

# SINGAPORE MANAGED FUND

## Investment Objective

To achieve long-term capital appreciation by investing in stocks and fixed income securities in Singapore. The strategy is to be value oriented.

## Investment Scope

The fund is fully invested in Singapore stocks (60%) and bonds (40%). The fund is denominated in Singapore Dollars.

## Fund Details as of 31 December 2010

Launch Date	1 May 1994
Fund Size	S\$ 103.21 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	1.0% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPF Rating	Medium to high risk, Narrowly Focused
Benchmark	60% FTSE Straits Times Index (FTSE STI) 40% Singapore 3-month Deposit Rate

The Annual Management Charge 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.

With effect from 22 October 2010, the Fund has been renamed Singapore Managed Fund to better reflect the geographical scope of the investments. Previously, the Fund was known as Trust Fund.

## Top 10 Holdings

December 2010	S\$ (mil)	% of Net Asset Value	December 2009	S\$ (mil)	% of Net Asset Value
DBS GROUP HOLDINGS LTD	6.4	8.4%	DBS GROUP HOLDINGS LTD	8.5	8.3%
UNITED OVERSEAS BANK LTD	6.4	8.3%	UNITED OVERSEAS BANK LTD	7.5	7.4%
KEPPEL CORP LTD	5.7	7.3%	SINGAPORE TELECOMMUNICATIONS LTD	5.6	5.5%
JARDINE STR	4.3	5.5%	SINGAPORE GOVERNMENT BONDS 3.5% 010327	5.0	4.9%
OVERSEA-CHINESE BANKING CORP	3.8	4.9%	OVERSEA-CHINESE BANKING CORP	4.6	4.5%
SINGAPORE GOVERNMENT BONDS 3.25% 010920	3.6	4.7%	SINGAPORE EXCHANGE LTD	4.4	4.3%
WILMAR INTERNATIONAL LTD	3.4	4.4%	KEPPEL CORP LTD	4.0	3.9%
SINGAPORE AIRLINES LTD	3.4	4.4%	SINGAPORE AIRLINES LTD	3.7	3.7%
CAPITALAND LTD	3.3	4.3%	PSA 4.91% 150810	3.1	3.0%
SINGAPORE GOVERNMENT BONDS 3.5% 010327	3.2	4.2%	CITY DEVELOPMENTS	2.9	2.8%

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off.

## Fund Manager

### NTUC Income Insurance Co-operative Limited

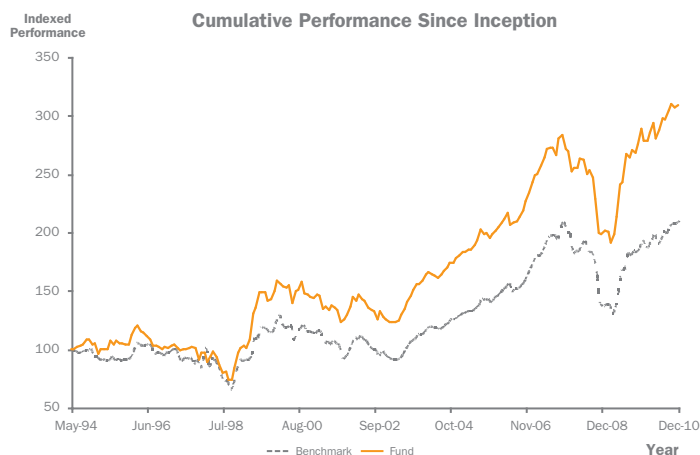
NTUC Income is the Investment Manager of the fund, Incorporated in 1970, NTUC Income is one of the largest insurance companies in Singapore. In its 40 years of operation, NTUC Income has matured into a leading insurer with assets totaled S\$26.4 billion.

Its highly qualified team manages its funds with a long term value approach. With a strong commitment to its cooperative values, NTUC Income also seeks to achieve the best value for its policyholders. It is also the manager of Singapore's longest running investment-linked fund, the Prime Fund, since 1973.

## Fund Performance vs Benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
<b>Singapore Managed Fund</b>	0.6%	1.2%	7.3%	6.9%	4.6%	8.9%	8.0%	7.0%
<b>Benchmark</b>	1.1%	2.1%	8.4%	8.3%	1.8%	7.5%	6.3%	4.6%

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The returns are calculated using bid-to-bid prices, with dividends and distributions reinvested. 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.

## Market Review

In Jun – Dec 2010, the Straits Times Index gained 12.5% to close at 3190, and up 10.1% for the year. Consumer discretionary was the best performing sector (+42.8%), as confidence over Asia's growth prospects revived. Telecom was the worst performer, ended flat for the period.

In October, Monetary Authority of Singapore made a surprising pre-emptive move by allowing steeper appreciation of the Sing dollar and also widening the trading band. The pressure on inflation should diminish with slower growth in the economy. The economy grew about 15.1% in 2010 and GDP growth will moderate to 5% in 2011. The Budget 2011 announced in February will provide clues about the government's attitude towards fiscal and monetary policies in the lead up to general elections.

On the property front, the government surprised the market with additional property cooling measures. The measures include reducing Loan-to-Value for private property buyer, introducing seller's stamp duty and further restricting Permanent Residents' eligibility for HDB resale properties. On the supply side, the government remains generous in its land sales program for the first half of 2011. There will be a total of 14,300 private residential units, this is higher than the 13,900 private residential units made available in the second half of 2010 Government Land Sale program.

Going forward, Singapore can benefit from ample global liquidity through lifting regional demand for services. We prefer tourism-related stocks, commercial landlords and offshore marine rig builders. Another area of focus will be on cash-generative companies who may engage in capital management or speed up in capital expenditure.

We remain focused on quality blue chips and big cap stocks. Our focus is on finding companies with strong earnings growth, solid balance sheet and quality management. We will continually re-assess the companies' fundamental in the coming months.

## Risks

The risk in the Singapore Managed Fund is diversified by investing in the Singapore equity and bond markets. As the fund has investments in equities and bonds, it is subjected to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counter party risk; and (2) debt risk which includes interest rate sensitivity, credit risk, changes in debt rating and credit rating, currency risk and sovereign risk. This is not an exhaustive list of 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.

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 advisor before investing in any ILP fund.

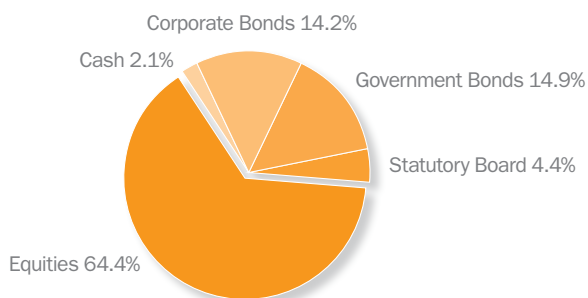
## Expense and Turnover Ratio

	Expense Ratio	Turnover Ratio
As of 31 December 2010	0.94%	38.22%
As of 31 December 2009	0.98%	31.15%

Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

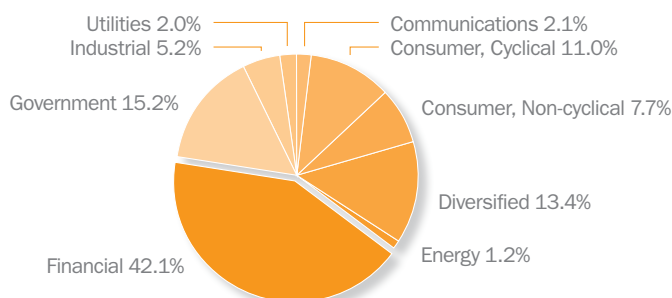
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## Asset and Country Allocation as of 31 December 2010



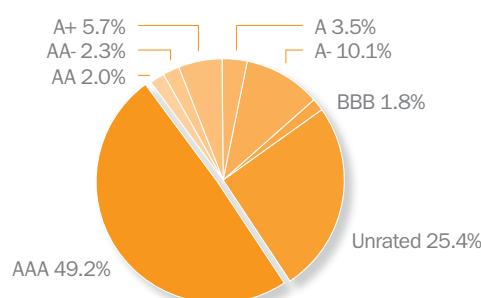
	S\$(mil)
Corporate Bonds	14.7
Government Bonds	15.4
Statutory Board	4.5
Equities	66.4
Cash	2.2
<b>Total</b>	<b>103.2</b>

## Sector Allocation as of 31 December 2010



	S\$(mil)
Communications	2.1
Consumer, Cyclical	11.2
Consumer, Non-cyclical	7.8
Diversified	13.6
Energy	1.2
Financial	42.5
Government	15.4
Industrial	5.2
Utilities	2.0
<b>Total</b>	<b>101.0</b>

## Credit Rating of Debt Securities



S&P's rating or its equivalent	S\$(mil)
AAA	17.2
AA	0.7
AA-	0.8
A+	2.0
A	1.2
A-	3.5
BBB	0.6
Unrated	8.9
<b>Total</b>	<b>35.0</b>

'Unrated' refers to debt securities which are not rated by S&P or other equivalent rating agencies, including but not limited to treasury bills, bonds issued by government, government agency, statutory board or corporate.

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# SINGAPORE MANAGED FUND

## Summarised Financial Statement as of 31 December 2010

	S\$
Net assets as of 1 January 2010	101,501,545
Purchase of new units	8,355,670
Redemption of units	(14,049,553)
Gain/(loss) on investments and other income	8,069,185
Management fee and other charges	(663,672)
Net assets as of 31 December 2010	103,213,175

Units in issue	42,084,022
Net asset value per unit	
- at the beginning of the year	2.294
- as of 31 December 2010	2.453

## Exposure to Derivatives

Net gain/(loss) on derivatives contracts realised during the year is S\$5,160.

## Related Party Disclosures

NTUC Income is the Investment Manager of the Fund. During the financial year ended 31 December 2010, management fee paid or payable by the Fund to the Investment Manager is S\$663,672.

## Soft Dollar Commission or Arrangement

Soft dollar commission/arrangement has been received/entered into by the Manager in respect of the ILP. The soft dollar commission relates essentially to computer software used in support of the investment process. The Manager will not accept or enter into soft dollar commission/arrangement unless such commission/arrangement would, in the opinion of the Manager, assist the Manager in the management of the ILP. The Manager confirms that trades were executed at the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned and there was no churning of trades. The said broker has also executed trades for other ILPs managed by the Manager.

## Conflict of Interests

NTUC Income has advised that certain inherent conflicts may arise from time-to-time. However, actions are taken to eliminate such conflict of interests.

## Other Parties

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

## Material Changes

There are no material changes in the investment objective and orientation of the fund for the financial period ended 31 December 2010.

## 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.