

# GLOBAL INCOME FUND

Prepared on 13 February 2015

**ntuc**  
**Income**  
made different

Global Income Fund is designed for investors who are looking for income and capital growth over the medium to longer term by investing primarily in global equities and global fixed income securities directly or indirectly through the use of Investment Funds or financial derivative instruments (including, but not limited to, futures, options and credit default swaps). The sub-fund intends to achieve this objective by investing 100% in Schroder International Selection Fund Global Multi-Asset Income ("underlying fund") in SGD Hedged A Distribution Share Class which is managed by Schroder Investment Management Limited.

Investors with a moderately aggressive risk profile and are looking for a regular income solution can invest directly in the Global Income Fund which offers a monthly payout feature, with a potential distribution of 4-5% of the net asset value per annum. The Global Income fund is unconstrained and therefore not managed with reference to a benchmark.

At least two-thirds of the underlying fund (excluding cash) will be invested directly in shares and bonds of companies worldwide, bonds and currencies of governments and government agencies worldwide or indirectly through funds and derivatives. The underlying fund will not invest more than 10% into funds.

The underlying fund aims to provide a sustainable level of income. It invests in a broad range of assets from around the world, and seeks to identify attractive sources of income whilst diversifying risk. The regional allocation and allocation of asset classes may vary over time.

The underlying fund may also hold cash on deposit. Financial derivative instruments (FDIs) and cash may be used to achieve the investment objective, to reduce risk or manage the underlying fund more efficiently.

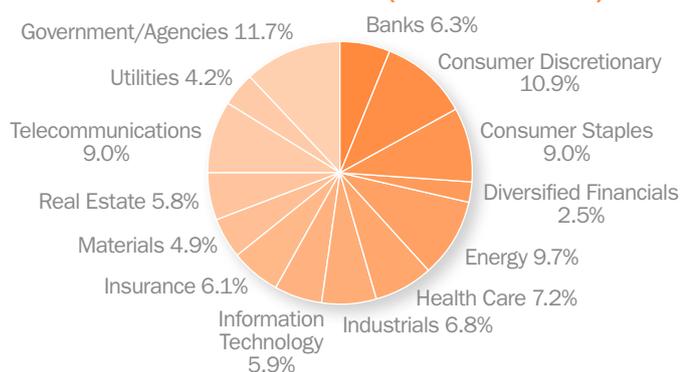
The underlying fund uses FDIs for efficient portfolio management (EPM) and hedging purpose only. The underlying fund does not use FDIs for optimising returns.

The underlying fund's global exposure relating to FDIs will be calculated using a commitment approach. Under the commitment approach, financial derivative positions are converted into equivalent positions in the underlying asset, using market price or future price/notional value when more conservative.

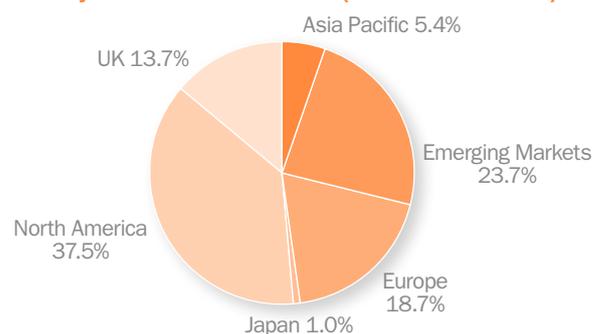
The underlying fund employs a risk-management process which enables it, with the underlying fund's Investment Manager, to monitor and measure at any time the risk of the positions, the use of EPM techniques, the management of collateral and their contribution to the overall risk profile of the underlying fund. The underlying fund or the underlying fund's Investment Manager will employ, if applicable, a process for an accurate and independent assessment of the value of any OTC derivative instruments. The management company of the underlying fund will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the requisite expertise and experience to manage and contain such investment risks.

## Allocation by Asset, Country and Sector

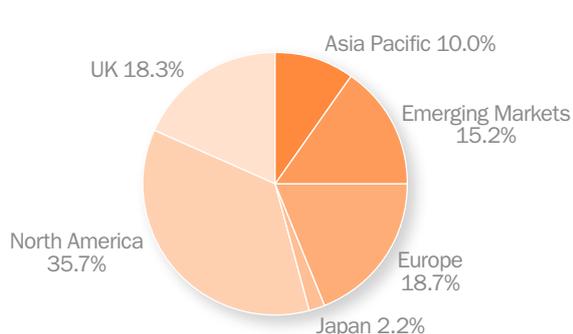
### Asset Allocation Breakdown (as at 31 Jan 2015)



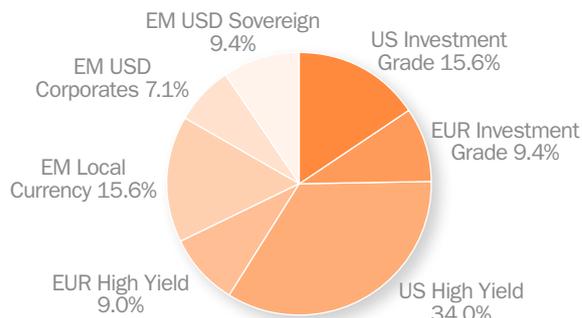
### Country Allocation Breakdown (as at 31 Jan 2015)



### Equity Sector Allocation Breakdown (as at 31 Jan 2015)



### Fixed Income Sector Allocation Breakdown (as at 31 Jan 2015)



# GLOBAL INCOME FUND

## Investment Objective

The Global Income Fund aims to provide income and capital growth over the medium to longer term by investing primarily in global equities and global fixed income securities directly or indirectly through the use of Investment Funds or financial derivative instruments (including, but not limited to, futures, options and credit default swaps). The sub-fund intends to achieve this objective by investing 100% in Schroder International Selection Fund Global Multi-Asset Income which is managed by Schroder Investment Management Limited.

The sub-fund offers a monthly distribution payout feature, with a potential distribution of 4-5% of the net asset value per annum. The sub-fund is not a capital guaranteed fund, i.e. the amount of capital invested or return received is not guaranteed. The sub-fund is denominated in Singapore dollars.

The underlying fund will seek to achieve the investment objective by actively allocating between equity securities of companies globally, which offer attractive yields and sustainable dividend payments, global bonds and other fixed or floating rate securities (including but not limited to asset-backed securities and mortgage-backed securities), issued by governments, government agencies, supranational or corporate issuers, which offer attractive yields, cash (which will be treated as a separate asset class and will be deployed if necessary to limit downside risk during adverse market conditions) and Alternative Asset Classes indirectly through Exchange Traded Funds (ETFs), Real Estate Investment Trusts (REITs) and/or eligible derivative transactions.

Asset-backed securities and mortgage-backed securities will not exceed 20% of the net assets of the underlying fund. The underlying fund will not invest more than 10% into open ended investment Funds. As part of its primary objective, the underlying fund also has the flexibility to implement active currency positions either via currency forwards or via the above instruments. The underlying fund may substantially invest in non-investment grade and unrated securities.

## Fund Details

<b>Fund</b>	Global Income Fund
<b>Initial Launch Period</b>	26 March 2015
<b>Initial Issue Price</b>	Offer Price: 1.000 Bid Price: 0.966
<b>Annual Management Fee</b>	1.25% per annum, which includes management fee charged by the investment manager of Schroder International Selection Fund Global Multi-Asset Income. The annual management fee is not guaranteed and may be reviewed from time-to-time. However, it shall not exceed 2.0% of the fund balance at any point of time.
<b>Fund Manager</b>	NTUC Income Insurance Co-operative Limited
<b>Custodian</b>	Citibank N.A.
<b>Dealing Frequency</b>	Every business day
<b>Turnover Ratio</b>	Not available for the sub-fund
<b>Benchmark</b>	The Global Income fund is unconstrained and therefore not managed with reference to a benchmark.
<b>Subscription Method</b>	Cash / SRS
<b>CPFIS Risk Classification of Investment-Linked Insurance Products (ILP)</b>	N.A.
<b>Structure</b>	Single fund
<b>Financial Year End</b>	31st December
<b>Distribution for Global Income Fund</b>	The sub-fund offers a monthly payout feature, with a potential distribution of 4-5% of the net asset value per annum.

The declaration date is set on the 4th Tuesday of the month. If these dates fall on a weekend/public holiday, the last business day before these dates will be taken as the declaration date. The declaration date is subject to review and the distribution dates are stated in our website.

The distribution can be made out of the income, capital gains, and/or capital of the Fund. The Manager has the sole discretion to determine whether a distribution be made as well as on the rate and frequency of distribution to be made.

The first declaration is scheduled to start on 28 April 2015. The Manager intends to pay the distribution within 45 days from the declaration date.

The distributions are not guaranteed.

The default option for distribution is to reinvest them into the fund. If policyholder wants to encash the distribution, he must notify the Manager in writing at least 30 days before the Declaration Date. Any distribution below S\$50 has to be reinvested and encashment is not allowed. Any distribution payable for investment bought using SRS monies, if applicable, will also be reinvested.

# GLOBAL INCOME FUND

## Information on the Manager

The sub-fund is managed by NTUC Income Insurance Co-operative Limited. It invests 100% in Schroder International Selection Fund Global Multi-Asset Income which is managed by Schroder Investment Management Limited.

### NTUC Income Insurance Co-operative Limited

NTUC Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to NTUC Income for trusted advice and solutions when making their most important financial decisions. Our wide network of advisers and partners provide life, health and general insurance to serve the protection, savings and investments needs of customers across all segments of society.

As a social enterprise, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

NTUC Income has managed life insurance funds since its establishment and ILP funds since 1973. At the end of 2013, we have \$29.6 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and is predicated on our core investment philosophy of value, prudence and discipline.

## Information on the Underlying Fund Manager

### Schroder Investment Management Limited

Schroder Investment Management Limited is the Investment Manager of Schroder International Selection Fund Global Multi-Asset Income. Schroder Investment Management Limited is domiciled in the United Kingdom and has been managing collective investment schemes and discretionary funds since 1985. Schroder International Selection Fund is an open-ended investment company established in Luxembourg and is constituted outside Singapore. The Management Company is Schroder Investment Management (Luxembourg) S.A..

### Schroder Investment Management (Singapore) Ltd

Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totaled US\$447.7 billion (as of 30 September 2014).

Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company (37 Offices in 27 countries), and more than 400 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

### Turnover Ratio of the Underlying Fund\*

105.70% for the period between 1 January 2013 to 31 December 2013

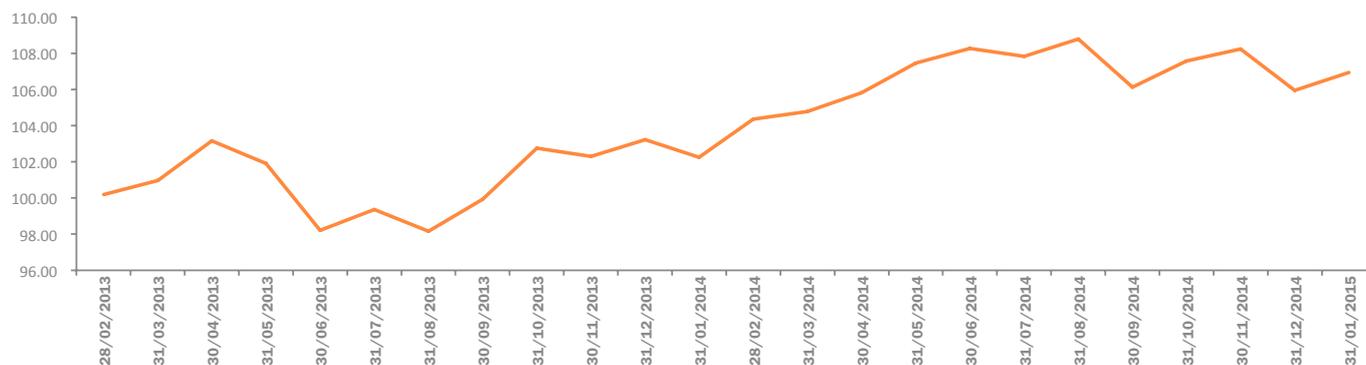
\*Source: Schroders, as at March 2015. The turnover ratio is calculated based on the lesser of purchases or sales expressed as a percentage over average net asset value, i.e., average daily net asset value, over the same period used for calculating the expense ratios.

## Performance of Schroder ISF Global Multi-Asset Income in SGD Hedged A Distribution Share Class\*\*

	1-month	3-month	6-month	1-year	Since inception (annualised)
<b>Schroder ISF Global Multi-Asset Income in SGD Hedged A Distribution Share Class</b>	0.94%	-0.59%	-0.83%	4.59%	3.55%

Indexed performance

## Cumulative performance since inception



— Schroder ISF Global Multi-Asset Income in SGD Hedged A Distribution Share Class

\*\* Source: Morningstar, the returns are calculated using bid to bid prices, with dividends and distributions reinvested in SGD as at 31 January 2015. Past performance is not necessarily indicative of future performance. Fees & charges payable through deduction of premium or cancellation of units are excluded from this calculation. Schroder ISF Global Multi-Asset Income was constituted less than 3 years ago therefore performance figures over the last 3, 5 and 10 years are unavailable. There are limitations to using performance of the underlying fund as a proxy to the performance of the sub-fund.

# GLOBAL INCOME FUND

## **Risks**

### **Key Risks**

NTUC Income's ILP funds are intended for long-term investment, it is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suit your risk appetite. You may wish to consult your financial adviser before investing in any ILP fund.

The securities and instruments in which the sub-fund may invest are subject to market fluctuations and other risks inherent in such investments and there can be no assurance that any appreciation in value will occur.

As the sub-fund has direct/indirect investments in equities and bonds, it is subject to equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk; and debt risk which includes interest rate sensitivity, credit risks, changes in debt rating and credit rating, currency risks and sovereign risks.

You should be aware that past performance is not indicative of future performance. The value of the units may rise or fall as the performance of the fund changes.

The risk factors may cause you to lose some or all of your investments. A description of the major risks is provided below. This is not an exhaustive list of risks.

### **Market and Credit Risks**

You are exposed to market risk. The value of investments by the sub-fund may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

### **Equity and Interest Rate Risks**

You are exposed to equity risk. Investments in stocks and other equity securities and their derivatives are subject to market risks that historically have resulted in greater price volatility than that experienced by bonds and other fixed income securities. Investment in convertible instruments which may be converted into equity tends to yield a fairly stable return before conversion but its price usually has a greater volatility than that of the underlying equity.

You are exposed to interest rate risk. Investments in bonds, debentures, loan stocks, convertibles and other debt securities may decline in value if interest rates change. In general, the price of debt securities rises when interest rates fall, and falls when interest rates rise. Interest rate risk is generally greater for investments with long durations or maturities.

### **Liquidity Risks**

You are exposed to liquidity risk. There is no secondary market for the sub-fund. All redemption requests should be made to the Manager or its appointed agents.

### **Product-Specific Risks**

You are exposed to counterparty risk. If a counterparty to a financial derivative contract were to default, the unrealised profit on the contract and its market exposure may be lost.

You are exposed to debt securities risk. A security issuer may not be able to meet its obligations to make timely payments of interest and principal. This will affect the credit rating of those securities.

You are exposed to derivatives risk. The sub-fund may use financial derivative instruments as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. The sub-fund's ability to use such instruments successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the financial derivative instruments do not work as anticipated, the sub-fund could suffer greater loss than if the sub-fund had not used such instruments.

You are also exposed to emerging markets and frontier risk. Emerging markets will generally be subject to greater political, legal, counterparty and operational risk.

You are also exposed to non-investment grade risk. Non-investment grade securities will generally pay higher yields than more highly rated securities but will be subject to greater market credit and default risk.

# GLOBAL INCOME FUND

You are exposed to risk relating to distributions. The Manager of the sub-fund has the absolute discretion to determine whether a distribution is to be made. The Manager also reserves the right to review and make changes to the distribution policy from time to time. Where the income generated by the sub-fund is insufficient to pay distributions as declared, the Manager may at its discretion make such distributions out of the capital of the sub-fund. In circumstances where distributions are paid out of the capital of the sub-fund, the NAV of the sub-fund will be reduced.

You are exposed to operational risk. The sub-fund's operations depend on third parties and it may suffer disruption or loss in the event of their failure.

## **Soft Dollar Commission or Arrangement**

The Manager shall not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore. However, the underlying fund manager may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the underlying fund manager. Any such arrangements must be made by the underlying fund manager on terms commensurate with best market practice.

## **Conflict of Interests**

The Manager does not expect to encounter any conflicts of interest in the management of the sub-fund. However, the underlying fund manager may have to deal with competing or conflicting interests between any of the Schroder International Selection sub-funds which may be managed by the same underlying fund investment manager. In addition, conflicts of interest may arise when the investment managers, the investment advisers or Schroder Investment Management (Singapore) Ltd ("Singapore representative") of the underlying fund may have invested directly or indirectly in Schroder International Selection Fund or because the Singapore representative may, in its capacity as manager for other collective investment schemes in Singapore, invest into any one or more of the Schroder International Selection sub-funds. Not limited to these instances cited, the underlying fund manager will use reasonable endeavours at all times to act fairly and in the interests of the underlying fund. Neither the investment managers, investment advisers, nor the Singapore representative shall be abated or be liable to account to the underlying fund for any profit, commission, or remuneration made or received from or by reason of such transactions or any connected transactions of potential conflict.

## **Other Parties**

The auditor of this fund is PricewaterhouseCoopers (PWC). Please note that financial results ending 31 December of each year will be audited.

## **Reports**

The financial year end of the fund is 31 December of each year. As part of the continuous efforts to update you on the performance of the funds you have invested in, we produce a Fund Report (with summarised financial statements) twice a year which can be obtained in NTUC Income's website.

## **IMPORTANT NOTES**

The Global Income Fund is an Investment-Linked Plan (ILP) fund issued by NTUC Income Insurance Co-operative Limited (Unique Entity Number No. S97CS0162D), a co-operative society registered in Singapore and having its registered address office at 75 Bras Basah Road, NTUC Income Centre, Singapore 189557. The information in this factsheet is for informational use only. A product summary relating to the fund is available and may be obtained through NTUC Income. A potential investor should read the product summary before deciding whether to subscribe for units in the fund. Investments are subject to investment risks including the possible loss of the principal amount invested. Past performance, as well as the prediction, projection or forecast on the economy, securities markets or the economic trends of the markets targeted by the fund are not necessarily indicative of the future or likely performance of the fund. The fund returns are calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment. The performance of the fund is not guaranteed and the value of units in the fund and the income accruing to the units, if any, may fall or rise. Any opinion or estimate contained in this document is subject to change without notice.

Information correct as of 13 February 2015

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