

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

FINANCIAL STATEMENTS
For the financial year ended 31 December 2017

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

FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

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NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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STATEMENT BY DIRECTORS

For the financial year ended 31 December 2017

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, 27 March 2018



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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 2017, Capital and Income Accounts for the period from 1 January 2017 to 31 December 2017, 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 2017 to 31 December 2017 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.

A handwritten signature in black ink, appearing to read 'KPMG LLP'.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2018

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

		Prime Fund	Prime Fund
	Note	2017 S\$	2016 S\$
Value of fund at 1 January		<u>212,473,372</u>	<u>207,269,557</u>
Purchase of units	3 (a)	27,092,749	15,116,631
Redemption of units	3 (b)	<u>(26,160,393)</u>	<u>(22,772,517)</u>
Net purchase/(redemption)		932,356	(7,655,886)
Net investment income		43,563,917	14,348,428
Management fees and other charges	3 (d)	<u>(1,890,616)</u>	<u>(1,488,727)</u>
Increase/(Decrease) in value of the fund		<u>42,605,657</u>	<u>5,203,815</u>
Value of fund at 31 December		<u>255,079,029</u>	<u>212,473,372</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

		Singapore Managed Fund 2017 S\$	Singapore Managed Fund 2016 S\$
Value of fund at 1 January		<u>79,754,843</u>	<u>78,923,917</u>
Purchase of units	3 (a)	9,899,209	5,808,062
Redemption of units	3 (b)	<u>(11,507,525)</u>	<u>(8,553,710)</u>
Net purchase/(redemption)		(1,608,316)	(2,745,648)
Net investment income		12,859,743	4,136,698
Management fees and other charges	3 (d)	<u>(692,597)</u>	<u>(560,124)</u>
Increase/(Decrease) in value of the fund		<u>10,558,830</u>	<u>830,926</u>
Value of fund at 31 December		<u>90,313,673</u>	<u>79,754,843</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

		Asia Managed Fund	Asia Managed Fund
	Note	2017 S\$	2016 S\$
Value of fund at 1 January		<u>97,420,773</u>	<u>96,207,908</u>
Purchase of units	3 (a)	30,022,101	6,529,453
Redemption of units	3 (b)	<u>(14,896,539)</u>	<u>(11,925,582)</u>
Net purchase/(redemption)		15,125,562	(5,396,129)
Net investment income		31,019,309	6,845,500
Management fees and other charges	3 (d)	<u>(411,425)</u>	<u>(236,506)</u>
Increase/(Decrease) in value of the fund		<u>45,733,446</u>	<u>1,212,865</u>
Value of fund at 31 December		<u>143,154,219</u>	<u>97,420,773</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Note	Takaful Fund	Takaful Fund
		2017 S\$	2016 S\$
Value of fund at 1 January		<u>18,581,922</u>	<u>19,473,334</u>
Purchase of units	3 (a)	584,575	633,461
Redemption of units	3 (b)	<u>(2,878,902)</u>	<u>(2,659,632)</u>
Net purchase/(redemption)		(2,294,327)	(2,026,171)
Net investment income		3,437,421	1,317,094
Management fees and other charges	3 (d)	<u>(208,261)</u>	<u>(182,335)</u>
Increase/(Decrease) in value of the fund		<u>934,833</u>	<u>(891,412)</u>
Value of fund at 31 December		<u>19,516,755</u>	<u>18,581,922</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Note	Global Equity Fund	Global Equity Fund
		2017 S\$	2016 S\$
Value of fund at 1 January		<u>239,979,341</u>	<u>244,630,412</u>
Purchase of units	3 (a)	6,921,272	9,297,173
Redemption of units	3 (b)	<u>(28,391,545)</u>	<u>(30,057,859)</u>
Net purchase/(redemption)		(21,470,273)	(20,760,686)
Net investment income		39,134,440	19,018,076
Management fees and other charges	3 (d)	<u>(3,134,889)</u>	<u>(2,908,461)</u>
Increase/(Decrease) in value of the fund		<u>14,529,276</u>	<u>(4,651,071)</u>
Value of fund at 31 December		<u>254,508,619</u>	<u>239,979,341</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

		Singapore Bond Fund 2017 S\$	Singapore Bond Fund 2016 S\$
Value of fund at 1 January		<u>276,509,944</u>	<u>275,998,401</u>
Purchase of units	3 (a)	45,310,383	33,974,991
Redemption of units	3 (b)	<u>(18,367,877)</u>	<u>(43,662,917)</u>
Net purchase/(redemption)		26,942,506	(9,687,926)
Net investment income		19,448,156	11,590,321
Management fees and other charges	3 (d)	<u>(1,473,054)</u>	<u>(1,390,852)</u>
Increase/(Decrease) in value of the fund		<u>44,917,608</u>	<u>511,543</u>
Value of fund at 31 December		<u>321,427,552</u>	<u>276,509,944</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Global Technology Fund 2017 S\$	Global Technology Fund 2016 S\$
Value of fund at 1 January	68,388,840	73,106,190
Purchase of units	3 (a) 15,905,914	4,043,262
Redemption of units	3 (b) (19,350,457)	(14,558,741)
Net purchase/(redemption)	(3,444,543)	(10,515,479)
Net investment income	19,011,395	6,611,920
Management fees and other charges	3 (d) (986,437)	(813,791)
Increase/(Decrease) in value of the fund	14,580,415	(4,717,350)
Value of fund at 31 December	82,969,255	68,388,840

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

		Singapore Equity Fund 2017 S\$	Singapore Equity Fund 2016 S\$
Value of fund at 1 January		155,644,554	144,061,082
Purchase of units	3 (a)	14,194,679	26,036,147
Redemption of units	3 (b)	(39,315,762)	(20,328,824)
Net purchase/(redemption)		(25,121,083)	5,707,323
Net investment income		32,907,715	6,806,600
Management fees and other charges	3 (d)	(1,035,769)	(930,451)
Increase/(Decrease) in value of the fund		6,750,863	11,583,472
Value of fund at 31 December		162,395,417	155,644,554

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Note	Global Bond Fund	Global Bond Fund
		2017 S\$	2016 S\$
Value of fund at 1 January		<u>118,936,445</u>	<u>124,369,841</u>
Purchase of units	3 (a)	11,645,756	11,067,876
Redemption of units	3 (b)	<u>(8,313,336)</u>	<u>(18,842,718)</u>
Net purchase/(redemption)		3,332,420	(7,774,842)
Net investment income		3,560,857	3,362,493
Management fees and other charges	3 (d)	<u>(1,029,876)</u>	<u>(1,021,047)</u>
Increase/(Decrease) in value of the fund		<u>5,863,401</u>	<u>(5,433,396)</u>
Value of fund at 31 December		<u>124,799,846</u>	<u>118,936,445</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Global Managed Fund (Growth) 2017 S\$	Global Managed Fund (Growth) 2016 S\$
Value of fund at 1 January	239,511,733	240,801,927
Purchase of units	3 (a) 12,944,434	12,234,663
Redemption of units	3 (b) (27,403,752)	(25,723,907)
Net purchase/(redemption)	(14,459,318)	(13,489,244)
Net investment income	29,810,820	12,372,194
Management fees and other charges	3 (d) (314,100)	(173,144)
Increase/(Decrease) in value of the fund	15,037,402	(1,290,194)
Value of fund at 31 December	254,549,135	239,511,733

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For the financial year ended 31 December 2017

	Global Managed Fund (Balanced) 2017 S\$	Global Managed Fund (Balanced) 2016 S\$
Value of fund at 1 January	169,394,790	171,791,379
Purchase of units	3 (a) 6,298,036	6,155,962
Redemption of units	3 (b) (18,171,323)	(16,079,718)
Net purchase/(redemption)	(11,873,287)	(9,923,756)
Net investment income	16,410,065	7,642,620
Management fees and other charges	3 (d) (202,418)	(115,453)
Increase/(Decrease) in value of the fund	4,334,360	(2,396,589)
Value of fund at 31 December	173,729,150	169,394,790

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2017

	Global Managed Fund (Conservative) 2017	Global Managed Fund (Conservative) 2016
Note	S\$	S\$
Value of fund at 1 January	11,641,467	11,841,954
Purchase of units	3 (a) 1,018,080	514,489
Redemption of units	3 (b) (1,090,480)	(1,146,623)
Net purchase/(redemption)	(72,400)	(632,134)
Net investment income	813,301	438,422
Management fees and other charges	3 (d) (12,011)	(6,775)
Increase/(Decrease) in value of the fund	728,890	(200,487)
Value of fund at 31 December	12,370,357	11,641,467

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Money Market Fund		Money Market Fund	
	Note	2017 S\$	2016 S\$	
Value of fund at 1 January		<u>17,982,678</u>	<u>18,515,133</u>	
Purchase of units	3 (a)	45,434,974	69,473,020	
Redemption of units	3 (b)	<u>(48,543,958)</u>	<u>(70,263,586)</u>	
Net purchase/(redemption)		(3,108,984)	(790,566)	
Net investment income		244,069	304,102	
Management fees and other charges	3 (d)	<u>(41,878)</u>	<u>(45,991)</u>	
Increase/(Decrease) in value of the fund		<u>(2,906,793)</u>	<u>(532,455)</u>	
Value of fund at 31 December		<u>15,075,885</u>	<u>17,982,678</u>	

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

		Aim Now Fund	Aim Now Fund
	Note	2017 S\$	2016 S\$
Value of fund at 1 January		101,859,760	116,668,972
Purchase of units	3 (a)	11,654,516	15,274,168
Redemption of units	3 (b)	(32,597,695)	(30,444,940)
Dividend distribution	3 (c)	(1,863,242)	(2,826,878)
Net purchase/(redemption)		(22,806,421)	(17,997,650)
Net investment income		6,629,421	3,869,298
Management fees and other charges	3 (d)	(567,017)	(680,860)
Increase/(Decrease) in value of the fund		(16,744,017)	(14,809,212)
Value of fund at 31 December		85,115,743	101,859,760

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Note	Aim 2025 Fund	Aim 2025 Fund
		2017 S\$	2016 S\$
Value of fund at 1 January		<u>14,262,821</u>	<u>13,852,336</u>
Purchase of units	3 (a)	3,190,295	1,797,578
Redemption of units	3 (b)	<u>(2,509,983)</u>	<u>(1,908,429)</u>
Net purchase/(redemption)		680,312	(110,851)
Net investment income		1,936,900	646,843
Management fees and other charges	3 (d)	<u>(136,058)</u>	<u>(125,507)</u>
Increase/(Decrease) in value of the fund		<u>2,481,154</u>	<u>410,485</u>
Value of fund at 31 December		<u>16,743,975</u>	<u>14,262,821</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Aim 2035 Fund	
	2017	2016
Note	S\$	S\$
Value of fund at 1 January	18,788,332	17,315,160
Purchase of units	3 (a) 2,689,798	2,409,162
Redemption of units	3 (b) (2,112,620)	(1,740,460)
Net purchase/(redemption)	577,178	668,702
Net investment income	3,638,617	971,100
Management fees and other charges	3 (d) (190,786)	(166,630)
Increase/(Decrease) in value of the fund	4,025,009	1,473,172
Value of fund at 31 December	22,813,341	18,788,332

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Aim 2045 Fund	Aim 2045 Fund
	2017	2016
Note	S\$	S\$
Value of fund at 1 January	20,631,539	17,878,528
Purchase of units	3 (a) 5,770,433	4,135,906
Redemption of units	3 (b) (3,567,679)	(2,273,753)
Net purchase/(redemption)	2,202,754	1,862,153
Net investment income	4,233,857	1,065,852
Management fees and other charges	3 (d) (215,933)	(174,994)
Increase/(Decrease) in value of the fund	6,220,678	2,753,011
Value of fund at 31 December	26,852,217	20,631,539

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Asian Income Fund		Asian Income Fund	
	Note	2017 S\$	2016 S\$	
Value of fund at 1 January		<u>380,264,607</u>	<u>236,174,270</u>	
Purchase of units	3 (a)	251,781,397	161,645,528	
Redemption of units	3 (b)	(40,922,558)	(20,283,505)	
Dividend distribution	3 (c)	(24,108,105)	(15,859,593)	
Net purchase/(redemption)		<u>186,750,734</u>	<u>125,502,430</u>	
Net investment income		<u>39,296,563</u>	<u>18,587,907</u>	
Increase/(Decrease) in value of the fund		<u>226,047,297</u>	<u>144,090,337</u>	
Value of fund at 31 December		<u>606,311,904</u>	<u>380,264,607</u>	

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Note	Global Income Fund	Global Income Fund
		2017 S\$	2016 S\$
Value of fund at 1 January		69,898,820	65,137,080
Purchase of units	3 (a)	46,957,245	18,289,233
Redemption of units	3 (b)	(25,672,675)	(15,125,639)
Dividend distribution	3 (c)	(3,933,980)	(3,299,245)
Net purchase/(redemption)		17,350,590	(135,651)
Net investment income		3,859,279	4,897,391
Increase/(Decrease) in value of the fund		21,209,869	4,761,740
Value of fund at 31 December		91,108,689	69,898,820

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2017

	Asian Bond Fund		Asian Bond Fund	
	Note	2017 S\$	2016 S\$	
Value of fund at 1 January		21,906,541	-	
Purchase of units	3 (a)	18,135,179	27,523,103	
Redemption of units	3 (b)	(8,349,176)	(4,739,838)	
Dividend distribution	3 (c)	(1,171,968)	(457,921)	
Net purchase/(redemption)		8,614,035	22,325,344	
Net investment income		1,420,188	(418,803)	
Increase/(Decrease) in value of the fund		10,034,223	21,906,541	
Value of fund at 31 December		31,940,764	21,906,541	

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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BALANCE SHEETS

For the financial year ended 31 December 2017

	Prime Fund	Prime Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	252,168,381	202,191,837
Other receivables and assets	1,479,873	15,605,299
Cash and cash equivalents	3,525,063	1,621,828
Total assets	257,173,317	219,418,964
LIABILITIES		
Financial liabilities		
Financial derivatives	-	1,757
Other payables and liabilities	2,094,288	6,943,835
Total liabilities	2,094,288	6,945,592
Value of fund	255,079,029	212,473,372
Units in Issue	28,415,949	28,390,180
Value per unit	8.977	7.484

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Singapore Managed Fund 2017 S\$	Singapore Managed Fund 2016 S\$
ASSETS		
Financial assets		
Equities	88,439,486	77,856,890
Other receivables and assets	2,061,923	5,044,047
Cash and cash equivalents	275,214	1,341,759
Total assets	90,776,623	84,242,696
LIABILITIES		
Financial liabilities		
Financial derivatives	-	1,357
Other payables and liabilities	462,950	4,486,496
Total liabilities	462,950	4,487,853
Value of fund	90,313,673	79,754,843
Units in Issue	29,513,021	30,128,600
Value per unit	3.060	2.647

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Asia Managed Fund	Asia Managed Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	143,126,429	97,194,290
Other receivables and assets	2,367,723	380,372
Cash and cash equivalents	257,738	240,562
Total assets	<u>145,751,890</u>	<u>97,815,224</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	2,597,671	394,451
Total liabilities	<u>2,597,671</u>	<u>394,451</u>
Value of fund	<u>143,154,219</u>	<u>97,420,773</u>
Units in Issue	44,114,607	39,181,569
Value per unit	<u>3.245</u>	<u>2.486</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Takaful Fund	Takaful Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	19,046,927	18,207,089
Financial derivatives	307	292
Other receivables and assets	81,110	135,201
Cash and cash equivalents	579,650	414,563
Total assets	<u>19,707,994</u>	<u>18,757,145</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	16	119
Other payables and liabilities	191,223	175,104
Total liabilities	<u>191,239</u>	<u>175,223</u>
Value of fund	<u>19,516,755</u>	<u>18,581,922</u>
Units in Issue	<u>13,523,572</u>	<u>15,239,809</u>
Value per unit	<u>1.443</u>	<u>1.219</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Global Equity Fund	Global Equity Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	253,581,781	237,039,063
Financial derivatives	1,118	24,256
Other receivables and assets	2,344,918	11,331,351
Cash and cash equivalents	2,306,061	4,184,641
Total assets	258,233,878	252,579,311
LIABILITIES		
Financial liabilities		
Financial derivatives	1,492	11,191
Other payables and liabilities	3,723,767	12,588,779
Total liabilities	3,725,259	12,599,970
Value of fund	254,508,619	239,979,341
Units in Issue	75,447,932	82,182,712
Value per unit	3.373	2.920

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Singapore Bond Fund 2017 S\$	Singapore Bond Fund 2016 S\$
ASSETS		
Financial assets		
Debt securities	315,145,738	273,631,304
Financial derivatives	60,499	-
Other receivables and assets	3,437,673	2,802,754
Cash and cash equivalents	3,152,953	795,739
Total assets	<u>321,796,863</u>	<u>277,229,797</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	16,401	378,879
Other payables and liabilities	352,910	340,974
Total liabilities	<u>369,311</u>	<u>719,853</u>
Value of fund	<u>321,427,552</u>	<u>276,509,944</u>
Units in Issue	<u>173,420,817</u>	<u>158,658,036</u>
Value per unit	<u>1.853</u>	<u>1.743</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Global Technology	Global Technology
	Fund	Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	80,025,732	67,006,464
Financial derivatives	79	132
Other receivables and assets	1,165,732	1,277,259
Cash and cash equivalents	2,147,983	1,973,542
Total assets	83,339,526	70,257,397
LIABILITIES		
Financial liabilities		
Other payables and liabilities	370,271	1,868,557
Total liabilities	370,271	1,868,557
Value of fund	82,969,255	68,388,840
Units in Issue	121,330,061	126,971,673
Value per unit	0.684	0.539

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Singapore Equity Fund 2017 S\$	Singapore Equity Fund 2016 S\$
ASSETS		
Financial assets		
Equities	160,845,173	152,906,690
Financial derivatives	2,160	-
Other receivables and assets	3,124,122	6,370,396
Cash and cash equivalents	1,581,733	2,264,985
Total assets	<u>165,553,188</u>	<u>161,542,071</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	-	1,681
Other payables and liabilities	3,157,771	5,895,836
Total liabilities	<u>3,157,771</u>	<u>5,897,517</u>
Value of fund	<u>162,395,417</u>	<u>155,644,554</u>
Units in Issue	46,871,324	54,673,437
Value per unit	<u>3.465</u>	<u>2.847</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Global Bond Fund	Global Bond Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Debt securities	116,234,193	109,346,353
Financial derivatives	1,223,724	3,022,568
Other receivables and assets	2,659,210	5,564,469
Cash and cash equivalents	7,322,445	4,556,487
Total assets	127,439,572	122,489,877
LIABILITIES		
Financial liabilities		
Financial derivatives	451,932	3,215,704
Other payables and liabilities	2,187,794	337,728
Total liabilities	2,639,726	3,553,432
Value of fund	124,799,846	118,936,445
Units in Issue	78,590,731	76,481,224
Value per unit	1.588	1.555

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Global Managed Fund (Growth) 2017 S\$	Global Managed Fund (Growth) 2016 S\$
ASSETS		
Financial assets		
Equities	254,622,250	239,712,560
Other receivables and assets	2,588,390	4,896,617
Cash and cash equivalents	115,419	200,000
Total assets	<u>257,326,059</u>	<u>244,809,177</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	2,776,924	5,297,444
Total liabilities	<u>2,776,924</u>	<u>5,297,444</u>
Value of fund	<u>254,549,135</u>	<u>239,511,733</u>
Units in Issue	101,674,696	107,736,054
Value per unit	<u>2.504</u>	<u>2.223</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Global Managed Fund (Balanced) 2017 S\$	Global Managed Fund (Balanced) 2016 S\$
ASSETS		
Financial assets		
Equities	173,970,973	169,079,048
Other receivables and assets	2,048,442	4,300,806
Cash and cash equivalents	184,963	127,002
Total assets	<u>176,204,378</u>	<u>173,506,856</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	2,475,228	4,112,066
Total liabilities	<u>2,475,228</u>	<u>4,112,066</u>
Value of fund	<u>173,729,150</u>	<u>169,394,790</u>
Units in Issue	76,836,053	82,270,308
Value per unit	<u>2.261</u>	<u>2.059</u>

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

BALANCE SHEETS

For the financial year ended 31 December 2017

	Global Managed Fund (Conservative) 2017 S\$	Global Managed Fund (Conservative) 2016 S\$
ASSETS		
Financial assets		
Equities	12,232,455	11,423,352
Other receivables and assets	149,229	292,510
Cash and cash equivalents	107,701	129,613
Total assets	12,489,385	11,845,475
LIABILITIES		
Financial liabilities		
Other payables and liabilities	119,028	204,008
Total liabilities	119,028	204,008
Value of fund	12,370,357	11,641,467
Units in Issue	6,273,001	6,312,920
Value per unit	1.972	1.844

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Money Market Fund	Money Market Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Debt securities	14,844,892	17,196,829
Financial derivatives	24,991	3,702
Other receivables and assets	768,987	2,438,098
Cash and cash equivalents	345,540	1,938,870
Total assets	<u>15,984,410</u>	<u>21,577,499</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	-	80,862
Other payables and liabilities	908,525	3,513,959
Total liabilities	<u>908,525</u>	<u>3,594,821</u>
Value of fund	<u>15,075,885</u>	<u>17,982,678</u>
Units in Issue	12,940,656	15,619,870
Value per unit	<u>1.165</u>	<u>1.151</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Aim Now Fund	Aim Now Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	83,482,689	95,435,014
Debt securities	1,099,103	-
Financial derivatives	172,909	270,420
Other receivables and assets	36,504	122,012
Cash and cash equivalents	803,661	8,261,906
Total assets	85,594,866	104,089,352
LIABILITIES		
Financial liabilities		
Financial derivatives	14,267	382,398
Other payables and liabilities	464,856	1,847,194
Total liabilities	479,123	2,229,592
Value of fund	85,115,743	101,859,760
Units in Issue	89,649,228	112,139,907
Value per unit	0.949	0.908

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

BALANCE SHEETS

For the financial year ended 31 December 2017

	Aim 2025 Fund	Aim 2025 Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	16,175,711	13,867,162
Financial derivatives	41,757	30,255
Other receivables and assets	6,696	127,715
Cash and cash equivalents	563,048	346,960
Total assets	16,787,212	14,372,092
LIABILITIES		
Financial liabilities		
Financial derivatives	2,866	64,759
Other payables and liabilities	40,371	44,512
Total liabilities	43,237	109,271
Value of fund	16,743,975	14,262,821
Units in Issue	11,280,985	10,793,380
Value per unit	1.484	1.321

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Aim 2035 Fund	Aim 2035 Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	22,516,242	18,499,802
Financial derivatives	35,402	27,368
Other receivables and assets	174,190	63,210
Cash and cash equivalents	781,085	292,710
Total assets	<u>23,506,919</u>	<u>18,883,090</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	3,013	56,018
Other payables and liabilities	690,565	38,740
Total liabilities	<u>693,578</u>	<u>94,758</u>
Value of fund	<u>22,813,341</u>	<u>18,788,332</u>
Units in Issue	<u>13,764,814</u>	<u>13,399,804</u>
Value per unit	<u>1.657</u>	<u>1.402</u>

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

BALANCE SHEETS

For the financial year ended 31 December 2017

	Aim 2045 Fund	Aim 2045 Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	26,198,276	20,396,595
Financial derivatives	36,997	35,219
Other receivables and assets	452,565	82,125
Cash and cash equivalents	1,463,353	219,970
Total assets	<u>28,151,191</u>	<u>20,733,909</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	2,990	59,976
Other payables and liabilities	1,295,984	42,394
Total liabilities	<u>1,298,974</u>	<u>102,370</u>
Value of fund	<u>26,852,217</u>	<u>20,631,539</u>
Units in Issue	15,980,668	14,615,793
Value per unit	<u>1.680</u>	<u>1.412</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Asian Income Fund	Asian Income Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	608,614,271	381,362,617
Other receivables and assets	6,714,027	5,814,204
Cash and cash equivalents	3,169,119	1,961,307
Total assets	<u>618,497,417</u>	<u>389,138,128</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	12,185,513	8,873,521
Total liabilities	<u>12,185,513</u>	<u>8,873,521</u>
Value of fund	<u>606,311,904</u>	<u>380,264,607</u>
Units in Issue	616,169,158	400,819,711
Value per unit	<u>0.984</u>	<u>0.949</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Global Income Fund	Global Income Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	91,797,893	69,519,738
Other receivables and assets	929,259	1,196,496
Cash and cash equivalents	1,043,945	37,858
Total assets	<u>93,771,097</u>	<u>70,754,092</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	2,662,408	855,272
Total liabilities	<u>2,662,408</u>	<u>855,272</u>
Value of fund	<u>91,108,689</u>	<u>69,898,820</u>
Units in Issue	103,860,183	79,672,791
Value per unit	<u>0.877</u>	<u>0.877</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2017

	Asian Bond Fund	Asian Bond Fund
	2017	2016
	S\$	S\$
ASSETS		
Financial assets		
Equities	32,886,549	22,730,348
Other receivables and assets	501,913	600,234
Cash and cash equivalents	257,814	226,732
Total assets	<u>33,646,276</u>	<u>23,557,314</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	1,705,512	1,650,773
Total liabilities	<u>1,705,512</u>	<u>1,650,773</u>
Value of fund	<u>31,940,764</u>	<u>21,906,541</u>
Units in Issue	33,489,622	23,325,607
Value per unit	<u>0.954</u>	<u>0.939</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2017

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 2017

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 40% (2016: 38%) 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% (2016: 39%) 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 2017***

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 2017

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 2017

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
- NTUC INCOME FUNDS**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2017

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.

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2017

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.

