAV (at last done price) | 1,728,879 | 1,682,464 | 1.028 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>1,728,879</u> | | |
| <i>Aim 2025 Fund</i> | S\$ | | |
| NAV (at last done price) | 3,672,745 | 3,496,279 | 1.050 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>3,672,745</u> | | |
| <i>Aim 2035 Fund</i> | S\$ | | |
| NAV (at last done price) | 6,344,867 | 5,894,983 | 1.076 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>6,344,867</u> | | |
| <i>Aim 2045 Fund</i> | S\$ | | |
| NAV (at last done price) | 5,712,469 | 5,302,852 | 1.077 |
| Less: Effect of adopting bid prices as fair value | - | | |
| NAV (at bid price) | <u>5,712,469</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.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

4 Other notes on Investment-Linked Policies (continued)

(c) Management fees

The annual management charges for each Fund are accrued on a daily basis and payable to NTUC Income.

(d) Policy fees, administration fees and other benefit charges

The policy fees, administration fees and other benefit charges are charged to the capital account.

(e) 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.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

4 Other notes on Investment-Linked Policies (continued)

(f) 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, currency options and futures. For funds investing into underlying funds, the derivative contracts are reflected at the underlying funds' level.

| | Notional Amount S\$ | Fair Value Receivable S\$ | Payable S\$ |
|--------------------------------------|---------------------------|---------------------------------|----------------|
| <u>As at 31 December 2010</u> | | | |
| <i>Takaful Fund</i> | | | |
| Forward Foreign Exchange Contracts | 133,495 | - | 760 |
| <i>Global Equity Fund</i> | | | |
| Forward Foreign Exchange Contracts | 726,736 | 3,437 | 6,193 |
| <i>Singapore Equity Fund</i> | | | |
| Futures | 1,944,280 | 23,400 | - |
| <i>Global Bond Fund</i> | | | |
| Forward Foreign Exchange Contracts | 472,994,037 | 5,678,553 | 3,848,740 |
| Interest Rate Swaps | 43,284,877 | 1,058,344 | 48,075 |
| <i>Aim Now Fund</i> | | | |
| Forward Foreign Exchange Contracts | 4,462,950 | 64,248 | 287 |
| <i>Aim 2015 Fund</i> | | | |
| Forward Foreign Exchange Contracts | 659,312 | 5,964 | - |
| <i>Aim 2025 Fund</i> | | | |
| Forward Foreign Exchange Contracts | 1,364,606 | 12,513 | - |
| <i>Aim 2035 Fund</i> | | | |
| Forward Foreign Exchange Contracts | 1,957,797 | 17,291 | 42 |
| <i>Aim 2045 Fund</i> | | | |
| Forward Foreign Exchange Contracts | 1,355,825 | 5,634 | - |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

4 Other notes on Investment-Linked Policies (continued)

(f) Derivative financial instruments (continued)

| | Notional Amount S\$ | Fair Value Receivable S\$ | Payable S\$ |
|--------------------------------------|---------------------------|---------------------------------|----------------|
| <u>As at 31 December 2009</u> | | | |
| <i>Global Equity Fund</i> | | | |
| Forward Foreign Exchange Contracts | 249,028 | 893 | 1,008 |
| <i>Singapore Bond Fund</i> | | | |
| Cross Currency Swap | 1,447,677 | 343,110 | - |
| <i>Global Bond Fund</i> | | | |
| Forward Foreign Exchange Contracts | 177,677,241 | 661,540 | 2,031,925 |
| Interest Rate Swaps | 53,339,453 | 318,957 | 64,808 |
| Swaptions | 22,800,000 | - | 228,879 |

5 Comparatives

The Aim Series Funds were launched on 25 September 2009 and the first valuation commenced on 2 November 2009. In accordance with MAS Notice 307, these funds are not required to prepare the financial statements as at 31 December 2009 as they cover a period of less than 3 months from the launch of the funds.