

NTUC INCOME INSURANCE
CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

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

FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

For the financial year ended 31 December 2020

On behalf of the Board, the financial statements set out on pages 5 to 43 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



Yeo Seng Thean Andrew
Chief Executive

Singapore, 26 March 2021



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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 to the financial statements) of NTUC Income Insurance Co-operative Limited ('the Co-operative'), which comprise the Balance Sheets as at 31 December 2020, Capital and Income Accounts for the period from 1 January 2020 to 31 December 2020, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 43. 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 financial year ended 31 December 2020 are prepared, in all material respects, in accordance with the stated accounting policies as set out in Note 2 in the financial statements.

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.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the Annual Fund Report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED

NTUC Income Funds - Independent auditors' report

For the financial year ended 31 December 2020

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of matter – Basis of accounting and restriction on distribution and use

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. Our opinion is not modified in respect of this matter.

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.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED

NTUC Income Funds - Independent auditors' report

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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

26 March 2021

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2020

		Prime Fund	Prime Fund
		2020	2019
	Note	S\$	S\$
Value of fund as of 1 January 2020		251,526,254	248,757,638
Amounts received by the Fund for creation of units	2(g)	9,379,072	14,059,203
Amounts paid by the Fund for liquidation of units	2(h)	(26,876,331)	(32,324,497)
Net cash out of the Fund		(17,497,259)	(18,265,294)
Net investment income		9,863,156	23,124,341
Management fees and other charges	2(j)	(1,908,385)	(2,090,431)
(Decrease)/increase in net asset value for the year		(9,542,488)	2,768,616
Value of fund as of 31 December 2020		241,983,766	251,526,254
		Singapore Managed Fund 2020	Singapore Managed Fund 2019
	Note	S\$	S\$
Value of fund as of 1 January 2020		85,043,199	83,236,255
Amounts received by the Fund for creation of units	2(g)	3,789,850	4,592,902
Amounts paid by the Fund for liquidation of units	2(h)	(8,257,235)	(9,804,283)
Net cash out of the Fund		(4,467,385)	(5,211,381)
Net investment income/(loss)		(484,970)	7,710,579
Management fees and other charges	2(j)	(631,522)	(692,254)
(Decrease)/increase in net asset value for the year		(5,583,877)	1,806,944
Value of fund as of 31 December 2020		79,459,322	85,043,199

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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2020

	Note	Asia Managed Fund 2020 S\$	Asia Managed Fund 2019 S\$
Value of fund as of 1 January 2020		148,058,278	137,552,680
Amounts received by the Fund for creation of units	2(g)	17,043,832	9,972,818
Amounts paid by the Fund for liquidation of units	2(h)	(24,655,705)	(20,879,552)
Net cash out of the Fund		(7,611,873)	(10,906,734)
Net investment income		31,433,002	21,514,577
Management fees and other charges	2(j)	(104,220)	(102,245)
Increase in net asset value for the year		23,716,909	10,505,598
Value of fund as of 31 December 2020		171,775,187	148,058,278

	Note	Takaful Fund 2020 S\$	Takaful Fund 2019 S\$
Value of fund as of 1 January 2020		19,572,463	17,021,489
Amounts received by the Fund for creation of units	2(g)	1,447,776	748,564
Amounts paid by the Fund for liquidation of units	2(h)	(1,941,478)	(3,212,544)
Net cash out of the Fund		(493,702)	(2,463,980)
Net investment income		4,416,325	5,217,450
Management fees and other charges	2(j)	(216,461)	(202,496)
Increase in net asset value for the year		3,706,162	2,550,974
Value of fund as of 31 December 2020		23,278,625	19,572,463

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	Note	Global Equity Fund 2020 S\$	Global Equity Fund 2019 S\$
Value of fund as of 1 January 2020		266,049,119	235,639,585
Amounts received by the Fund for creation of units	2(g)	23,066,610	5,253,165
Amounts paid by the Fund for liquidation of units	2(h)	(43,864,844)	(38,638,765)
Net cash out of the Fund		(20,798,234)	(33,385,600)
Net investment income		37,225,737	67,055,536
Management fees and other charges	2(j)	(3,343,571)	(3,260,402)
Increase in net asset value for the year		13,083,932	30,409,534
Value of fund as of 31 December 2020		279,133,051	266,049,119

	Note	Singapore Bond Fund 2020 S\$	Singapore Bond Fund 2019 S\$
Value of fund as of 1 January 2020		308,457,918	305,995,614
Amounts received by the Fund for creation of units	2(g)	49,625,538	38,881,446
Amounts paid by the Fund for liquidation of units	2(h)	(76,263,708)	(54,483,218)
Net cash out of the Fund		(26,638,170)	(15,601,772)
Net investment income		26,050,550	19,657,329
Management fees and other charges	2(j)	(1,499,193)	(1,593,253)
(Decrease)/increase in net asset value for the year		(2,086,813)	2,462,304
Value of fund as of 31 December 2020		306,371,105	308,457,918

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	Note	Global Technology Fund 2020 S\$	Global Technology Fund 2019 S\$
Value of fund as of 1 January 2020		96,524,954	80,511,365
Amounts received by the Fund for creation of units	2(g)	38,832,902	38,707,033
Amounts paid by the Fund for liquidation of units	2(h)	(43,499,120)	(51,268,297)
Net cash out of the Fund		(4,666,218)	(12,561,264)
Net investment income		53,704,543	29,749,949
Management fees and other charges	2(j)	(1,447,328)	(1,175,096)
Increase in net asset value for the year		47,590,997	16,013,589
Value of fund as of 31 December 2020		144,115,951	96,524,954

	Note	Singapore Equity Fund 2020 S\$	Singapore Equity Fund 2019 S\$
Value of fund as of 1 January 2020		155,713,586	145,349,087
Amounts received by the Fund for creation of units	2(g)	27,472,581	15,125,740
Amounts paid by the Fund for liquidation of units	2(h)	(17,120,761)	(18,703,293)
Net cash into/(out of) the Fund		10,351,820	(3,577,553)
Net investment income/(loss)		(10,489,582)	14,974,927
Management fees and other charges	2(j)	(947,025)	(1,032,875)
(Decrease)/increase in net asset value for the year		(1,084,787)	10,364,499
Value of fund as of 31 December 2020		154,628,799	155,713,586

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For the financial year ended 31 December 2020

	Note	Global Bond Fund 2020 S\$	Global Bond Fund 2019 S\$
Value of fund as of 1 January 2020		126,936,196	114,137,963
Amounts received by the Fund for creation of units	2(g)	21,075,932	12,818,230
Amounts paid by the Fund for liquidation of units	2(h)	(21,127,176)	(10,827,280)
Net cash into/(out of) the Fund		(51,244)	1,990,950
Net investment income		6,723,630	11,854,123
Management fees and other charges	2(j)	(1,064,281)	(1,046,840)
Increase in net asset value for the year		5,608,105	12,798,233
Value of fund as of 31 December 2020		132,544,301	126,936,196

	Note	Global Managed Fund (Growth) 2020 S\$	Global Managed Fund (Growth) 2019 S\$
Value of fund as of 1 January 2020		267,895,433	235,298,683
Amounts received by the Fund for creation of units	2(g)	10,969,131	11,239,014
Amounts paid by the Fund for liquidation of units	2(h)	(19,976,981)	(23,189,282)
Net cash out of the Fund		(9,007,850)	(11,950,268)
Net investment income		20,197,337	44,545,043
Management fees and other charges	2(j)	6,322	1,975
Increase in net asset for the year		11,195,809	32,596,750
Value of fund as of 31 December 2020		279,091,242	267,895,433

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	Note	Global Managed Fund (Balanced) 2020 S\$	Global Managed Fund (Balanced) 2019 S\$
Value of fund as of 1 January 2020		173,893,854	161,349,430
Amounts received by the Fund for creation of units	2(g)	5,379,299	4,370,597
Amounts paid by the Fund for liquidation of units	2(h)	(11,717,862)	(17,371,534)
Net cash out of the Fund		(6,338,563)	(13,000,937)
Net investment income		13,586,775	25,543,993
Management fees and other charges	2(j)	1,725	1,368
Increase in net asset value for the year		7,249,937	12,544,424
Value of fund as of 31 December 2020		181,143,791	173,893,854

	Note	Global Managed Fund (Conservative) 2020 S\$	Global Managed Fund (Conservative) 2019 S\$
Value of fund as of 1 January 2020		12,993,721	11,833,193
Amounts received by the Fund for creation of units	2(g)	288,495	566,365
Amounts paid by the Fund for liquidation of units	2(h)	(952,269)	(927,878)
Net cash out of the Fund		(663,774)	(361,513)
Net investment income		939,016	1,523,457
Management fees and other charges	2(j)	(1,224)	(1,416)
Increase in net asset value for the year		274,018	1,160,528
Value of fund as of 31 December 2020		13,267,739	12,993,721

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	Note	Money Market Fund 2020 S\$	Money Market Fund 2019 S\$
Value of fund as of 1 January 2020		12,271,390	13,575,561
Amounts received by the Fund for creation of units	2(g)	17,173,168	11,945,164
Amounts paid by the Fund for liquidation of units	2(h)	(16,725,060)	(13,509,739)
Net cash into/(out of) the Fund		448,108	(1,564,575)
Net investment income		165,822	295,751
Management fees and other charges	2(j)	(36,286)	(35,347)
Increase/(decrease) in net asset value for the year		577,644	(1,304,171)
Value of fund as of 31 December 2020		12,849,034	12,271,390

	Note	Aim Now Fund 2020 S\$	Aim Now Fund 2019 S\$
Value of fund as of 1 January 2020		67,577,435	69,061,881
Amounts received by the Fund for creation of units	2(g)	30,299,305	31,417,490
Amounts paid by the Fund for liquidation of units	2(h)	(35,513,359)	(36,878,988)
Net cash out of the Fund		(5,214,054)	(5,461,498)
Dividend distribution	2(i)	(1,397,896)	(1,733,284)
Net investment income		6,065,923	6,118,843
Management fees and other charges	2(j)	(374,817)	(408,507)
Decrease in net asset value for the year		(920,844)	(1,484,446)
Value of fund as of 31 December 2020		66,656,591	67,577,435

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	Note	Aim 2025 Fund 2020 S\$	Aim 2025 Fund 2019 S\$
Value of fund as of 1 January 2020		19,087,280	17,378,324
Amounts received by the Fund for creation of units	2(g)	2,015,809	4,165,280
Amounts paid by the Fund for liquidation of units	2(h)	(2,265,297)	(4,614,453)
Net cash out of the Fund		(249,488)	(449,173)
Net investment income		2,146,121	2,318,843
Management fees and other charges	2(j)	(156,321)	(160,714)
Increase in net asset value for the year		1,740,312	1,708,956
Value of fund as of 31 December 2020		20,827,592	19,087,280

	Note	Aim 2035 Fund 2020 S\$	Aim 2035 Fund 2019 S\$
Value of fund as of 1 January 2020		24,467,314	21,532,227
Amounts received by the Fund for creation of units	2(g)	1,953,310	1,693,075
Amounts paid by the Fund for liquidation of units	2(h)	(2,035,995)	(2,230,485)
Net cash out of the Fund		(82,685)	(537,410)
Net investment income		3,595,867	3,687,007
Management fees and other charges	2(j)	(225,108)	(214,510)
Increase in net asset value for the year		3,288,074	2,935,087
Value of fund as of 31 December 2020		27,755,388	24,467,314

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For the financial year ended 31 December 2020

	Note	Aim 2045 Fund 2020 S\$	Aim 2045 Fund 2019 S\$
Value of fund as of 1 January 2020		32,076,113	27,098,547
Amounts received by the Fund for creation of units	2(g)	4,910,782	4,498,170
Amounts paid by the Fund for liquidation of units	2(h)	(2,785,847)	(4,277,577)
Net cash into the Fund		2,124,935	220,593
Net investment income		5,179,557	5,036,221
Management fees and other charges	2(j)	(311,332)	(279,248)
Increase in net asset value for the year		6,993,160	4,977,566
Value of fund as of 31 December 2020		39,069,273	32,076,113

	Note	Asian Income Fund 2020 S\$	Asian Income Fund 2019 S\$
Value of fund as of 1 January 2020		903,081,929	702,700,574
Amounts received by the Fund for creation of units	2(g)	178,875,996	263,391,433
Amounts paid by the Fund for liquidation of units	2(h)	(81,529,449)	(97,833,899)
Net cash into the Fund		97,346,547	165,557,534
Dividend distribution	2(i)	(41,019,153)	(41,949,796)
Net investment income		14,423,535	76,877,610
Management fees and other charges	2(j)	(110,508)	(103,993)
Increase in net asset value for the year		70,640,421	200,381,355
Value of fund as of 31 December 2020		973,722,350	903,081,929

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2020

	Note	Global Income Fund 2020 S\$	Global Income Fund 2019 S\$
Value of fund as of 1 January 2020		86,332,318	86,813,165
Amounts received by the Fund for creation of units	2(g)	60,435,108	39,705,390
Amounts paid by the Fund for liquidation of units	2(h)	(57,728,096)	(45,147,301)
Net cash into/(out of) the Fund		2,707,012	(5,441,911)
Dividend distribution	2(i)	(4,174,061)	(4,425,649)
Net investment income		1,475,132	9,397,067
Management fees and other charges	2(j)	(10,147)	(10,354)
Decrease in net asset value for the year		(2,064)	(480,847)
Value of fund as of 31 December 2020		86,330,254	86,332,318

	Note	Asian Bond Fund 2020 S\$	Asian Bond Fund 2019 S\$
Value of fund as of 1 January 2020		58,065,159	31,406,103
Amounts received by the Fund for creation of units	2(g)	90,179,209	69,387,112
Amounts paid by the Fund for liquidation of units	2(h)	(56,058,204)	(44,192,948)
Net cash into the Fund		34,121,005	25,194,164
Dividend distribution	2(i)	(3,892,479)	(2,144,109)
Net investment income		4,772,078	3,613,411
Management fees and other charges	2(j)	(14,049)	(4,410)
Increase in net asset value for the year		34,986,555	26,659,056
Value of fund as of 31 December 2020		93,051,714	58,065,159

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	Note	Multi-Asset Premium Fund 2020 S\$	Multi-Asset Premium Fund 2019 S\$
Value of fund as of 1 January 2020		4,888,541	3,927,800
Amounts received by the Fund for creation of units	2(g)	4,036,698	1,508,812
Amounts paid by the Fund for liquidation of units	2(h)	(3,321,487)	(1,135,167)
Net cash into the Fund		715,211	373,645
Dividend distribution	2(i)	(100,129)	(88,482)
Net investment income		1,427,673	676,063
Management fees and other charges	2(j)	(648)	(485)
Increase in net asset value for the year		2,042,107	960,741
Value of fund as of 31 December 2020		6,930,648	4,888,541

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Prime Fund	Prime Fund
	2020	2019
	S\$	S\$
ASSETS		
Financial assets		
Investments		
Equities	239,513,404	248,015,722
Value of investments	<u>239,513,404</u>	<u>248,015,722</u>
Other assets		
Other receivables and assets	453,375	799,779
Cash and cash equivalents	3,153,837	3,381,337
Total assets	<u>243,120,616</u>	<u>252,196,838</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	1,136,850	670,584
Total liabilities	<u>1,136,850</u>	<u>670,584</u>
Value of fund as of 31 December 2020	<u>241,983,766</u>	<u>251,526,254</u>

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STATEMENT OF FINANCIAL POSITION

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	Singapore Managed Fund 2020 S\$	Singapore Managed Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	78,891,817	84,149,977
Value of investments	<u>78,891,817</u>	<u>84,149,977</u>
Other assets		
Other receivables and assets	424,847	400,026
Cash and cash equivalents	652,316	897,991
Total assets	<u>79,968,980</u>	<u>85,447,994</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	509,658	404,795
Total liabilities	<u>509,658</u>	<u>404,795</u>
Value of fund as of 31 December 2020	<u>79,459,322</u>	<u>85,043,199</u>

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	Asia Managed Fund 2020 S\$	Asia Managed Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	171,589,247	148,186,841
Value of investments	<u>171,589,247</u>	<u>148,186,841</u>
Other assets		
Other receivables and assets	608,892	412,401
Cash and cash equivalents	489,218	200,000
Total assets	<u>172,687,357</u>	<u>148,799,242</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	912,170	740,964
Total liabilities	<u>912,170</u>	<u>740,964</u>
Value of fund as of 31 December 2020	<u>171,775,187</u>	<u>148,058,278</u>

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STATEMENT OF FINANCIAL POSITION

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	Takaful Fund	Takaful Fund
	2020	2019
	S\$	S\$
ASSETS		
Financial assets		
Investments		
Equities	22,847,402	19,410,207
Value of investments	<u>22,847,402</u>	<u>19,410,207</u>
Other assets		
Other receivables and assets	113,880	104,157
Cash and cash equivalents	732,807	267,023
Total assets	<u>23,694,089</u>	<u>19,781,387</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	339	105
Other payables and liabilities	415,125	208,819
Total liabilities	<u>415,464</u>	<u>208,924</u>
Value of fund as of 31 December 2020	<u>23,278,625</u>	<u>19,572,463</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Global Equity Fund 2020 S\$	Global Equity Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	277,565,946	264,259,463
Value of investments	<u>277,565,946</u>	<u>264,259,463</u>
Other assets		
Financial derivatives	6	61
Other receivables and assets	333,464	369,477
Cash and cash equivalents	2,929,443	2,930,270
Total assets	<u>280,828,859</u>	<u>267,559,271</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	1,695,808	1,510,152
Total liabilities	<u>1,695,808</u>	<u>1,510,152</u>
Value of fund as of 31 December 2020	<u>279,133,051</u>	<u>266,049,119</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Singapore Bond Fund 2020 S\$	Singapore Bond Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Debt securities	303,949,559	306,315,226
Value of investments	<u>303,949,559</u>	<u>306,315,226</u>
Other assets		
Other receivables and assets	124,526	166,533
Cash and cash equivalents	4,321,871	7,547,635
Total assets	<u>308,395,956</u>	<u>314,029,394</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	-	8,782
Other payables and liabilities	2,024,851	5,562,694
Total liabilities	<u>2,024,851</u>	<u>5,571,476</u>
Value of fund as of 31 December 2020	<u>306,371,105</u>	<u>308,457,918</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Global Technology Fund 2020 S\$	Global Technology Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	144,685,475	94,400,196
Value of investments	<u>144,685,475</u>	<u>94,400,196</u>
Other assets		
Other receivables and assets	262,491	3,075,918
Cash and cash equivalents	5,234,800	548,506
Total assets	<u>150,182,766</u>	<u>98,024,620</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	289	34
Other payables and liabilities	6,066,526	1,499,632
Total liabilities	<u>6,066,815</u>	<u>1,499,666</u>
Value of fund as of 31 December 2020	<u>144,115,951</u>	<u>96,524,954</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Singapore Equity Fund 2020 S\$	Singapore Equity Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	153,689,164	154,169,301
Value of investments	<u>153,689,164</u>	<u>154,169,301</u>
Other assets		
Financial derivatives		
Other receivables and assets	378,552	452,035
Cash and cash equivalents	1,137,231	1,846,749
Total assets	<u>155,204,947</u>	<u>156,468,085</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	2,032	262
Other payables and liabilities	574,116	754,237
Total liabilities	<u>576,148</u>	<u>754,499</u>
Value of fund as of 31 December 2020	<u>154,628,799</u>	<u>155,713,586</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Global Bond Fund 2020 S\$	Global Bond Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Debt securities	136,629,184	111,999,057
Value of investments	<u>136,629,184</u>	<u>111,999,057</u>
Other assets		
Financial derivatives	166,126	1,651,328
Other receivables and assets	11,210,811	1,411,513
Cash and cash equivalents	6,436,185	12,970,640
Total assets	<u>154,442,306</u>	<u>128,032,538</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	1,002	486,747
Other payables and liabilities	21,897,003	609,595
Total liabilities	<u>21,898,005</u>	<u>1,096,342</u>
Value of fund as of 31 December 2020	<u>132,544,301</u>	<u>126,936,196</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Global Managed Fund (Growth) 2020 S\$	Global Managed Fund (Growth) 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	279,213,035	267,820,084
Value of investments	<u>279,213,035</u>	<u>267,820,084</u>
Other assets		
Other receivables and assets	780,112	647,212
Cash and cash equivalents	200,000	199,548
Total assets	<u>280,193,147</u>	<u>268,666,844</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	1,101,905	771,411
Total liabilities	<u>1,101,905</u>	<u>771,411</u>
Value of fund as of 31 December 2020	<u>279,091,242</u>	<u>267,895,433</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Global Managed Fund (Balanced) 2020 S\$	Global Managed Fund (Balanced) 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	180,877,891	173,893,997
Value of investments	<u>180,877,891</u>	<u>173,893,997</u>
Other assets		
Other receivables and assets	766,930	435,692
Cash and cash equivalents	200,000	130,640
Total assets	<u>181,844,821</u>	<u>174,460,329</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	701,030	566,475
Total liabilities	<u>701,030</u>	<u>566,475</u>
Value of fund as of 31 December 2020	<u>181,143,791</u>	<u>173,893,854</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Global Managed Fund (Conservative) 2020 S\$	Global Managed Fund (Conservative) 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	13,069,420	12,840,017
Value of investments	<u>13,069,420</u>	<u>12,840,017</u>
Other assets		
Other receivables and assets	21,733	19,401
Cash and cash equivalents	200,000	154,011
Total assets	<u>13,291,153</u>	<u>13,013,429</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	23,414	19,708
Total liabilities	<u>23,414</u>	<u>19,708</u>
Value of fund as of 31 December 2020	<u>13,267,739</u>	<u>12,993,721</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Money Market Fund 2020 S\$	Money Market Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Debt securities	10,314,217	9,776,831
Value of investments	<u>10,314,217</u>	<u>9,776,831</u>
Other assets		
Other receivables and assets	208,249	195,737
Cash and cash equivalents	2,838,405	2,729,547
Total assets	<u>13,360,871</u>	<u>12,702,115</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	511,837	430,725
Total liabilities	<u>511,837</u>	<u>430,725</u>
Value of fund as of 31 December 2020	<u>12,849,034</u>	<u>12,271,390</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Aim Now Fund 2020 S\$	Aim Now Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	65,688,452	66,635,376
Value of investments	<u>65,688,452</u>	<u>66,635,376</u>
Other assets		
Financial derivatives	159,192	282,487
Other receivables and assets	1,378,268	6,011,195
Cash and cash equivalents	963,105	2,918,132
Total assets	<u>68,189,017</u>	<u>75,847,190</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	1,532,426	8,269,755
Total liabilities	<u>1,532,426</u>	<u>8,269,755</u>
Value of fund as of 31 December 2020	<u>66,656,591</u>	<u>67,577,435</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Aim 2025 Fund 2020 S\$	Aim 2025 Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	19,878,676	18,790,127
Value of investments	<u>19,878,676</u>	<u>18,790,127</u>
Other assets		
Financial derivatives	48,678	68,433
Other receivables and assets	56,200	8,900
Cash and cash equivalents	940,050	267,428
Total assets	<u>20,923,604</u>	<u>19,134,888</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	96,012	47,608
Total liabilities	<u>96,012</u>	<u>47,608</u>
Value of fund as of 31 December 2020	<u>20,827,592</u>	<u>19,087,280</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Aim 2035 Fund 2020 S\$	Aim 2035 Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	27,245,932	23,938,714
Value of investments	<u>27,245,932</u>	<u>23,938,714</u>
Other assets		
Financial derivatives	55,513	57,259
Other receivables and assets	8,193	8,985
Cash and cash equivalents	586,311	575,885
Total assets	<u>27,895,949</u>	<u>24,580,843</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	140,561	113,529
Total liabilities	<u>140,561</u>	<u>113,529</u>
Value of fund as of 31 December 2020	<u>27,755,388</u>	<u>24,467,314</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Aim 2045 Fund 2020 S\$	Aim 2045 Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	37,424,154	30,940,431
Value of investments	<u>37,424,154</u>	<u>30,940,431</u>
Other assets		
Financial derivatives	89,830	66,626
Other receivables and assets	30,214	134,584
Cash and cash equivalents	1,602,720	1,206,166
Total assets	<u>39,146,918</u>	<u>32,347,807</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	77,645	271,694
Total liabilities	<u>77,645</u>	<u>271,694</u>
Value of fund as of 31 December 2020	<u>39,069,273</u>	<u>32,076,113</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Asian Income Fund 2020 S\$	Asian Income Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	966,415,982	898,387,793
Value of investments	<u>966,415,982</u>	<u>898,387,793</u>
Other assets		
Other receivables and assets	11,415,439	9,145,622
Cash and cash equivalents	5,511,052	12,791,571
Total assets	<u>983,342,473</u>	<u>920,324,986</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	9,620,123	17,243,057
Total liabilities	<u>9,620,123</u>	<u>17,243,057</u>
Value of fund as of 31 December 2020	<u>973,722,350</u>	<u>903,081,929</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Global Income Fund 2020 S\$	Global Income Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	86,150,328	86,120,937
Value of investments	<u>86,150,328</u>	<u>86,120,937</u>
Other assets		
Other receivables and assets	3,819,078	4,278,991
Cash and cash equivalents	351,992	291,763
Total assets	<u>90,321,398</u>	<u>90,691,691</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	3,991,144	4,359,373
Total liabilities	<u>3,991,144</u>	<u>4,359,373</u>
Value of fund as of 31 December 2020	<u>86,330,254</u>	<u>86,332,318</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Asian Bond Fund 2020 S\$	Asian Bond Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	99,833,710	61,881,717
Value of investments	<u>99,833,710</u>	<u>61,881,717</u>
Other assets		
Other receivables and assets	2,174,241	3,869,898
Cash and cash equivalents	3,026,885	1,860,237
Total assets	<u>105,034,836</u>	<u>67,611,852</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	11,983,122	9,546,693
Total liabilities	<u>11,983,122</u>	<u>9,546,693</u>
Value of fund as of 31 December 2020	<u>93,051,714</u>	<u>58,065,159</u>

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

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 December 2020

	Multi-Asset Premium Fund 2020 S\$	Multi-Asset Premium Fund 2019 S\$
ASSETS		
Financial assets		
Investments		
Equities	6,719,304	4,883,427
Value of investments	<u>6,719,304</u>	<u>4,883,427</u>
Other assets		
Other receivables and assets	261,691	22,131
Cash and cash equivalents	11,880	34,381
Total assets	<u>6,992,875</u>	<u>4,939,939</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	62,227	51,398
Total liabilities	<u>62,227</u>	<u>51,398</u>
Value of fund as of 31 December 2020	<u>6,930,648</u>	<u>4,888,541</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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	Units in issue	Net asset value per unit (S\$)
Prime Fund	2 August 1973	Thematic Fund	25,325,176	9.555
Singapore Managed Fund	1 May 1994	Managed Fund	25,407,849	3.127
Asia Managed Fund	1 September 1995	Managed Fund	40,570,443	4.234
Takaful Fund	1 September 1995	Thematic Fund	10,828,837	2.150
Global Equity Fund	1 April 1998	Core Fund	60,843,253	4.588
Singapore Bond Fund	1 March 2000	Core Fund	140,877,644	2.175
Global Technology Fund	1 August 2000	Thematic Fund	101,740,982	1.416
Singapore Equity Fund	2 January 2003	Core Fund	48,540,180	3.186
Global Bond Fund	2 January 2003	Core Fund	72,620,148	1.825
Global Managed Fund (Growth)	2 January 2003	Managed Fund	89,669,156	3.112
Global Managed Fund (Balanced)	2 January 2003	Managed Fund	65,137,019	2.781
Global Managed Fund (Conservative)	2 January 2003	Managed Fund	5,590,608	2.373
Money Market Fund	1 May 2006	Specialised Fund	10,579,825	1.214
Aim Now Fund	25 September 2009	Target Maturity Fund	64,174,866	1.039
Aim 2025 Fund	25 September 2009	Target Maturity Fund	11,834,925	1.760
Aim 2035 Fund	25 September 2009	Target Maturity Fund	13,729,718	2.022
Aim 2045 Fund	25 September 2009	Target Maturity Fund	18,917,122	2.065
Asian Income Fund	12 May 2014	Thematic Fund	1,069,293,656	0.911
Global Income Fund	26 March 2015	Thematic Fund	107,314,427	0.804
Asian Bond Fund	3 May 2016	Thematic Fund	100,977,390	0.922
Multi-Asset Premium Fund	27 April 2018	Thematic Fund	5,633,599	1.230

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. General (continued)

Prime Fund

The Prime Fund is an open ended investment linked policy sub-fund that invests in Asian equities, mainly in Singapore, Hong Kong and Thailand as well as into the Singapore Bond Fund. Income is the investment manager of the sub-fund. Fullerton Fund Management Company Ltd. is the sub-investment manager of the sub-fund.

Singapore Managed Fund

The Singapore Managed Fund is an open ended investment linked policy sub-fund that invests primarily in Singapore equities and Singapore Bond Fund. Income is the investment manager of the sub-fund. Fullerton Fund Management Company Ltd. is the sub-investment manager of the sub-fund.

Asia Managed Fund

The Asia Managed Fund is an open ended investment linked policy sub-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 Singapore Bond Fund (managed by Income and sub-managed by Fullerton Fund Management Company Ltd.) in relation to the fixed income portion (30%). Income is the investment manager of the sub-fund.

Takaful Fund

The Takaful Fund is an open ended investment linked policy sub-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 sub-fund. Wellington Management Singapore Pte. Ltd. is the sub-investment manager of the sub-fund.

Global Equity Fund

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

Singapore Bond Fund

The Singapore Bond Fund is an open ended investment linked policy sub-fund that invests mainly in investment grade government/quasi-sovereign bonds, corporate bonds and money market securities. Income is the investment manager of the sub-fund. Fullerton Fund Management Company Ltd. is the sub-investment manager of the sub-fund.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. General (continued)

Global Technology Fund

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

Singapore Equity Fund

The Singapore Equity Fund is an open ended investment linked policy sub-fund that invests in a portfolio of Singapore equities. Income is the investment manager of the sub-fund. Fullerton Fund Management Company Ltd. and State Street Global Advisors Singapore Limited are sub-investment managers of the sub-fund.

Global Bond Fund

The Global Bond Fund is an open ended investment linked policy sub-fund that invests mainly in global government bonds, corporate bonds, mortgage-backed securities and asset-backed securities. Income is the investment manager of the sub-fund. From 3 August 2020, PIMCO Asia Pte Ltd has replaced Amundi Singapore Limited as the sub-investment manager of the sub-fund.

Global Managed Fund (Growth)

The Global Managed Fund (Growth) is an open ended investment linked policy sub-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%). Income is the investment manager of the sub-fund.

Global Managed Fund (Balanced)

The Global Managed Fund (Balanced) is an open ended investment linked policy sub-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%). Income is the investment manager of the sub-fund.

Global Managed Fund (Conservative)

The Global Managed Fund (Conservative) is an open ended investment linked policy sub-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%). Income is the investment manager of the sub-fund.

Money Market Fund

The Money Market Fund is an open ended investment linked policy sub-fund that invests mainly in good quality money market instruments and short-term bonds to achieve a return that is better than short-term deposits while maintaining liquidity and security of capital. Income is the investment manager of the sub-fund. Fullerton Fund Management Company Ltd. is the sub-investment manager of the sub-fund.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. General (continued)

Aim Now Fund

The Aim Now Fund is an open ended investment linked policy sub-fund that invests in a diversified portfolio of asset classes including fixed income, equities and alternatives. The sub-fund provides investors with a supplemental source of income that is of low risk profile and volatility. The sub-fund offers a semi-annual payout feature. Income is the investment manager of the sub-fund. Schroder Investment Management (Singapore) Ltd. is the sub-investment manager of the sub-fund.

Aim 2025 Fund

The Aim 2025 Fund is an open ended investment linked policy sub-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 for investors to enjoy a steady income and stable capital value after retirement. Income is the investment manager of the sub-fund. Schroder Investment Management (Singapore) Ltd. is the sub-investment manager of the sub-fund.

Aim 2035 Fund

The Aim 2035 Fund is an open ended investment linked policy sub-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 for investors to enjoy a steady income and stable capital value after retirement. Income is the investment manager of the sub-fund. Schroder Investment Management (Singapore) Ltd. is the sub-investment manager of the sub-fund.

Aim 2045 Fund

The Aim 2045 Fund is an open ended investment linked policy sub-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 for investors to enjoy a steady income and stable capital value after retirement. Income is the investment manager of the sub-fund. Schroder Investment Management (Singapore) Ltd. is the sub-investment manager of the sub-fund.

Asian Income Fund

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. General (continued)

Global Income Fund

The Global Income Fund is an open ended investment linked policy sub-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 Limited). The sub-fund offers a monthly payout feature.

Asian Bond Fund

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

Multi-Asset Premium Fund

The Multi-Asset Premium Fund is an open ended investment linked policy sub-fund that invests all or substantially all of its assets in the Fullerton Premium Fund (managed by Fullerton Fund Management Company Ltd.). The sub-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 as otherwise described in the notes below.

The financial statements of the NTUC Income Funds are expressed in Singapore Dollars ("S\$").

(b) Recognition of income and expenses

Income and expenses are recognised on an accrual basis.

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

Interest income on bank deposits is recognised using the effective interest method.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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 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.

(g) Amounts received by the Fund for creation of units

The amounts received by the Fund represent the net amount received from policyholders less initial charges (including the bid-offer spread) for the purchase of units in the NTUC Income Funds.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)

(h) Amounts paid by the Fund for liquidation of units

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

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

(i) Dividend distribution

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

(j) Management fees

The annual management charges net of rebates, if applicable for each Fund are accrued on a daily basis.

(k) Taxation

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