

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

FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

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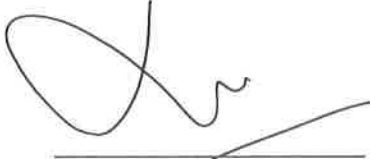
NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2016

On behalf of the Board, the financial statements set out on pages 5 to 51 are prepared, in all material respects, in accordance with the accounting policies set out in Note 2.

For and on behalf of directors of NTUC Income Insurance Co-operative Limited



Ng Wai Kin Ken
Chief Executive

Singapore, 21 March 2017



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Independent auditors' report

Board of Directors
NTUC Income Insurance Co-operative Limited

Opinion

We have audited the accompanying financial statements of NTUC Income Funds (as set out in Note 1) of NTUC Income Insurance Co-operative Limited ('the Co-operative'), which comprise the Balance Sheets as at 31 December 2016, Capital and Income Accounts for the period from 1 January 2016 to 31 December 2016, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 51. The financial statements have been prepared by management based on the accounting policies set out in Note 2 to the financial statements ('the stated accounting policies').

In our opinion, the financial statements of the NTUC Income Funds of the Co-operative for the period 1 January 2016 to 31 December 2016 are prepared, in all material respects, in accordance with the stated accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Co-operative in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the financial statements which are prepared to assist the Co-operative to comply with paragraph 15(a) of the MAS Notice 307 Investment-Linked Policies and for no other purpose. As required by paragraph 36 of the MAS Notice 307, this report shall be sent by the Co-operative to its policyholders for their information. We do not assume responsibility to anyone other than the Co-operative for our work, for our report, or for



the conclusions we have reached in our report. This report relates solely to the financial statements of the NTUC Income Funds of the Co-operative and does not extend to the financial statements of the Co-operative taken as a whole.

Responsibilities of management for the financial statements

Management is responsible for the preparation of these financial statements in accordance with the stated accounting policies. This includes determining that the stated accounting policies are an acceptable basis for the preparation of the financial statements in the circumstances and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the NTUC Income Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the NTUC Income Funds or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.



- Obtain an understanding of internal controls relevant to the audit 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 NTUC Income Funds' internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NTUC Income Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the NTUC Income Funds to cease to continue as a going concern.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
21 March 2017

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Prime Fund | Prime Fund |
|--|-------|---------------------------|---------------------------|
| | Note | 2016 S\$ | 2015 S\$ |
| Value of fund at 1 January | | <u>207,269,557</u> | <u>218,229,022</u> |
| Purchase of units | 3 (a) | 15,116,631 | 13,166,251 |
| Redemption of units | 3 (b) | <u>(22,772,517)</u> | <u>(18,293,575)</u> |
| Net purchase/(redemption) | | (7,655,886) | (5,127,324) |
| Net investment income | | 14,348,428 | (4,494,443) |
| Management fees and other charges | 3 (d) | <u>(1,488,727)</u> | <u>(1,337,698)</u> |
| Increase/(Decrease) in value of the fund | | <u>5,203,815</u> | <u>(10,959,465)</u> |
| Value of fund at 31 December | | <u>212,473,372</u> | <u>207,269,557</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | Note | Singapore Managed Fund 2016 S\$ | Singapore Managed Fund 2015 S\$ |
|--|-------|--|--|
| Value of fund at 1 January | | 78,923,917 | 88,827,512 |
| Purchase of units | 3 (a) | 5,808,062 | 4,243,092 |
| Redemption of units | 3 (b) | (8,553,710) | (8,210,583) |
| Net purchase/(redemption) | | (2,745,648) | (3,967,491) |
| Net investment income | | 4,136,698 | (5,411,735) |
| Management fees and other charges | 3 (d) | (560,124) | (524,369) |
| Increase/(Decrease) in value of the fund | | 830,926 | (9,903,595) |
| Value of fund at 31 December | | 79,754,843 | 78,923,917 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Asia Managed Fund | Asia Managed Fund |
|--|-------|-------------------|-------------------|
| | Note | 2016 S\$ | 2015 S\$ |
| Value of fund at 1 January | | 96,207,908 | 99,390,942 |
| Purchase of units | 3 (a) | 6,529,453 | 6,604,971 |
| Redemption of units | 3 (b) | (11,925,582) | (10,520,560) |
| Net purchase/(redemption) | | (5,396,129) | (3,915,589) |
| Net investment income | | 6,845,500 | 926,279 |
| Management fees and other charges | 3 (d) | (236,506) | (193,724) |
| Increase/(Decrease) in value of the fund | | 1,212,865 | (3,183,034) |
| Value of fund at 31 December | | 97,420,773 | 96,207,908 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Takaful Fund | Takaful Fund |
|--|-------------|--------------------------|--------------------------|
| | Note | 2016 | 2015 |
| | | S\$ | S\$ |
| Value of fund at 1 January | | <u>19,473,334</u> | <u>19,934,604</u> |
| Purchase of units | 3 (a) | 633,461 | 499,673 |
| Redemption of units | 3 (b) | <u>(2,659,632)</u> | <u>(2,921,229)</u> |
| Net purchase/(redemption) | | <u>(2,026,171)</u> | <u>(2,421,556)</u> |
| Net investment income | | 1,317,094 | 2,160,330 |
| Management fees and other charges | 3 (d) | <u>(182,335)</u> | <u>(200,044)</u> |
| Increase/(Decrease) in value of the fund | | <u>(891,412)</u> | <u>(461,270)</u> |
| Value of fund at 31 December | | <u>18,581,922</u> | <u>19,473,334</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Global Equity Fund | Global Equity Fund |
|--|-------------|---------------------------|---------------------------|
| | Note | 2016 | 2015 |
| | | S\$ | S\$ |
| Value of fund at 1 January | | <u>244,630,412</u> | <u>255,561,161</u> |
| Purchase of units | 3 (a) | 9,297,173 | 6,144,765 |
| Redemption of units | 3 (b) | <u>(30,057,859)</u> | <u>(33,178,924)</u> |
| Net purchase/(redemption) | | (20,760,686) | (27,034,159) |
| Net investment income | | 19,018,076 | 18,857,522 |
| Management fees and other charges | 3 (d) | <u>(2,908,461)</u> | <u>(2,754,112)</u> |
| Increase/(Decrease) in value of the fund | | <u>(4,651,071)</u> | <u>(10,930,749)</u> |
| Value of fund at 31 December | | <u>239,979,341</u> | <u>244,630,412</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Singapore Bond Fund 2016 S\$ | Singapore Bond Fund 2015 S\$ |
|--|-------------|---|---|
| | Note | | |
| Value of fund at 1 January | | <u>275,998,401</u> | <u>265,985,711</u> |
| Purchase of units | 3 (a) | 33,974,991 | 22,750,606 |
| Redemption of units | 3 (b) | <u>(43,662,917)</u> | <u>(14,573,833)</u> |
| Net purchase/(redemption) | | (9,687,926) | 8,176,773 |
| Net investment income | | 11,590,321 | 3,198,818 |
| Management fees and other charges | 3 (d) | <u>(1,390,852)</u> | <u>(1,362,901)</u> |
| Increase/(Decrease) in value of the fund | | <u>511,543</u> | <u>10,012,690</u> |
| Value of fund at 31 December | | <u>276,509,944</u> | <u>275,998,401</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

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For the financial year ended 31 December 2016

| | | Global Technology Fund 2016 S\$ | Global Technology Fund 2015 S\$ |
|--|-------|--|--|
| Value of fund at 1 January | | <u>73,106,190</u> | <u>72,310,036</u> |
| Purchase of units | 3 (a) | 4,043,262 | 8,112,552 |
| Redemption of units | 3 (b) | <u>(14,558,741)</u> | <u>(17,870,932)</u> |
| Net purchase/(redemption) | | (10,515,479) | (9,758,380) |
| Net investment income | | 6,611,920 | 11,463,522 |
| Management fees and other charges | 3 (d) | <u>(813,791)</u> | <u>(908,988)</u> |
| Increase/(Decrease) in value of the fund | | <u>(4,717,350)</u> | <u>796,154</u> |
| Value of fund at 31 December | | <u>68,388,840</u> | <u>73,106,190</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Singapore Equity Fund 2016 S\$ | Singapore Equity Fund 2015 S\$ |
|--|-------------|---|---|
| | Note | | |
| Value of fund at 1 January | | <u>144,061,082</u> | <u>169,294,395</u> |
| Purchase of units | 3 (a) | 26,036,147 | 20,601,178 |
| Redemption of units | 3 (b) | <u>(20,328,824)</u> | <u>(27,848,795)</u> |
| Net purchase/(redemption) | | 5,707,323 | (7,247,617) |
| Net investment income | | 6,806,600 | (16,952,444) |
| Management fees and other charges | 3 (d) | <u>(930,451)</u> | <u>(1,033,252)</u> |
| Increase/(Decrease) in value of the fund | | <u>11,583,472</u> | <u>(25,233,313)</u> |
| Value of fund at 31 December | | <u>155,644,554</u> | <u>144,061,082</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Global Bond Fund | Global Bond Fund |
|--|-------------|---------------------------|---------------------------|
| | Note | 2016 | 2015 |
| | | S\$ | S\$ |
| Value of fund at 1 January | | <u>124,369,841</u> | <u>128,845,409</u> |
| Purchase of units | 3 (a) | 11,067,876 | 6,611,615 |
| Redemption of units | 3 (b) | <u>(18,842,718)</u> | <u>(11,214,809)</u> |
| Net purchase/(redemption) | | <u>(7,774,842)</u> | <u>(4,603,194)</u> |
| Net investment income | | 3,362,493 | 1,218,098 |
| Management fees and other charges | 3 (d) | <u>(1,021,047)</u> | <u>(1,090,472)</u> |
| Increase/(Decrease) in value of the fund | | <u>(5,433,396)</u> | <u>(4,475,568)</u> |
| Value of fund at 31 December | | <u>118,936,445</u> | <u>124,369,841</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Global Managed Fund (Growth) 2016 S\$ | Global Managed Fund (Growth) 2015 S\$ |
|--|-------------|--|--|
| | Note | | |
| Value of fund at 1 January | | <u>240,801,927</u> | <u>251,395,314</u> |
| Purchase of units | 3 (a) | 12,234,663 | 12,545,335 |
| Redemption of units | 3 (b) | <u>(25,723,907)</u> | <u>(28,158,185)</u> |
| Net purchase/(redemption) | | (13,489,244) | (15,612,850) |
| Net investment income | | 12,372,194 | 5,019,463 |
| Management fees and other charges | 3 (d) | <u>(173,144)</u> | <u>-</u> |
| Increase/(Decrease) in value of the fund | | <u>(1,290,194)</u> | <u>(10,593,387)</u> |
| Value of fund at 31 December | | <u>239,511,733</u> | <u>240,801,927</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Global Managed Fund (Balanced) 2016 S\$ | Global Managed Fund (Balanced) 2015 S\$ |
|--|-------------|--|--|
| | Note | | |
| Value of fund at 1 January | | <u>171,791,379</u> | <u>181,706,716</u> |
| Purchase of units | 3 (a) | 6,155,962 | 5,532,965 |
| Redemption of units | 3 (b) | <u>(16,079,718)</u> | <u>(18,460,130)</u> |
| Net purchase/(redemption) | | (9,923,756) | (12,927,165) |
| Net investment income | | 7,642,620 | 3,011,828 |
| Management fees and other charges | 3 (d) | <u>(115,453)</u> | <u>-</u> |
| Increase/(Decrease) in value of the fund | | <u>(2,396,589)</u> | <u>(9,915,337)</u> |
| Value of fund at 31 December | | <u>169,394,790</u> | <u>171,791,379</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Global Managed Fund (Conservative) 2016 S\$ | Global Managed Fund (Conservative) 2015 S\$ |
|--|-------|--|--|
| | Note | | |
| Value of fund at 1 January | | <u>11,841,954</u> | <u>12,453,671</u> |
| Purchase of units | 3 (a) | 514,489 | 593,925 |
| Redemption of units | 3 (b) | <u>(1,146,623)</u> | <u>(1,363,010)</u> |
| Net purchase/(redemption) | | (632,134) | (769,085) |
| Net investment income | | 438,422 | 157,368 |
| Management fees and other charges | 3 (d) | <u>(6,775)</u> | <u>(611,717)</u> |
| Increase/(Decrease) in value of the fund | | <u>(200,487)</u> | <u>(611,717)</u> |
| Value of fund at 31 December | | <u>11,641,467</u> | <u>11,841,954</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Money Market Fund | Money Market Fund |
|--|-------|--------------------------|--------------------------|
| | Note | 2016 S\$ | 2015 S\$ |
| Value of fund at 1 January | | <u>18,515,133</u> | <u>20,760,051</u> |
| Purchase of units | 3 (a) | 69,473,020 | 11,451,360 |
| Redemption of units | 3 (b) | <u>(70,263,586)</u> | <u>(13,824,405)</u> |
| Net purchase/(redemption) | | (790,566) | (2,373,045) |
| Net investment income | | 304,102 | 177,157 |
| Management fees and other charges | 3 (d) | <u>(45,991)</u> | <u>(49,030)</u> |
| Increase/(Decrease) in value of the fund | | <u>(532,455)</u> | <u>(2,244,918)</u> |
| Value of fund at 31 December | | <u>17,982,678</u> | <u>18,515,133</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Aim Now Fund | Aim Now Fund |
|--|-------------|---------------------------|---------------------------|
| | Note | 2016 | 2015 |
| | | S\$ | S\$ |
| Value of fund at 1 January | | <u>116,668,972</u> | <u>148,142,058</u> |
| Purchase of units | 3 (a) | 15,274,168 | 17,844,365 |
| Redemption of units | 3 (b) | (30,444,940) | (46,654,031) |
| Dividend distribution | 3 (c) | (2,826,878) | (3,834,058) |
| Net purchase/(redemption) | | <u>(17,997,650)</u> | <u>(32,643,724)</u> |
| Net investment income | | 3,869,298 | 2,031,994 |
| Management fees and other charges | 3 (d) | (680,860) | (861,356) |
| Increase/(Decrease) in value of the fund | | <u>(14,809,212)</u> | <u>(31,473,086)</u> |
| Value of fund at 31 December | | <u>101,859,760</u> | <u>116,668,972</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Aim 2025 Fund | Aim 2025 Fund |
|--|-------------|--------------------------|--------------------------|
| | Note | 2016 S\$ | 2015 S\$ |
| Value of fund at 1 January | | <u>13,852,336</u> | <u>11,680,232</u> |
| Purchase of units | 3 (a) | 1,797,578 | 3,261,843 |
| Redemption of units | 3 (b) | <u>(1,908,429)</u> | <u>(1,205,179)</u> |
| Net purchase/(redemption) | | (110,851) | 2,056,664 |
| Net investment income | | 646,843 | 231,278 |
| Management fees and other charges | 3 (d) | <u>(125,507)</u> | <u>(115,838)</u> |
| Increase/(Decrease) in value of the fund | | <u>410,485</u> | <u>2,172,104</u> |
| Value of fund at 31 December | | <u>14,262,821</u> | <u>13,852,336</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Aim 2035 Fund | Aim 2035 Fund |
|--|-------------|--------------------------|--------------------------|
| | Note | 2016 S\$ | 2015 S\$ |
| Value of fund at 1 January | | <u>17,315,160</u> | <u>15,639,013</u> |
| Purchase of units | 3 (a) | 2,409,162 | 3,151,491 |
| Redemption of units | 3 (b) | <u>(1,740,460)</u> | <u>(1,725,714)</u> |
| Net purchase/(redemption) | | 668,702 | 1,425,777 |
| Net investment income | | 971,100 | 409,521 |
| Management fees and other charges | 3 (d) | <u>(166,630)</u> | <u>(159,151)</u> |
| Increase/(Decrease) in value of the fund | | <u>1,473,172</u> | <u>1,676,147</u> |
| Value of fund at 31 December | | <u>18,788,332</u> | <u>17,315,160</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Aim 2045 Fund | Aim 2045 Fund |
|--|-------------|--------------------------|--------------------------|
| | Note | 2016 S\$ | 2015 S\$ |
| Value of fund at 1 January | | <u>17,878,528</u> | <u>16,672,463</u> |
| Purchase of units | 3 (a) | 4,135,906 | 4,158,524 |
| Redemption of units | 3 (b) | <u>(2,273,753)</u> | <u>(3,282,927)</u> |
| Net purchase/(redemption) | | 1,862,153 | 875,597 |
| Net investment income | | 1,065,852 | 490,382 |
| Management fees and other charges | 3 (d) | <u>(174,994)</u> | <u>(159,914)</u> |
| Increase/(Decrease) in value of the fund | | <u>2,753,011</u> | <u>1,206,065</u> |
| Value of fund at 31 December | | <u>20,631,539</u> | <u>17,878,528</u> |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Asian Income Fund | Asian Income Fund |
|--|-------------|--------------------------|--------------------------|
| | Note | 2016 | 2015 |
| | | S\$ | S\$ |
| Value of fund at 1 January | | 236,174,270 | 132,371,145 |
| Purchase of units | 3 (a) | 161,645,528 | 134,871,503 |
| Redemption of units | 3 (b) | (20,283,505) | (17,319,878) |
| Dividend distribution | 3 (c) | (15,859,593) | (10,179,278) |
| Net purchase/(redemption) | | 125,502,430 | 107,372,347 |
| Net investment income | | 18,587,907 | (3,564,076) |
| Management fees and other charges | 3 (d) | - | (5,146) |
| Increase/(Decrease) in value of the fund | | 144,090,337 | 103,803,125 |
| Value of fund at 31 December | | 380,264,607 | 236,174,270 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| | | Global Income Fund | Global Income Fund |
|--|-------|--------------------|--------------------|
| | Note | 2016 S\$ | 2015* S\$ |
| Value of fund at 1 January | | 65,137,080 | - |
| Purchase of units | 3 (a) | 18,289,233 | 80,598,542 |
| Redemption of units | 3 (b) | (15,125,639) | (8,077,583) |
| Dividend distribution | 3 (c) | (3,299,245) | (2,214,118) |
| Net purchase/(redemption) | | (135,651) | 70,306,841 |
| Net investment income | | 4,897,391 | (5,169,761) |
| Increase/(Decrease) in value of the fund | | 4,761,740 | 65,137,080 |
| Value of fund at 31 December | | 69,898,820 | 65,137,080 |

* Global Income Fund was launched on 26 March 2015.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2016

| Asian Bond Fund | | |
|--|-------------|--------------------------|
| | Note | 2016* S\$ |
| Value of fund at 1 January | | <u>-</u> |
| Purchase of units | 3 (a) | 27,523,103 |
| Redemption of units | 3 (b) | (4,739,838) |
| Dividend distribution | 3 (c) | (457,921) |
| Net purchase/(redemption) | | <u>22,325,344</u> |
| Net investment income | | (418,803) |
| Increase/(Decrease) in value of the fund | | <u>21,906,541</u> |
| Value of fund at 31 December | | <u>21,906,541</u> |

* Asian Bond Fund was launched on 3 May 2016.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Prime Fund | Prime Fund |
|--------------------------------|--------------------|--------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Equities | 202,191,837 | 202,329,119 |
| Other receivables and assets | 15,605,299 | 851,929 |
| Cash and cash equivalents | 1,621,828 | 4,300,296 |
| Total assets | 219,418,964 | 207,481,344 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 1,757 | - |
| Other payables and liabilities | 6,943,835 | 211,787 |
| Total liabilities | 6,945,592 | 211,787 |
| Value of fund | 212,473,372 | 207,269,557 |
| Units in Issue | 28,390,180 | 29,419,264 |
| Value per unit | 7.484 | 7.045 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Singapore Managed Fund 2016 S\$ | Singapore Managed Fund 2015 S\$ |
|--------------------------------|--|--|
| ASSETS | | |
| Financial assets | | |
| Equities | 77,856,890 | 77,790,294 |
| Other receivables and assets | 5,044,047 | 412,674 |
| Cash and cash equivalents | 1,341,759 | 800,168 |
| Total assets | 84,242,696 | 79,003,136 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 1,357 | - |
| Other payables and liabilities | 4,486,496 | 79,219 |
| Total liabilities | 4,487,853 | 79,219 |
| Value of fund | 79,754,843 | 78,923,917 |
| Units in Issue | 30,128,600 | 31,162,487 |
| Value per unit | 2.647 | 2.533 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Asia Managed Fund | Asia Managed Fund |
|--------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Equities | 97,194,290 | 95,636,301 |
| Other receivables and assets | 380,372 | 382,139 |
| Cash and cash equivalents | 240,562 | 350,701 |
| Total assets | 97,815,224 | 96,369,141 |
| LIABILITIES | | |
| Financial liabilities | | |
| Other payables and liabilities | 394,451 | 161,233 |
| Total liabilities | 394,451 | 161,233 |
| Value of fund | 97,420,773 | 96,207,908 |
| Units in Issue | 39,181,569 | 41,447,905 |
| Value per unit | 2.486 | 2.321 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Takaful Fund | Takaful Fund |
|--------------------------------|---------------------|---------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Equities | 18,207,089 | 19,157,449 |
| Financial derivatives | 292 | - |
| Other receivables and assets | 135,201 | 74,898 |
| Cash and cash equivalents | 414,563 | 358,227 |
| Total assets | 18,757,145 | 19,590,574 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 119 | 136 |
| Other payables and liabilities | 175,104 | 117,104 |
| Total liabilities | 175,223 | 117,240 |
| Value of fund | 18,581,922 | 19,473,334 |
| Units in Issue | 15,239,809 | 17,034,560 |
| Value per unit | 1.219 | 1.143 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Global Equity Fund | Global Equity Fund |
|--------------------------------|--------------------|--------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Equities | 237,039,063 | 243,708,999 |
| Financial derivatives | 24,256 | - |
| Other receivables and assets | 11,331,351 | 421,212 |
| Cash and cash equivalents | 4,184,641 | 1,159,491 |
| Total assets | 252,579,311 | 245,289,702 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 11,191 | - |
| Other payables and liabilities | 12,588,779 | 659,290 |
| Total liabilities | 12,599,970 | 659,290 |
| Value of fund | 239,979,341 | 244,630,412 |
| Units in Issue | 82,182,712 | 89,457,559 |
| Value per unit | 2.920 | 2.735 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Singapore Bond Fund 2016 S\$ | Singapore Bond Fund 2015 S\$ |
|--------------------------------|---|---|
| ASSETS | | |
| Financial assets | | |
| Debt securities | 273,631,304 | 275,466,807 |
| Other receivables and assets | 2,802,754 | 212,291 |
| Cash and cash equivalents | 795,739 | 765,129 |
| Total assets | 277,229,797 | 276,444,227 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 378,879 | 207,157 |
| Other payables and liabilities | 340,974 | 238,669 |
| Total liabilities | 719,853 | 445,826 |
| Value of fund | 276,509,944 | 275,998,401 |
| Units in Issue | 158,658,036 | 164,573,179 |
| Value per unit | 1.743 | 1.677 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Global Technology Fund 2016 S\$ | Global Technology Fund 2015 S\$ |
|--------------------------------|--|--|
| ASSETS | | |
| Financial assets | | |
| Equities | 67,006,464 | 70,499,165 |
| Financial derivatives | 132 | - |
| Other receivables and assets | 1,277,259 | 535,611 |
| Cash and cash equivalents | 1,973,542 | 2,296,049 |
| Total assets | 70,257,397 | 73,330,825 |
| LIABILITIES | | |
| Financial liabilities | | |
| Other payables and liabilities | 1,868,557 | 224,635 |
| Total liabilities | 1,868,557 | 224,635 |
| Value of fund | 68,388,840 | 73,106,190 |
| Units in Issue | 126,971,673 | 148,161,744 |
| Value per unit | 0.539 | 0.493 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Singapore Equity Fund 2016 S\$ | Singapore Equity Fund 2015 S\$ |
|--------------------------------|---|---|
| ASSETS | | |
| Financial assets | | |
| Equities | 152,906,690 | 139,887,071 |
| Financial derivatives | - | 5,113 |
| Other receivables and assets | 6,370,396 | 1,432,772 |
| Cash and cash equivalents | 2,264,985 | 2,955,942 |
| Total assets | 161,542,071 | 144,280,898 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 1,681 | - |
| Other payables and liabilities | 5,895,836 | 219,816 |
| Total liabilities | 5,897,517 | 219,816 |
| Value of fund | 155,644,554 | 144,061,082 |
| Units in Issue | 54,673,437 | 52,533,079 |
| Value per unit | 2.847 | 2.742 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Global Bond Fund | Global Bond Fund |
|--------------------------------|--------------------|--------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Debt securities | 109,346,353 | 124,600,734 |
| Financial derivatives | 3,022,568 | 1,485,098 |
| Other receivables and assets | 5,564,469 | 1,152,704 |
| Cash and cash equivalents | 4,556,487 | 740,635 |
| Total assets | 122,489,877 | 127,979,171 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 3,215,704 | 2,553,643 |
| Other payables and liabilities | 337,728 | 882,494 |
| Margin account | - | 173,193 |
| Total liabilities | 3,553,432 | 3,609,330 |
| Value of fund | 118,936,445 | 124,369,841 |
| Units in Issue | 76,481,224 | 81,331,419 |
| Value per unit | 1.555 | 1.529 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Global Managed Fund (Growth) 2016 S\$ | Global Managed Fund (Growth) 2015 S\$ |
|--------------------------------|--|--|
| ASSETS | | |
| Financial assets | | |
| Equities | 239,712,560 | 240,747,394 |
| Other receivables and assets | 4,896,617 | 375,054 |
| Cash and cash equivalents | 200,000 | 199,952 |
| Total assets | 244,809,177 | 241,322,400 |
| LIABILITIES | | |
| Financial liabilities | | |
| Other payables and liabilities | 5,297,444 | 520,473 |
| Total liabilities | 5,297,444 | 520,473 |
| Value of fund | 239,511,733 | 240,801,927 |
| Units in Issue | 107,736,054 | 114,034,309 |
| Value per unit | 2.223 | 2.112 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Global Managed Fund (Balanced) 2016 S\$ | Global Managed Fund (Balanced) 2015 S\$ |
|--------------------------------|--|--|
| ASSETS | | |
| Financial assets | | |
| Equities | 169,079,048 | 171,747,361 |
| Other receivables and assets | 4,300,806 | 256,355 |
| Cash and cash equivalents | 127,002 | 199,968 |
| Total assets | 173,506,856 | 172,203,684 |
| LIABILITIES | | |
| Financial liabilities | | |
| Other payables and liabilities | 4,112,066 | 412,305 |
| Total liabilities | 4,112,066 | 412,305 |
| Value of fund | 169,394,790 | 171,791,379 |
| Units in Issue | 82,270,308 | 87,223,242 |
| Value per unit | 2.059 | 1.970 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Global Managed Fund (Conservative) 2016 S\$ | Global Managed Fund (Conservative) 2015 S\$ |
|--------------------------------|--|--|
| ASSETS | | |
| Financial assets | | |
| Equities | 11,423,352 | 11,683,914 |
| Other receivables and assets | 292,510 | 57,714 |
| Cash and cash equivalents | 129,613 | 101,146 |
| Total assets | 11,845,475 | 11,842,774 |
| LIABILITIES | | |
| Financial liabilities | | |
| Other payables and liabilities | 204,008 | 820 |
| Total liabilities | 204,008 | 820 |
| Value of fund | 11,641,467 | 11,841,954 |
| Units in Issue | 6,312,920 | 6,658,528 |
| Value per unit | 1.844 | 1.778 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Money Market Fund | Money Market Fund |
|--------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Debt securities | 17,196,829 | 17,275,400 |
| Financial derivatives | 3,702 | 2,128 |
| Other receivables and assets | 2,438,098 | 1,018,545 |
| Cash and cash equivalents | 1,938,870 | 973,732 |
| Total assets | 21,577,499 | 19,269,805 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 80,862 | 187,090 |
| Other payables and liabilities | 3,513,959 | 567,582 |
| Total liabilities | 3,594,821 | 754,672 |
| Value of fund | 17,982,678 | 18,515,133 |
| Units in Issue | 15,619,870 | 16,308,262 |
| Value per unit | 1.151 | 1.135 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Aim Now Fund | Aim Now Fund |
|--------------------------------|--------------------|--------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Equities | 95,435,014 | 103,373,978 |
| Debt securities | - | 2,323,582 |
| Financial derivatives | 270,420 | 43,160 |
| Other receivables and assets | 122,012 | 330,284 |
| Cash and cash equivalents | 8,261,906 | 12,917,064 |
| Total assets | 104,089,352 | 118,988,068 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 382,398 | 140,133 |
| Other payables and liabilities | 1,847,194 | 2,178,963 |
| Total liabilities | 2,229,592 | 2,319,096 |
| Value of fund | 101,859,760 | 116,668,972 |
| Units in Issue | 112,139,907 | 128,669,173 |
| Value per unit | 0.908 | 0.907 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Aim 2025 Fund | Aim 2025 Fund |
|--------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Equities | 13,867,162 | 13,001,138 |
| Financial derivatives | 30,255 | 8,268 |
| Other receivables and assets | 127,715 | 281,778 |
| Cash and cash equivalents | 346,960 | 605,823 |
| Total assets | 14,372,092 | 13,897,007 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 64,759 | 13,350 |
| Other payables and liabilities | 44,512 | 31,321 |
| Total liabilities | 109,271 | 44,671 |
| Value of fund | 14,262,821 | 13,852,336 |
| Units in Issue | 10,793,380 | 10,889,472 |
| Value per unit | 1.321 | 1.272 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Aim 2035 Fund | Aim 2035 Fund |
|--------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Equities | 18,499,802 | 16,839,364 |
| Financial derivatives | 27,368 | 9,499 |
| Other receivables and assets | 63,210 | 62,906 |
| Cash and cash equivalents | 292,710 | 531,333 |
| Total assets | 18,883,090 | 17,443,102 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 56,018 | 18,438 |
| Other payables and liabilities | 38,740 | 109,504 |
| Total liabilities | 94,758 | 127,942 |
| Value of fund | 18,788,332 | 17,315,160 |
| Units in Issue | 13,399,804 | 12,907,151 |
| Value per unit | 1.402 | 1.342 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Aim 2045 Fund | Aim 2045 Fund |
|--------------------------------|----------------------|----------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Equities | 20,396,595 | 17,103,752 |
| Financial derivatives | 35,219 | 7,116 |
| Other receivables and assets | 82,125 | 91,771 |
| Cash and cash equivalents | 219,970 | 714,036 |
| Total assets | 20,733,909 | 17,916,675 |
| LIABILITIES | | |
| Financial liabilities | | |
| Financial derivatives | 59,976 | 10,699 |
| Other payables and liabilities | 42,394 | 27,448 |
| Total liabilities | 102,370 | 38,147 |
| Value of fund | 20,631,539 | 17,878,528 |
| Units in Issue | 14,615,793 | 13,247,666 |
| Value per unit | 1.412 | 1.350 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Asian Income Fund | Asian Income Fund |
|--------------------------------|--------------------|--------------------|
| | 2016 | 2015 |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Equities | 381,362,617 | 237,213,709 |
| Other receivables and assets | 5,814,204 | 2,444,265 |
| Cash and cash equivalents | 1,961,307 | 1,728,790 |
| Total assets | 389,138,128 | 241,386,764 |
| LIABILITIES | | |
| Financial liabilities | | |
| Other payables and liabilities | 8,873,521 | 5,212,494 |
| Total liabilities | 8,873,521 | 5,212,494 |
| Value of fund | 380,264,607 | 236,174,270 |
| Units in Issue | 400,819,711 | 252,726,957 |
| Value per unit | 0.949 | 0.935 |

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Global Income Fund | Global Income Fund |
|--------------------------------|--------------------|--------------------|
| | 2016 | 2015* |
| | S\$ | S\$ |
| ASSETS | | |
| Financial assets | | |
| Equities | 69,519,738 | 65,055,994 |
| Other receivables and assets | 1,196,496 | 641,121 |
| Cash and cash equivalents | 37,858 | 104,086 |
| Total assets | 70,754,092 | 65,801,201 |
| LIABILITIES | | |
| Financial liabilities | | |
| Other payables and liabilities | 855,272 | 664,121 |
| Total liabilities | 855,272 | 664,121 |
| Value of fund | 69,898,820 | 65,137,080 |
| Units in Issue | 79,672,791 | 76,200,076 |
| Value per unit | 0.877 | 0.855 |

* Global Income Fund was launched on 26 March 2015.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2016

| | Asian Bond Fund |
|--------------------------------|------------------------|
| | 2016* |
| | S\$ |
| ASSETS | |
| Financial assets | |
| Equities | 22,730,348 |
| Other receivables and assets | 600,234 |
| Cash and cash equivalents | 226,732 |
| Total assets | <u>23,557,314</u> |
| LIABILITIES | |
| Financial liabilities | |
| Other payables and liabilities | 1,650,773 |
| Total liabilities | <u>1,650,773</u> |
| Value of fund | <u>21,906,541</u> |
| Units in Issue | <u>23,325,607</u> |
| Value per unit | <u>0.939</u> |

* Asian Bond Fund was launched on 3 May 2016.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

These notes form an integral part of the financial statements.

1. General

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

| Fund Name | Launch Date | Fund Type |
|------------------------------------|--------------------|----------------------|
| Prime Fund | 2 August 1973 | Thematic Fund |
| Singapore Managed Fund | 1 May 1994 | Managed Fund |
| Asia Managed Fund | 1 September 1995 | Managed Fund |
| Takaful Fund | 1 September 1995 | Thematic Fund |
| Global Equity Fund | 1 April 1998 | Core Fund |
| Singapore Bond Fund | 1 March 2000 | Core Fund |
| Global Technology Fund | 1 August 2000 | Thematic Fund |
| Singapore Equity Fund | 2 January 2003 | Core Fund |
| Global Bond Fund | 2 January 2003 | Core Fund |
| Global Managed Fund (Growth) | 2 January 2003 | Managed Fund |
| Global Managed Fund (Balanced) | 2 January 2003 | Managed Fund |
| Global Managed Fund (Conservative) | 2 January 2003 | Managed Fund |
| Money Market Fund | 1 May 2006 | Specialised Fund |
| Aim Now 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 |
| Asian Income Fund | 12 May 2014 | Thematic Fund |
| Global Income Fund | 26 March 2015 | Thematic Fund |
| Asian Bond Fund | 3 May 2016 | Thematic Fund |

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

As of 29 April 2016, Income replaced the following managers: Schroder Investment Management (Singapore) Ltd with Wellington Management Singapore Pte Ltd as one of the sub-investment managers for the Global Equity Fund, PIMCO Asia Pte Ltd with Amundi Singapore Limited as the sub-investment manager for the Global Bond Fund, and TCW Asset Management Company with Wellington Management Singapore Pte Ltd as the sub-investment manager for the Global Technology Fund.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

1. General (continued)

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 38% (2015: 42%) in Singapore Bond Fund. The fund is managed by 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 39% (2015: 41%) in Singapore Bond Fund. The fund is managed by Income.

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 (managed by Schroder Investment Management (Singapore) Ltd) in relation to the equity portion (70%) and in Singapore Bond Fund (managed by Income) in relation to the fixed income portion (30%).

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. Income is the investment manager of the fund. Wellington Management Singapore Pte Ltd is the sub-investment manager of the fund.

Global Equity Fund

The Global Equity Fund is an open ended investment linked fund that invests in global equities. Income is the investment manager of the fund. Morgan Stanley Investment Management Company, MFS International Singapore Pte. Ltd. and Wellington Management Singapore Pte Ltd are sub-investment managers of the fund.

Singapore Bond Fund

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

1. General (continued)

Global Technology Fund

The Global Technology Fund is an open ended investment linked fund that invests in technology-related equities globally. Income is the investment manager of the fund. Wellington Management Singapore Pte Ltd is the sub-investment manager of the fund.

Singapore Equity Fund

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

Global Bond 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. Income is the investment manager of the fund. Amundi Singapore Limited is the sub-investment manager of the fund.

Global Managed Fund (Growth)

The Global Managed Fund (Growth) is an open ended investment linked fund that invests in 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%).

Global Managed Fund (Balanced)

The Global Managed Fund (Balanced) is an open ended investment linked fund that invests in 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%).

Global Managed Fund (Conservative)

The Global Managed Fund (Conservative) is an open ended investment linked fund that invests in 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%).

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

1. General (continued)

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 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 supplemental source of income that is of low risk profile and volatility. The fund offers a semi-annual payout feature. Income is the investment manager of the fund. Schroder Investment Management (Singapore) Ltd is the sub-investment manager of the fund.

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. It is intended for the assets to be switched into the Aim Now portfolio once the portfolio reaches its maturity date in the year 2025. Income is the investment manager of the fund. Schroder Investment Management (Singapore) Ltd is the sub-investment manager of the fund.

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. It is intended for the assets to be switched into the Aim Now portfolio once the portfolio reaches its maturity date in the year 2035. Income is the investment manager of the fund. Schroder Investment Management (Singapore) Ltd is the sub-investment manager of the fund.

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. It is intended for the assets to be switched into the Aim Now portfolio once the portfolio reaches its maturity date in the year 2045. Income is the investment manager of the fund. Schroder Investment Management (Singapore) Ltd is the sub-investment manager of the fund.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

1. General (continued)

Asian Income Fund

The Asian Income Fund is an open ended investment linked fund that invests all or substantially all of its assets in the Singapore-domiciled Schroder Asian Income Fund (managed by Schroder Investment Management (Singapore) Ltd). The fund offers a monthly payout feature.

Global Income Fund

The Global Income Fund is an open ended investment linked fund that invests all or substantially all of its assets in the Schroder International Selection Fund Global Multi-Asset Income (managed by Schroder Investment Management (Singapore) Ltd). The fund offers a monthly payout feature.

Asian Bond Fund

The Asian Bond Fund is an open ended investment linked fund that invests all or substantially all of its assets in the BlackRock Global Funds- Asian Tiger Bond Fund A6 SGD Hedged Share Class (managed by BlackRock (Luxembourg) S.A.). The fund offers a monthly payout feature.

2. Significant accounting policies

(a) Basis of preparation

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

The financial statements of the NTUC Income Funds are expressed in Singapore Dollar.

(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.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

2. Significant accounting policies (continued)

(c) Investments

All purchases of investments are recognised on their trade dates, which are the dates 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. These acquisition charges are recognised in the Capital and Income Account when incurred. After initial recognition, the unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account. The quoted market price at the close of trading is adopted for all equity investments. Equity investments comprise the direct investments in equity securities and investments in funds. The bid price has been adopted for all fixed income investments. Unquoted fixed income securities are valued at bid prices quoted by banks, inclusive of accrued interest.

(d) 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.

(e) Realised gains/losses from sale of investments

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

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

(f) Foreign currency transactions

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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3. Other notes to Capital and Income Accounts

(a) Purchase of units

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

(b) Redemption of units

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

Charges include policy fees and other benefit charges are charged to the Capital and Income Accounts by way of unit deductions.

(c) Dividend distribution

Dividend distribution represents payments made to policyholders when the funds make distribution.

(d) Management fees

The annual management charges for each Fund are accrued on a daily basis.

(e) Taxation

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