ANNUAL FUND REPORT

FOR THE FINANCIAL YEAR AS OF
31 DECEMBER 2017

income made different

an NTUC Social Enterprise

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CIO Message

1st March 2018

Dear Policyholder

2017 saw a rise of most major asset classes, fuelled by a steady increase in the breadth and depth of the global economic expansion. This synchronised global growth gathered steam with positive economic conditions in nearly all regions. Two major economies – the United States of America (USA) and China - had led the way. While the USA continued to expand at a steady clip with tax relief and expansionary fiscal spending, China consolidated its leadership and took steps to reduce its financial debt. While this move slowed down the Chinese economy, strong consumer confidence bolstered by a tight labour market provided support for a soft landing. Europe, which saw the fastest economic growth amongst major developed markets amidst higher level of capital expenditures and bank lending, added steam to the global economic expansion.

Consequently, many asset classes have become expensive with equity valuations at or near all-time high. However, investors are willing to accept higher valuations given the long-term low interest rates environment that is currently being propped up by improving macroeconomic fundamentals and gradual tightening of monetary policy. As such, we are of the view that 2018 will likely be a positive year for investors. Nonetheless, the best strategy to achieve long-term return on investment is still to focus on diversification and periodic rebalancing of one's portfolio in this market environment that stresses cautious optimism.

I am glad to share that our funds continue to perform well, with 15 out of 18 funds outperforming their benchmarks in 2017. Our Investment-Linked Policy Funds were represented in the Lipper Leader categories. Amongst them, the Global Managed Fund (Growth), Global Managed Fund (Conservative), Takaful Fund, and AIM 2035 obtained the "Lipper Leader" status in the following categories - "Consistent Return", "Total Return" and "Preservation" - respectively in the third quarter of 2017. Our Asia Managed Fund and AIM 2045 Fund achieved "Lipper Leader" status in two categories, namely "Consistent Return" and "Total Return" in the same review.

The latest Annual Fund Report for the financial period ended December 2017 can be downloaded at www.income.com.sg/fund/coopprices.asp. You may also access your Investment-Linked Policy statement via me@income at www.income.com.sg.

To request for a copy of the Fund Report, please call our Customer Service Hotline at 67881122/67881777 or email us at csquery@income.com.sg.

Mark Wang
Chief Investment Officer

Summary of Fund Performance as of 31 December 2017

	Launch Date	Fund Size (S$ million)	Performance (1 year)	Performance (2 years – Cumulative)
Core Funds				
Global Bond Fund	Jan-03	125	2.12%	3.86%
Global Equity Fund	Apr-98	255	15.55%	23.36%
Singapore Bond Fund	Mar-00	321	6.31%	10.49%
Singapore Equity Fund	Jan-03	162	21.71%	26.37%
Managed Funds				
Asia Managed Fund	Sep-95	143	30.53%	39.81%
Global Managed Fund (Balanced)	Jan-03	174	9.81%	14.77%
Global Managed Fund (Conservative)	Jan-03	12	6.94%	10.91%
Global Managed Fund (Growth)	Jan-03	255	12.64%	18.56%
Singapore Managed Fund	May-94	90	15.60%	20.81%
Target Maturity Funds				
AIM Now	Sep-09	85	6.64%	9.45%
AIM 2025	Sep-09	17	12.34%	16.67%
AIM 2035	Sep-09	23	18.19%	23.47%
AIM 2045	Sep-09	27	18.98%	24.44%
Specialised Funds				
Money Market Fund	May-06	15	1.22%	2.64%
Thematic Funds				
Asian Bond Fund	May-16	32	6.09%	N.A.
Asian Income Fund	May-14	606	8.91%	16.40%
Global Income Fund	Mar-15	91	5.14%	13.38%
Global Technology Fund	Aug-00	83	26.90%	38.74%
Prime Fund	Aug-73	255	19.95%	27.42%
Takaful Fund	Sep-95	20	18.38%	26.25%
Average Return			**13.20%**	**19.36%**

Notes:

1. The Global Managed Funds are invested in our Core Funds in the following ratios:
   Growth: Singapore Equity (15%), Global Equity (55%), Singapore Bond (10%) and Global Bond (20%).
   Balanced: Singapore Equity (10%), Global Equity (40%), Singapore Bond (15%) and Global Bond (35%).
   Conservative: Singapore Equity (5%), Global Equity (25%), Singapore Bond (20%) and Global Bond (50%).

2. The returns are calculated on a bid-to-bid basis, in Singapore Dollar terms. All dividends are re-invested. Fees and charges payable through premium deduction or units cancellation are excluded from the calculation.

3. Past performance of the funds is not indicative of future performance. Actual returns are also not guaranteed. The bid prices and returns can fluctuate, just like the overall fluctuations of stock and bond markets. Our funds are subjected to market risks, which we have diversified across many quality investments.

Global Bond Fund

INVESTMENT OBJECTIVE

To provide a medium- to long-term rate of return by investing mainly in global bonds.

INVESTMENT SCOPE

The sub-fund will invest mainly in global government and corporate bonds, mortgage backed securities and asset backed securities. The portfolio will have an average investment grade rating by Standard and Poor's and the manager is allowed to have some currency exposure. The sub-fund is denominated in Singapore Dollars.

With effect from 29 April 2016, we have broadened the investment scope from an average 'A' rating to allow the portfolio to have an average investment grade rating by Standard and Poor's, and to allow the manager to have some currency exposure in the portfolio.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	2 January 2003
Fund Size	S$124.80 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.85% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Amundi Singapore Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Monetary Authority of Singapore Bills 120118	8.0	6.4	US Treasury Infl. Index Bond	15.0	12.6
TSY INFL IX N/B 0.125% 150422	7.7	6.1	Deutschland Rep 0% 150826	11.3	9.5
BTPS 2.2% 010627	7.0	5.6	US Treasury Note 1.5% 150826	5.1	4.3
Bonos Y Oblig Del Estado 1.5% 300427	5.0	4.0	UK Treasury 1.5% 220726	4.6	3.9
US Treasury Note 2.25% 150227	4.9	3.9	BTPS 1.50% 010625	4.1	3.5
Mexican Bonos Mbond 7.75% 131142	4.3	3.4	Monetary Authority of Singapore Bills 100317	4.0	3.4
Singapore Government Bonds 4% 010918	4.1	3.3	Japan Govt 20-yr 2.1% 201229	3.9	3.2
Japan Govt 20-yr 2.1% 201229	3.7	2.9	Singapore Government Bonds 0.5% 010418	3.5	2.9
US Treasury Infl. Index Bond 0.625% 150126	3.3	2.6	US Treasury Infl. Index Bond 0.625% 150126	3.4	2.9
Deutschland Rep 2.5% 150846	3.2	2.5	Rep of South Africa 8% 310130	3.4	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 is the Investment Manager of the sub-fund. Amundi Singapore Limited is the Sub-Investment Manager of the sub-fund.

Global Bond Fund

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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, Income is committed to making insurance accessible, affordable and sustainable for all.

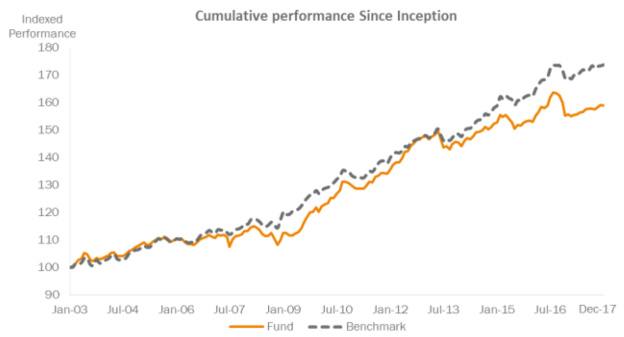
As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Amundi Singapore Limited

Amundi Singapore Limited is a wholly-owned subsidiary of Amundi Asset Management. It was established in Singapore in 1989 as a business hub for Amundi's group operations in South East Asia. Amundi Singapore Limited is licensed and regulated by the Monetary Authority of Singapore and has been managing collective investment schemes and/or discretionary funds since 1989. It has S$14.5 billion in assets under management as of 31 December 2017.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Bond Fund	-0.06%	0.95%	0.95%	2.12%
Benchmark	0.20%	0.72%	1.38%	2.71%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Bond Fund	1.31%	1.47%	3.44%	3.13%
Benchmark	3.01%	3.26%	4.14%	3.74%



The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Market Review

The 2nd half of the year saw the theme of central bank tightening become more pronounced with the Bank of Canada going first with a rate rise. In September, S&P upgraded Portugal's debt to BBB- from below investment grade, helping the sovereign bonds perform strongly into the year end. The European Central Bank (ECB) outlined plans to halve the value of bonds bought from €60 billion to €30 billion per month, starting from January 2018. Bond buying would continue to at least the end of 2018, which markets took to be dovish. In response, German bunds outperformed other developed markets bonds, especially US treasuries, although some of this performance was given up by the end of the year. The Bank of England (BoE) raised rates for the first time since the financial crisis with a base rate increase from 25 basis points (bps) to 50 bps. Towards the end of the year, the price of crude oil edged up to around the $60 per barrel mark, as supply tightened following a producer agreement to limit oil output into 2018.

A new head of the US Federal Reserve (Fed) was appointed and as widely expected, it was Jerome Powell, who is already on the board of governors for the bank, so the news had little market impact, as policy continuity is widely expected. In December, the Fed raised rates by another 25 bps, to 1.25% to 1.5%, citing continuing improvements in the labour market and a general recovery to economic activities following the disruption caused by hurricanes.

In late December, president Trump signed the "Tax Cuts and Jobs Act" into law. The new tax bill cuts corporate taxes and provides individuals with temporary tax relief; questions have been raised around the bill's impact on the government's deficits and reduced tax revenue.

Market Outlook

Growth across the US, Europe and Emerging Markets (EM) is currently the strongest since the financial crisis, which we believe will be a catalyst for more rate rises to come from the US Fed in 2018. Additionally, the Fed will be reducing their balance sheet through less re-investment of maturing bonds and coupon proceeds, potentially leading to higher treasury yields. The ECB has taken similar actions and will halve the rate of bond buying from January. The BoE may also join this band of tightening central banks as already demonstrated by their November rate hike, with more expected if inflation rises to around 3% as expected. Global central bank policies nonetheless remain varied and the flexibility to diversify risk into as many economic cycles as possible remains important.

We believe that lower duration positioning will remain key to protect against tightening and allocations to corporate bonds, EM assets and currencies not only provide hedges, but also potential to add alpha. High levels of liquidity and a higher yield pick-up remains very important, and we continue to seek out opportunities to add high quality corporate bonds and higher yielding currencies to the portfolio to achieve this. With growth at current levels we expect support for corporate and EM bonds, and also currencies, thanks to the prospect of rate hikes.

Global Bond Fund

RISKS

As the sub-fund has investments concentrating in fixed income securities, it is subjected to 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.

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes. 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 sub-fund changes.

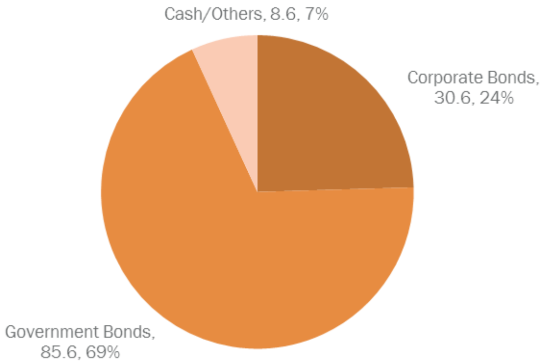
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

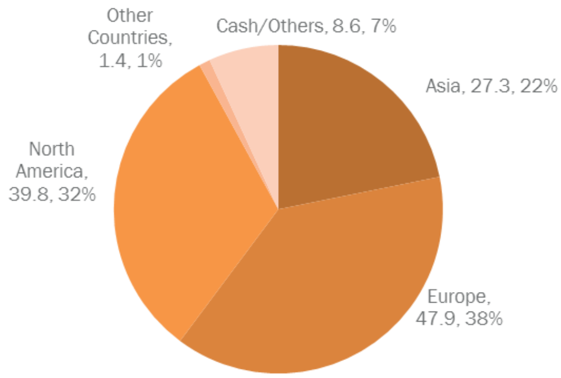
	Expense ratio	Turnover ratio
As of 31 December 2017	0.88%	116.18%
As of 31 December 2016	0.88%	241.40%

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.

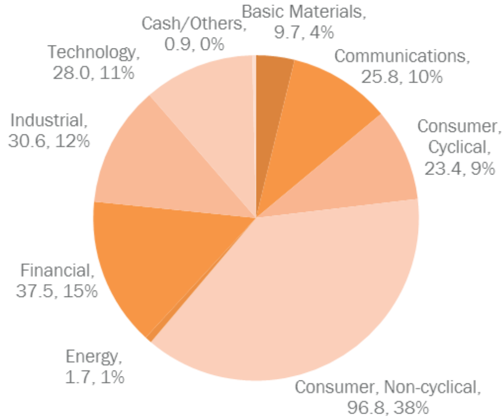
ASSET ALLOCATION AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	31.0	24.8
AA+	1.5	1.2
AA	5.2	4.2
AA-	2.3	1.9
A	12.2	9.7
A-	2.9	2.4
BBB+	13.3	10.7
BBB	25.5	20.4
BBB-	6.6	5.3
BB+	2.9	2.3
BB	0.9	0.7
Not rated	12.0	9.6
Total	116.2	93.1

'Not rated' 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.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

Global Bond Fund

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	118,936,445
Purchase of units	11,645,756
Redemption of units	(8,313,336)
Gain/(loss) on investments and other income	3,560,857
Management fees & other charge	(1,029,876)
Value of fund as of 31 December 2017	124,799,846

Units in issue	78,590,731
Net asset value per unit	
- at the beginning of the year	1.555
- as of 31 December 2017	1.588

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	345,814	-	1,744,058	420,532
Futures	425,977	-	(1,450,604)	544,397

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$1,029,876.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager and Sub-Investment Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager and Sub-Investment Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager and Sub-Investment Manager did not accept or enter into soft dollar commission/arrangement unless such commission/arrangement would, in the opinion of the Manager and Sub-Investment Manager, assist the Manager/Sub-Investment Manager in the management of the sub-fund. The Manager and Sub-Investment Manager confirmed that trades were made on best execution basis, that is, the Manager and Sub-Investment Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades.

CONFLICTS OF INTEREST

The Manager and Sub-Investment Manager may from time to time have to deal with competing or conflicting interests between these sub-funds. However, the Manager and Sub-Investment Manager will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager and Sub-Investment Manager have in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Global Equity Fund

INVESTMENT OBJECTIVE

To achieve long-term capital appreciation and diversification by investing in stocks traded on the global equity markets.

INVESTMENT SCOPE

The sub-fund is fully invested in global equities. The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	1 April 1998
Fund Size	S$254.51 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Morgan Stanley Investment Management Company, MFS International Ltd and Wellington Management Singapore Pte Ltd
Benchmark	MSCI World Index in Singapore Dollars
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Accenture Plc	6.6	2.6	Reckitt Benckiser Group	7.4	3.1
Visa Inc	6.5	2.6	Accenture Plc	6.0	2.5
Reckitt Benckiser Group	5.8	2.3	Visa Inc	5.3	2.2
Thermo Fisher Scientific Inc	5.4	2.1	Nestle SA	5.2	2.1
Pernod Ricard SA	4.7	1.8	The Walt Disney Co	4.8	2.0
Bayer AG	4.4	1.7	Thermo Fisher Scientific Inc	4.6	1.9
Nestle SA	4.4	1.7	Time Warner Inc	4.4	1.9
Honeywell International Inc	4.3	1.7	Microsoft Corp	4.0	1.7
The Walt Disney Co	4.2	1.7	Bayer AG	3.9	1.6
Microsoft Corp	4.2	1.6	Pernod Ricard SA	3.8	1.6

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 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 the Sub-Investment Managers of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

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, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Global Equity Fund

Morgan Stanley Investment Management Company (MSIM)

MSIM was established in 1975 as a subsidiary of Morgan Stanley Group Inc. As of 31st Dec 2017, MSIM employs 608 investment professionals worldwide in 20 countries and offers its clients personalised attention, the intelligence and creativity of some of the brightest professionals in the industry and access to the global resources of Morgan Stanley. As of 31st Dec 2017, MSIM managed US$482 billion in assets for its clients.

MFS International Singapore Pte Ltd^

MFS International Singapore Pte Ltd is incorporated in Singapore and is authorised under a capital markets service license with the Monetary Authority of Singapore to provide fund management services. MFS has been managing pooled vehicles/investment funds and/or discretionary funds in Singapore since 1997. MFS Investment Management (parent company of MFS International Singapore Pte Ltd) was founded in 1924. Assets under management totalled US$491 billion (as of 31 December 2017). MFS believes in active bottom-up research aimed at consistently identifying high-quality investments by focusing on companies that have potential to generate above-average and sustainable earnings. MFS has a global network of research analysts and portfolio managers based in Boston, Toronto, Mexico City, London, Tokyo, Hong Kong, Singapore and Sydney.

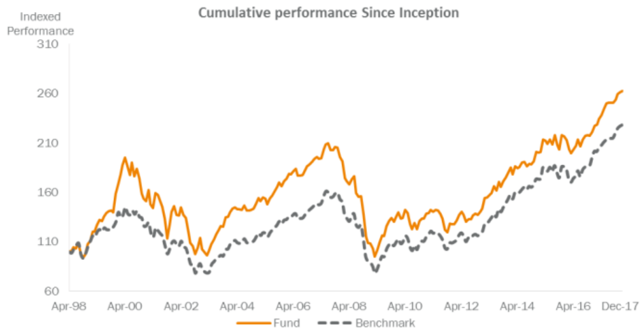
^Prior to November 2013, MFS was operating as a branch of MFS International Limited and was an exempted fund manager under the Singaporean regulatory regime.

Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1.08 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in 60 countries, as of 31 December 2017. WMC's singular focus is investments — from global equities and fixed income to currencies and commodities. WMC describes themselves as a community of teams that create solutions designed to respond to specific client needs. WMC's most distinctive strength is their proprietary, independent research, which is shared across all areas of the organisation and used only for managing clients' portfolios. Tracing its roots to the founding of Wellington Fund in 1928, the firm has offices in Boston, Massachusetts; Chicago, Illinois; Radnor, Pennsylvania; San Francisco, California; Beijing; Frankfurt; Hong Kong; London; Singapore; Sydney; Tokyo; Luxembourg and Zurich.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Equity Fund	0.66%	3.47%	4.88%	15.55%
Benchmark	0.55%	3.83%	7.36%	13.22%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Equity Fund	9.47%	12.86%	3.22%	5.01%
Benchmark	9.57%	13.66%	4.26%	4.27%



The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Market Review

Global equities, as measured by the MSCI World Index returned 7.6% in Singapore Dollar (SGD) terms in the 2nd half of 2017. Continued synchronised global growth, improved global trade and still low interest rates helped support equities broadly.

The US S&P 500 Index returned 7.8% in SGD terms and 11.42% in US Dollar (USD) terms for the 2nd half of 2017, where a stronger SGD detracted from returns. Solid economic growth, low inflation and interest rates and anticipation of significant tax reform – which was enacted in the year's final weeks – helped fuel a broad market advance.

European stocks, as measured by the STOXX 50 Index, returned 4.5% in SGD terms and 2.3% in euro terms in the 2nd half of 2017, amid headwinds from a stronger euro foreign exchange rate, which strengthened roughly 12.3% over 2017 versus the USD, which hampered European export competitiveness. The European Central Bank's (ECB) decision to taper its bond purchase programme was a catalyst for the rise in the euro. Strong economic growth momentum extended through the end of 2017.

In Japan, the Nikkei Composite Index returned 11% in SGD terms and 16.7% in yen terms in the 2nd half of 2017, where a stronger SGD detracted from returns. Surging global industrial production and upbeat Japanese exports helped fuel market gains.

Emerging markets (EM), as measured by the MSCI EM Index returned 12.4% in SGD terms during the 2nd half of 2017. A synchronised upturn in global growth, expanding global demand and improved pricing power for commodity producers supported the asset class broadly.

Market Outlook

A continued synchronised global growth upswing, recovering commodity markets and still-low inflation have created a benign investment backdrop, though valuations for most asset classes are quite rich. While interest rates have begun to rise in many places, they remain relatively low historically, while monetary conditions remain loose amid tight credit spreads and rising equity prices. Markets have thus far taken in stride the US Federal Reserve's (Fed) steps toward normalising its balance sheet, as well as the ECB's tapering of its asset purchase programme by half.

United States: A faster pace of growth in the year's 2nd half, a significant regulatory rollback and completion of a pro-growth tax reform plan all contributed to a continued rally in the 2nd half of 2017. Since the Fed began its tightening cycle in December 2015, it has delivered five quarter point hikes to the Fed funds target. A 6th hike is expected in March, the first under Fed Chair Jerome Powell. Despite rising earnings, price-to-earnings (P/E) multiple expansion persisted as the trailing P/E for the S&P 500 approached 22x. Profit margins are running higher than average, at nearly 10%, as companies continue to limit capital expenditures. Lower effective tax rates in 2018 should provide a further tailwind for margins. A pronounced flattening of the US Treasury yield curve is a moderate cause for concern. If the curve were to move toward inversion, recession concerns could become heightened, as inverted yield curves often precede the end of business cycles, with the Fed pushing up the shorter end of the curve while investors push down the longer end.

Europe: From a valuation perspective, Europe ex UK looks less stretched than some of its global peers, with trailing P/E of 19.8x versus a 20-year average of 18.6x, dividends yielding 3%, in line with their long-term average, and net margins running somewhat above average at 6.5%. Earnings growth stalled in 4th quarter of 2017 owing largely to the hit suffered by insurers stemming from natural disasters, such as hurricanes, but modest top-line growth extended for a 5th consecutive quarter. Above-trend economic growth continues amid low inflation and still-low interest rates as strong global demand persists for European exports. The 2.5% year-on-year growth rate is the fastest in the last decade. While deflationary fears have subsided, inflation remains well below the ECB's target of near 2%, which is supportive for equities, as it implies policy rates will stay negative until at least mid-2019, based on the ECB's forward guidance. Brexit negotiations, late-winter Italian elections, potential German elections if a grand coalition is not agreed on and continued uncertainty owing to Catalonia's independence movement are geopolitical factors to be mindful of in 2018. French labour reforms have the potential to improve competitiveness over the medium-to-long term as President Macron begins to put his policy proposals into action.

Japan: Despite scepticism over the effectiveness of Abenomics, shareholder-friendly reforms appear to be bearing fruit as profit margins expand significantly. Trailing P/E ratios (16.1x) are in line with their long-term average, making them attractive on a relative basis compared with elevated valuations in most other developed markets. Surging exports, in response to a synchronised upturn in global economic growth, have led to seven quarters of economic growth, the longest uninterrupted streak in 16 years. As in much of the developed world, wages and inflation remain extremely muted despite what appear to be exceptionally tight labour markets. Consequently, the Bank of Japan is not expected to materially alter its super-loose monetary policy stance in 2018. Unfavourable demographics and a very high debt-to-gross domestic product ratio are headwinds for the Japanese economy in the years ahead.

Emerging markets: Notwithstanding impressive price appreciation, EM equities trade at a significant discount to their developed market peers, with trailing P/E running at 15.1x versus 21.3x for the MSCI World Index, although EM valuations are in line with historical valuations. Expanding profit margins, running now at around a 10% growth rate on a trailing 12-month basis, are a further tailwind for the asset class. Supported by a widening growth differential over developed markets, EMs enjoyed a banner year from a total return perspective in 2017 and carry a good deal of momentum into 2018. While developed markets have experienced a reflationary trend in recent quarters, some EMs continue to experience disinflationary pressures, particularly in Asia. Improved global demand, rebounding commodity prices and relative dollar weakness have been supportive, while the potential for more-restrictive trade policy by the US is a cause for concern. NAFTA negotiations, which are expected to conclude in 1st quarter of 2018, will be closely watched as a harbinger of US policy intentions.

RISKS

As the sub-fund has investments concentrating in equities, it is subject to equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk. This is not an exhaustive list of risks.

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

Income's ILP sub-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 Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

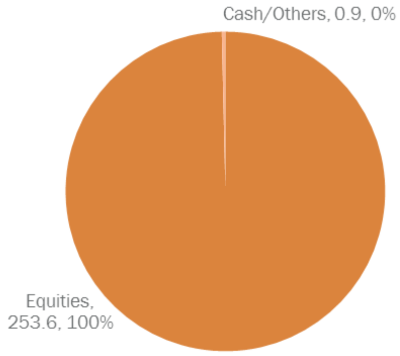
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	1.29%	27.81%
As of 31 December 2016	1.34%	52.35%

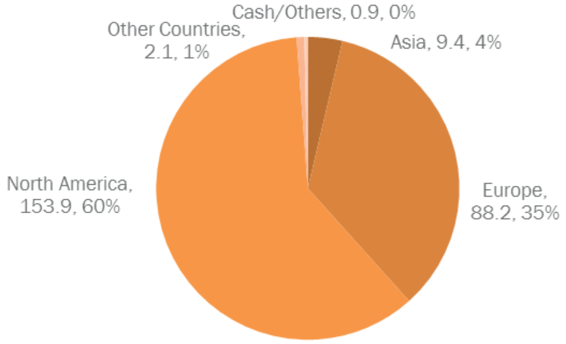
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Global Equity Fund

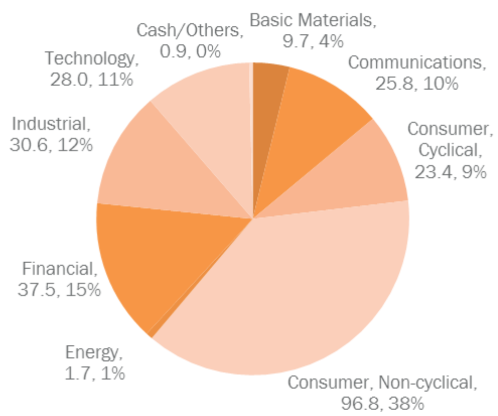
ASSET ALLOCATION AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under Global Equity Fund.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	239,979,341
Purchase of units	6,921,272
Redemption of units	(28,391,545)
Gain/(loss) on investments and other income	39,134,440
Management fees & other charge	(3,134,889)
Value of fund as of 31 December 2017	254,508,619

Units in issue	75,447,932
Net asset value per unit	
- at the beginning of the year	2.920
- as of 31 December 2017	3.373

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(374)	-	27,825	(13,440)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
American Tower Corp	0.8	0.3

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$3,124,629.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager and Sub-Investment Managers did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager and Sub-Investment Managers in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services used for and in support of the investment process. The Manager and Sub-Investment Managers did not accept or enter into soft dollar commission/arrangement unless such commission /arrangement would, in the opinion of the Manager and Sub-Investment Managers, assist the Manager/Sub-Investment Managers in the management of the sub-fund. The Manager and Sub-Investment Managers confirmed that trades were made on best execution basis, that is, the Manager and Sub-Investment Managers took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades.

Global Equity Fund

CONFLICTS OF INTEREST

The Manager and Sub-Investment Managers may from time to time have to deal with competing or conflicting interests between these sub-funds. However, the Manager and Sub-Investment Managers will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager and Sub-Investment Managers have in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Singapore Bond Fund

INVESTMENT OBJECTIVE

The objective of this sub-fund is to provide a medium- to long-term rate of fixed return through investing mainly in bank deposits, corporate bonds rated at least "A" by Standard and Poor's or secured on collaterals such as properties and receivables. The expected average duration for the sub-fund is at least 4 years.

INVESTMENT SCOPE

This sub-fund invests mainly in bank deposits, corporate bonds rated at least "A" by Standard and Poor's or secured collaterals such as properties and receivables. This sub-fund may invest up to 30% high quality unsecured or unrated bonds. The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	1 March 2000
Fund Size	S$321.43 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.5% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Narrowly Focused – Country – Singapore
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	Markit iBoxx ALBI Singapore Government 3+ Index
Structure	Single Fund

With effect from 31 May 2017, the benchmark, UOB Singapore Government Bond Index Long has been replaced by Markit iBoxx ALBI Singapore Government 3+ Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 2.875% 010930	53.4	16.6	Singapore Government Bonds 2.875% 010930	45.6	16.5
Singapore Government Bonds 2.25% 010836	16.4	5.1	Singapore Government Bonds 2.25% 010836	29.5	10.7
Singapore Government Bonds 2.75% 010442	14.8	4.6	Singapore Government Bonds 3% 010924	15.8	5.7
Singapore Government Bonds 3.5% 010327	14.0	4.4	Singapore Government Bonds 3.5% 010327	13.5	4.9
Singapore Government Bonds 3.375% 010933	13.7	4.3	Singapore Government Bonds 2.75% 010346	10.7	3.9
Singapore Government Bonds 0.5% 010418	12.0	3.7	Singapore Government Bonds 2.875% 010729	7.2	2.6
Singapore Government Bonds 2.75% 010346	10.7	3.3	United Overseas Bank 3.15% 110722	6.1	2.2
United Overseas Bank 3.5% 270229	7.8	2.4	DBS Cap Funding 5.75% 290549	6.0	2.2
CMT MTN Pte Ltd Capita 3.48% 060824	7.7	2.4	Temasek FINL I 4% 071229	5.4	2.0
Export-Import Bk Korea 2.318% 270922	7.0	2.2	Ascendas Pte Ltd 3.5% 180123	5.4	1.9

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 is the Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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.

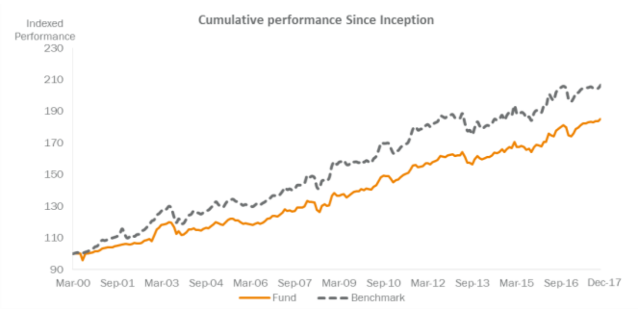
Singapore Bond Fund

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

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Singapore Bond Fund	0.87%	1.20%	1.59%	6.31%
Benchmark	0.97%	0.97%	0.82%	5.32%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Bond Fund	3.61%	2.61%	3.62%	3.52%
Benchmark	3.25%	1.90%	3.62%	4.15%



Changes to benchmarks during the life of the sub-fund: Since inception to 31 May 2017 - UOB Singapore Government Bond Index (Long).
With effect from 31 May 2017, the benchmark has been changed to Markit iBoxx ALBI Singapore Government 3+ Index.

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

The Singapore Bond Fund posted a return of 6.31% in the year 2017, above its benchmark of 5.32%. The strategy of mixing shorter duration credits with longer duration Singapore Government Securities (SGS) was rewarded in a period of low volatility.

Advance estimates indicate Singapore's economy grew by 3.5% in 2017, more robust than initially projected, and the healthy pace will continue. After two years of negative reading, Consumer Price Index (All Items) inflation came in at 0.6% for 2017 while Core Inflation rose to 1.5%, from 0.9% in 2016. The Monetary Authority of Singapore expects inflation numbers to remain benign in 2018 despite the healthy growth rate.

The US Federal Reserve (Fed) hiked another 75 basis points (bps) in 2017, bringing the total to 125 bps so far this cycle. This pushed up short-term rates but longer-term rates traded in a range. Stronger economic growth in the 2nd half of 2017 coupled with geopolitical concerns and continued dollar weakness drove energy prices higher, and along with this, inflation expectation and higher rates. Meanwhile, the Fed has embarked on its multi-year balance sheet normalisation mode since October 2017.

The European Central Bank (ECB), on the other hand, is halving its monthly financial assets purchase to €30 billion effective January 2018 on the back of relatively strong growth numbers. The reduced reinvestments of Fed and ECB in the bond markets will be negative to rates at the margin, especially when taking into consideration the additional funding US Treasury requires in connection with Trump Administration's US$1.5 trillion fiscal expansion.

For now, globally synchronised recovery continues to favour risk assets at the expense of government bonds. The International Monetary Fund has just upgraded its global economic growth projection for 2018 and 2019. Given the backdrop of more robust global growth coupled with continued readings of benign inflation, we believe major central banks will be measured in their monetary policy and liquidity tightening adjustments.

Looking ahead, we are expecting markets to be more volatile in 2018, so we will endeavour to minimise the negative impact of escalating rates while keeping SGS as the core holding to weather short- to medium-term uncertainties. The good quality credits held by the fund should provide yield enhancement. We remain constructive on credits in the longer run as long as economic growth continues. Central banks' policies should guide us on portfolio positioning as investors continue to search for yield.

RISKS

As the sub-fund has investments concentrating in Singapore fixed income securities, it is subject to 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.

The Manager intends to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

Income's ILP sub-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 Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

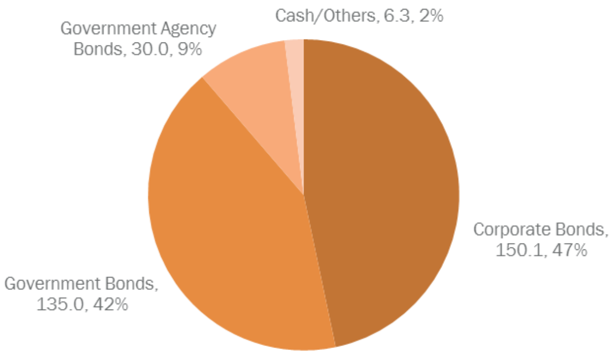
Singapore Bond Fund

EXPENSE AND TURNOVER RATIO

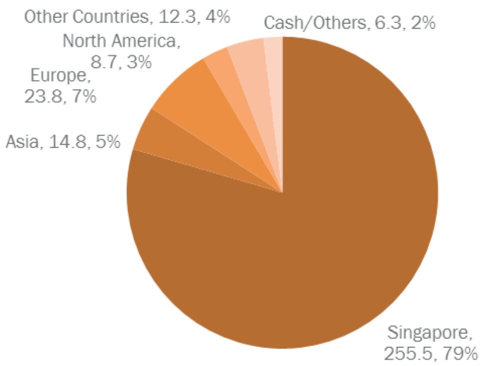
	Expense ratio	Turnover ratio
As of 31 December 2017	0.52%	54.10%
As of 31 December 2016	0.52%	55.17%

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.

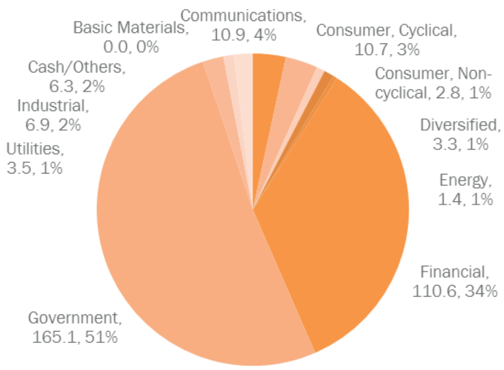
ASSET ALLOCATION AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	154.0	47.9
AA	14.4	4.5
AA-	1.0	0.3
A+	18.5	5.8
A	20.3	6.3
A-	16.7	5.2
BBB+	5.8	1.8
BBB	27.7	8.6
BBB-	2.0	0.6
Not rated	54.7	17.0
Total	315.1	98.0

'Not rated' 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.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	276,509,944
Purchase of units	45,310,383
Redemption of units	(18,367,877)
Gain/(loss) on investments and other income	19,448,156
Management fees & other charge	(1,473,054)
Value of fund as of 31 December 2017	321,427,552

Units in issue	173,420,817
Net asset value per unit	
- at the beginning of the year	1.743
- as of 31 December 2017	1.853

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	25,259	-	149,372	266,024
Swaps	18,839	-	-	167,008

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$1,473,054.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager did 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 sub-fund. The Manager confirmed that trades were made on best execution basis, that is, the Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades. The said brokers had also executed trades for other sub-funds managed by the Manager.

CONFLICTS OF INTEREST

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/ insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Singapore Equity Fund

INVESTMENT OBJECTIVE

The objective of this sub-fund is to achieve long-term capital appreciation by investing in stocks traded on the Singapore Exchange.

INVESTMENT SCOPE

This sub-fund is fully invested in Singapore Equities. The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	2 January 2003
Fund Size	S$162.40 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.65% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Narrowly Focused – Country – Singapore
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	State Street Global Advisors Singapore Limited (SSGA)
Benchmark	FTSE Straits Times Index (FTSE STI)
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
DBS Group Holdings Ltd	25.0	15.4	DBS Group Holdings Ltd	20.2	13.0
Oversea-Chinese Banking Corp	22.8	14.0	Oversea-Chinese Banking Corp	19.0	12.2
United Overseas Bank Ltd	15.3	9.4	Singapore Telecommunications Ltd	14.8	9.5
Singapore Telecommunications Ltd	12.4	7.6	United Overseas Bank Ltd	12.5	8.1
Thai Beverage PCL	7.2	4.4	Jardine Matheson Holdings	8.4	5.4
Jardine Matheson Holdings	5.5	3.4	Hongkong Land Holdings Ltd	7.2	4.6
Jardine Strategic Holdings Ltd	5.3	3.3	CapitaLand Ltd	5.5	3.6
Hongkong Land Holdings Ltd	4.6	2.8	Wilmar International Ltd	5.2	3.4
UOL GROUP LIMITED SGD1	4.5	2.8	Global Logistic Properties Ltd	5.2	3.4
Keppel Corp Ltd	4.4	2.7	Singapore Technologies Engineering Ltd	4.5	2.9

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 is the Investment Manager of the sub-fund. State Street Global Advisors Singapore Limited is the Sub-Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Singapore Equity Fund

State Street Global Advisors Singapore Limited (SSGA Singapore)

For nearly four decades, State Street Global Advisors has been committed to helping their clients, and those who rely on them, achieve financial security.

They partner with many of the world's largest, most sophisticated investors and financial intermediaries to help them reach their goals through a rigorous, research-driven investment process spanning both indexing and active disciplines. With trillions in assets*, their scale and global reach offer clients unrivalled access to markets, geographies and asset classes, and allow them to deliver thoughtful insights and innovative solutions.

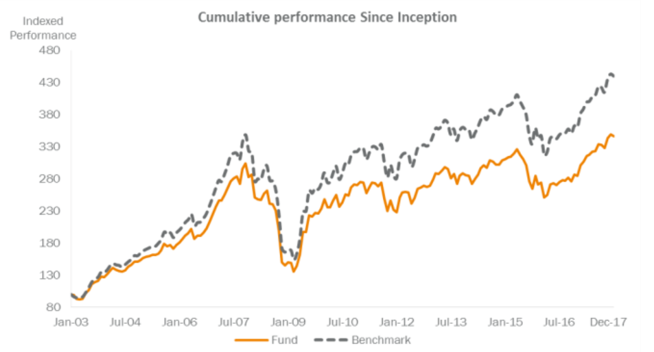
SSGA has also attained ETF industry leadership with its SPDR® family, including first-to-market launches with gold, international real estate, fixed-income and sector-specific ETFs.

State Street Global Advisors is the investment management arm of State Street Corporation.

**Assets under management were US$2.78 trillion as of 31 December 2017. AUM reflects approx. US$34.92 billion (as of 31 December 2017) with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated. Please note that AUM totals are unaudited.*

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Singapore Equity Fund	-0.66%	5.80%	7.11%	21.71%
Benchmark	-0.68%	6.07%	7.27%	22.08%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Equity Fund	3.70%	4.44%	1.93%	8.63%
Benchmark	4.01%	4.91%	3.22%	10.37%



The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

After a lacklustre year in 2016, the FTSE Straits Times Index (STI) emerged as the best performing market in ASEAN in 2017 as the open economy thrived on the rebound in global trade. Uncertainties surrounding Trump administrative policies, European elections and uncertain growth trajectory of the Chinese economy at the start of the year were displaced by optimism over robust trade growth, tax cuts in the US, and synchronised global economic expansion.

The FTSE STI rose 18.1% to close the year at 3403, marking the strongest year since 2012. The financial sector was the top performer as improving loan growth, rising interest rates and kitchen sinking of bad debt associated with the oil and gas sector pave the way for robust earnings growth in 2018. DBS delivered a total return of 47.7%, reflecting its high leverage to rising interest rates and potential return on equity uplift from its digital initiatives. The real estate sector was the second best performer, driven by a rebound in secondary market transactions and en-bloc activities after regulator made some tweaks to housing policies. Developers with substantial exposure to the Singapore residential property market such as City Development and UOL Group were some of the best performing stocks in the FTSE STI, up 53.1% and 51.2% respectively, during the year. On a more negative note, in December 2017, Keppel Corp announced that the group will pay a fine of US$422 million to authorities in the US, Brazil and Singapore for a global resolution to illegal payments to win orders in Brazil. While the corruption probe was known, the magnitude of the fine is unexpected.

Economic momentum continues to firm up in Singapore with flash estimates indicating gross domestic product (GDP) growth of 3.1% year-on-year (yoy) in 4th quarter of 2017. This would bring full year GDP growth to 3.5% yoy, hitting the upper bound of the 3%-3.5% range expected by the Ministry of Trade and Industry, which was revised up from an earlier estimate of 2%-3%. Core inflation, which excludes costs for private road transportation and accommodation, came in at 1.3% yoy in December, in line with Monetary Authority of Singapore's (MAS) projection of average core inflation in the 1%-2% range. The improving private residential property market is also lending support to the domestic economy as prices rose 0.5% quarter-on-quarter in 3rd quarter of 2017, ending the 15-quarter streak of declining prices. At the same time, en-bloc collective sales quadrupled to S$5.2 billion in the first nine months of 2017, with many of them achieving record-high per-square-foot prices. This sets expectations for further increases in property prices when developers launch their new properties in 2018. While MAS maintained its zero appreciation policy stance, the forward guidance to maintain this for an extended period was removed from its statement. This moderation in wording and the firming up of cyclical momentum in the economy are precursors to potential monetary tightening moves in 2018.

Looking ahead into 2018, we believe Singapore's economic recovery, which was led by electronics export, will broaden out to the services and construction sectors. Property market volume growth and price momentum should continue into 2018 as the diminished residential supply is further exacerbated by the sharp pick up in en-bloc activities. We expect the property market momentum to filter through to construction activities as well as improved consumer sentiments. While potential GST hike could dampen retail

Singapore Equity Fund

sales in the near-term, history suggests that the negative impact on consumption is typically short-lived. If crude oil price can sustain at current levels and rig utilisation continues to improve, the growing order pipeline at Singapore's offshore and marine sector should start to translate into new order wins. The portfolio is positioned in a good mix of cyclical stocks and high quality names, which should benefit from the broad economy recovery. We remain cautious on REITs as well as telecoms, which may not do well in a rising interest rate environment.

RISKS

As the sub-fund has investments concentrating in the Singapore equity sector, it is subject to equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk. This is not an exhaustive list of risks.

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

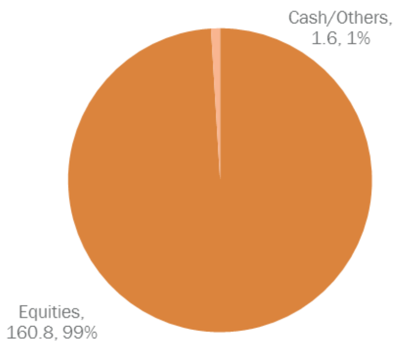
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

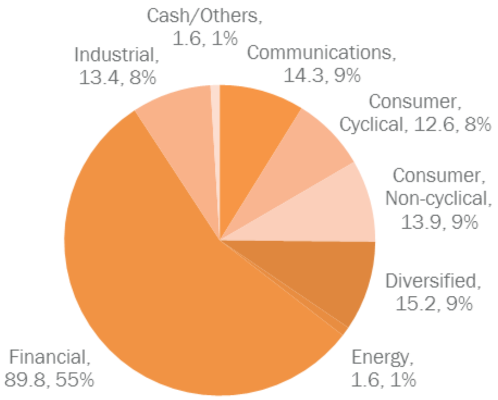
	Expense ratio	Turnover ratio
As of 31 December 2017	0.70%	17.21%
As of 31 December 2016	0.70%	26.18%

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.

ASSET ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under Singapore Equity Fund.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	155,644,554
Purchase of units	14,194,679
Redemption of units	(39,315,762)
Gain/(loss) on investments and other income	32,907,715
Management fees & other charge	(1,035,769)
Value of fund as of 31 December 2017	162,395,417

Units in issue	46,871,324
Net asset value per unit	
- at the beginning of the year	2.847
- as of 31 December 2017	3.465

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	1,862	1,527
Futures	2,160	-	61,549	2,315

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Ascendas REIT	2.1	1.3
CapitaLand Mall Trust	1.6	1.0
CapitaLand Mall Trust	1.5	0.9
Far East Hospitality Trust NPV	1.3	0.8
Mapletree Commercial Trust REIT NPV	1.2	0.7
Hutchison Port Holdings	0.9	0.6

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$1,035,769.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

The Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/ entered into by the Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager did 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 sub-fund. The Manager confirmed that trades were made on best execution basis, that is, the Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades. The said brokers had also executed trades for other sub-funds managed by the Manager.

State Street

SSGA did not retain, for their own account, cash or commission rebates arising out of transactions executed in or outside Singapore. SSGA also did not receive soft dollars for the fund.

CONFLICTS OF INTEREST

Income

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

State Street

SSGA did not encounter any conflict of interests in the management of the sub-fund.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Asia Managed Fund

INVESTMENT OBJECTIVE

To achieve long-term capital appreciation by investing in stocks and fixed income securities in the region, including North Asian and South-East Asian countries. The strategy is to be value oriented.

INVESTMENT SCOPE

The sub-fund will invest all or substantially all of its assets in the Singapore-domiciled Schroder Asian Growth Fund (managed by Schroder Investment Management) in relation to the equity portion (70%) and Singapore bonds (managed by NTUC Income (Income)) in relation to the fixed income portion (30%). Prior to 22 October 2010, the investment scope was Singapore (39%), Hong Kong (18%) and Thailand (13%) stocks and Singapore Bonds (30%). The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	1 September 1995
Fund Size	S$143.15 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Narrowly Focused — Regional — Asia
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	70% MSCI AC Asia ex-Japan Index in Singapore Dollars 30% Markit iBoxx ALBI Singapore Government 3+ Index
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index Long, has been replaced by Markit iBoxx ALBI Singapore Government 3+ Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

Asia Managed Fund

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	100.5	70.2	Schroder Asian Growth Fund	68.1	69.9
Singapore Bond Fund	42.6	29.8	Singapore Bond Fund	29.1	29.8

Schroder Asian Growth Fund^

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Samsung Electronics	88.7	7.4	Taiwan Semiconductor Manufacturing	49.0	7.6
Tencent Holdings	76.2	6.4	Samsung Electronics	43.4	6.7
Alibaba Group Holding	70.1	5.9	Tencent Holdings	38.8	6.0
Taiwan Semiconductor Manufacturing	69.2	5.8	Alibaba Group Holding	29.9	4.6
AIA Group	48.5	4.1	AIA Group	27.5	4.2
HDFC Bank	43.4	3.6	HDFC Bank	25.5	3.9
China Lodging Group	34.4	2.9	China Mobile	19.0	2.9
China Pacific Insurance Group	33.9	2.8	Techtronic Industries	17.3	2.7
Techtronic Industries	32.9	2.8	Jardine Strategic Holdings	16.5	2.5
New Oriental Education & Technology Group	31.0	2.6	China Pacific Insurance Group	14.7	2.3

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off.
^Information extracted from the underlying Schroder Asian Growth Fund. Source: Schroder Investment Manager (Singapore) Ltd.

Asia Managed Fund

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. Schroder Investment Management (Singapore) Limited is the Sub-Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

Schroder Investment Management (Singapore) Ltd is the Investment Manager of Schroder Asian Growth Fund. 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 totalled US$589.5 billion (as of 31 December 2017).

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, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Asia Managed Fund	1.92%	6.01%	11.09%	30.53%
Benchmark	1.61%	4.84%	8.57%	22.85%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asia Managed Fund	12.06%	9.96%	6.91%	6.38%
Benchmark	8.79%	7.56%	4.98%	5.92%

Changes to benchmarks during the life of the sub-fund: Since 22 Oct 2010 to 31 May 2017 - 70% MSCI AC Asia ex-Japan Index in Singapore Dollars, 30% UOB Long Bond Index; Since 1 Apr 2000 to 21 Oct 2010 - 39% FTSE STI, 18% HSI, 13% SET, 30% UOB Long Bond Index; Since Apr 99 to Mar 2000 - 45% FTSE STI, 20% HSI, 15% SET, 20% UOB Long Bond Index; Since Mar 97 to Mar 99 - 25% DBS 50, 25% KLCI, 10% SET, 40% Singapore 3-Month Deposit rate; Since inception to Feb 97 - 33.33% DBS 50, 33.33% KLCI, 33.33% Singapore 3-Month Deposit rate.

With effect from 31 May 2017, the benchmark has been changed to 70% MSCI AC Asia ex-Japan Index in Singapore Dollars, 30% Markit iBoxx ALBI Singapore Government Index (3+).

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

2017 has been a remarkable year for Asian equities, with total returns for regional markets in the range of 40% in US Dollar (USD) terms. These have been the strongest returns since 2009 and amongst the best five calendar year returns we have seen in the last 30 years. Even more remarkable is that a year ago, we were faced with huge uncertainties on the political and economic front. President Trump had been elected unexpectedly in the US, huge uncertainty was created by Brexit and in Europe doubts were raised on the future integrity of the European Union amid a widespread rise in populist parties. A rallying USD, traditionally a headwind for Asian markets, and concerns over North Korea capped off the host of worries.

From 2017, we have observed that economics trumps politics, and that most political rhetoric fails the tests of real world implementation. In the US we have not had massive stimulus enacted, border adjustment taxes have been abandoned and we have not seen any significant tariff barriers raised. Meanwhile the continued macro backdrop of moderate economic growth and low inflation globally last year has continued the 'goldilocks' scenario for equities – not too hot, not too cold, but a slightly warmer overall global growth picture.

Secondly, and perhaps more importantly, earnings trump economics. What has turbo-charged Asian equities in 2017 has been the very strong earnings delivery and consistent upgrades to expectations. We started last year with consensus expectations for 12% earnings per share (EPS) growth; however, it has surpassed 23% EPS growth, a far more dynamic outcome. This means that although market indices are up 40%, valuation multiples have not needed to be the prime driver of the expansion, and the prospective 12-

month forward price-to-earnings (P/E) ratio of the index today at 13-14x is only modestly above where it was at the start of 2017.

Lastly, although global growth feels better today and earnings growth looks healthy, there is still a very tough operating environment for many companies. The average market performance disguises some outsized winners that are capturing a disproportionate share of the spoils. As investors, we need to have a laser focus on the future and the rapidly shifting sands in almost all industries.

Against this backdrop, we continue to be excited about the longer-term growth potential for many stocks in the fund. While short-term earnings momentum for some of the technology hardware names may be flat after a very strong cycle, given the recent pullback in share prices, valuations are now looking more realistic and we remain comfortable with our holdings which continue to deliver solid free cash-flow and good dividend yield. For the Chinese e-commerce players, earnings growth remains very robust with forecasts being upgraded materially. Although valuations are not cheap with share prices trading close to fair value, given the growth they are generating we believe they can grow into their current multiples over the next one to two years. Overall, we remain positive on the structural outlook of these companies where earnings drivers are geared to more secular industry trends rather than traditional drivers such as gross domestic product growth or government spending.

Outside of technology, we find attractive opportunities in Chinese consumer and services sectors in areas such as education, travel, healthcare and insurance that are beneficiaries of the Chinese consumption upgrade cycle. At the margin, we are also adding selectively to financials and energy which are positively leveraged to rising interest rates and a stronger economic growth environment.

In summary, the earnings picture for 2018 looks relatively strong with consensus expectations for 12% EPS growth. Although today's P/E multiples look a bit expensive in the short-term, 2018 forecast P/E still looks reasonable and healthy on a regional basis. After such a strong performance in 2017 we should expect more moderate returns on a 12-month view, but this should not deter one from remaining invested with the winners of tomorrow.

RISKS

The risk in the Asia Managed Fund is diversified by investing in a mixture of Asian equities & bonds. As the sub-fund has investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty 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.

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-funds are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-funds to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

Income's ILP sub-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 Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

EXPENSE AND TURNOVER RATIO

Asia Managed Fund

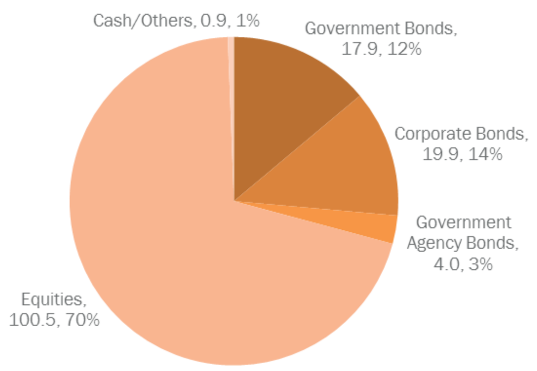
	Expense ratio	Turnover ratio
As of 31 December 2017	1.50%	5.45%
As of 31 December 2016	1.42%	8.93%

Schroder Asian Growth Fund

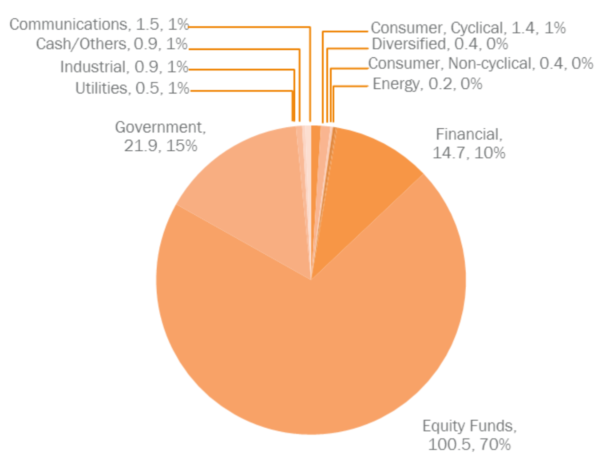
	Expense ratio	Turnover ratio
As of 31 December 2017	1.35%	14.25%
As of 31 December 2016	1.36%	25.98%

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.

ASSET ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



Asia Managed Fund

CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	20.4	14.3
AA	1.9	1.3
AA-	0.1	0.1
A+	2.4	1.7
A	2.7	1.9
A-	2.2	1.5
BBB+	0.8	0.5
BBB	3.7	2.6
BBB-	0.3	0.2
Not rated	7.3	5.1
Total	41.8	29.2

'Not rated' 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.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	97,420,773
Purchase of units	30,022,101
Redemption of units	(14,896,539)
Gain/(loss) on investments and other income	31,019,309
Management fees & other charge	(411,425)
Value of fund as of 31 December 2017	143,154,219

Units in issue	44,114,607
Net asset value per unit	
- at the beginning of the year	2.486
- as of 31 December 2017	3.245

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	100.5	70.2
Singapore Bond Fund	42.6	29.8

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$411,425.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

The Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager did 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 sub-fund. The Manager confirmed that trades were made on best execution basis, that is, the Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades. The said brokers had also executed trades for other sub-funds managed by the Manager.

More information can be found in the Fund Report of Singapore Bond Fund.

Schroder^

In the management of the Schroder Asian Growth Fund, Schroder may accept soft dollar commissions from, or enter into soft dollar arrangement with, stockbrokers who execute trades on behalf of the Schroder Asian Growth Fund and the soft dollars received are restricted to the following kinds of services:

i. Research, analysis or price information;
ii. Performance measurement;
iii. Portfolio valuations; and
iv. Administration services.

Schroder may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist Schroder in their management of the Schroder Asian Growth Fund, (b) best execution is carried out for the transactions, and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. Schroder shall not receive goods and services such as travel, accommodation and entertainment.

CONFLICTS OF INTEREST

Income

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

Schroder^

The Managers may from time to time have to deal with competing or conflicting interests between the other unit trusts which are managed by the Managers and the Trust. For example, the Managers may make a purchase or sale decision on behalf of some or all of their other unit trusts without making the same decision on behalf of the Trust, as a decision whether or not to make the same investment or sale for the Trust depends on factors such as the cash availability and portfolio balance of the Trust. However the Managers will use reasonable endeavours at all times to act fairly and in the interests of the Trust. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other unit trusts managed by the Managers and the Trust, the Managers will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the Trust and the other unit trusts managed by the Managers.

The factors which the Managers will take into account when determining if there are any conflicts of interest as described above include the assets (including cash) of the Trust as well as the assets of the other unit trusts managed by the Managers. To the extent that another unit trust managed by the Managers intends to purchase substantially similar assets, the Managers will ensure that the assets are allocated fairly and proportionately and that the interests of all investors are treated equally between the Trust and the other unit trusts.

Associates of the Trustee may be engaged to provide financial, banking or brokerage services to the Trust or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services to the Trust, where provided, and such activities with the Trustee, where entered into, will be on an arm's length basis.

^Schroder (information extracted from Prospectus of Schroder Asian Growth Fund. (Source: Schroder Investment Management (Singapore) Limited)

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Global Managed Fund (Balanced)

INVESTMENT OBJECTIVE

The objective of this sub-fund is to provide medium- to long-term capital appreciation by investing in the core sub-funds, Global Equity, Global Bond, Singapore Equity and Singapore Bond.

INVESTMENT SCOPE

The Balanced Fund is invested in NTUC Income's (Income) core sub-funds in the following proportions: Singapore Equity (10%), Global Equity (40%), Singapore Bond (15%), and Global Bond (35%). The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	2 January 2003
Fund Size	S$173.73 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.9375% per annum at sub-fund level Prior to 15 June 2016, the management fees were charged at core sub-fund levels
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	10% FTSE Straits Times Index (FTSE STI) 40% MSCI World Index in Singapore Dollars 15% Markit iBoxx ALBI Singapore Government 3+ Index 35% Barclays Global Aggregate in Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index Long, has been replaced by Markit iBoxx ALBI Singapore Government 3+ Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Global Equity Fund	69.4	39.9	Global Equity Fund	67.6	39.9
Global Bond Fund	61.0	35.1	Global Bond Fund	59.2	35.0
Singapore Bond Fund	26.1	15.0	Singapore Bond Fund	25.4	15.0
Singapore Equity Fund	17.5	10.1	Singapore Equity Fund	16.9	10.0

^ Please refer to the respective Fund Reports for the top 10 holdings.
Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off.

FUND MANAGER

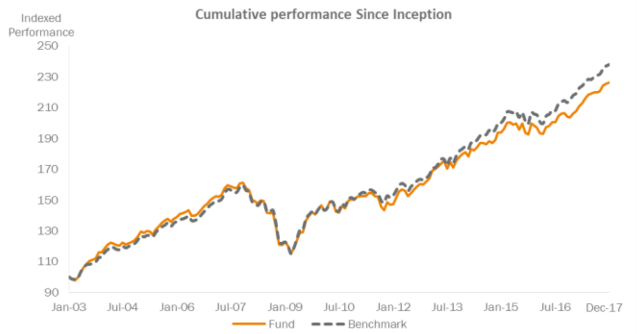
NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

Global Managed Fund (Balanced)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Balanced)	0.31%	2.45%	3.15%	9.81%
Benchmark	0.37%	2.53%	4.26%	9.12%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Balanced)	5.27%	6.62%	3.75%	5.59%
Benchmark	5.91%	7.43%	4.37%	5.95%



Changes to benchmarks during the life of the sub-fund: Since inception to 31 May 2017 – 10% FTSE Straits Times Index (FTSE STI), 40% MSCI World Index in Singapore Dollars, 15% UOB Singapore Government Bond Index Long, 35% Barclays Global Aggregate in Singapore Dollars.

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index Long, has been replaced by Markit iBoxx ALBI Singapore Government 3+ Index.

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Global Bond

Market Review

The 2nd half of the year saw the theme of central bank tightening become more pronounced with the Bank of Canada going first with a rate rise. In September, S&P upgraded Portugal's debt to BBB- from below investment grade, helping the sovereign bonds perform strongly into the year end. The European Central Bank (ECB) outlined plans to halve the value of bonds bought from €60 billion to €30 billion per month, starting from January 2018. Bond buying would continue to at least the end of 2018, which markets took to be dovish. In response, German bunds outperformed other developed markets bonds, especially US treasuries, although some of this performance was given up by the end of the year. The Bank of England (BoE) raised rates for the first time since the financial crisis with a base rate increase from 25 basis points (bps) to 50 bps. Towards the end of the year, the price of crude oil edged up to around the $60 per barrel mark, as supply tightened following a producer agreement to limit oil output into 2018.

A new head of the US Federal Reserve (Fed) was appointed and as widely expected, it was Jerome Powell, who is already on the board of governors for the bank, so the news had little market impact, as policy continuity is widely expected. In December, the Fed raised rates by another 25 bps, to 1.25% to 1.5%, citing continuing improvements in the labour market and a general recovery to economic activities following the disruption caused by hurricanes.

In late December, president Trump signed the "Tax Cuts and Jobs Act" into law. The new tax bill cuts corporate taxes and provides individuals with temporary tax relief; questions have been raised around the bill's impact on the government's deficits and reduced tax revenue.

Market Outlook

Growth across the US, Europe and Emerging Markets (EM) is currently the strongest since the financial crisis, which we believe will be a catalyst for more rate rises to come from the US Fed in 2018. Additionally, the Fed will be reducing their balance sheet through less re-investment of maturing bonds and coupon proceeds, potentially leading to higher treasury yields. The ECB has taken similar actions and will halve the rate of bond buying from January. The BoE may also join this band of tightening central banks as already demonstrated by their November rate hike, with more expected if inflation rises to around 3% as expected. Global central bank policies nonetheless remain varied and the flexibility to diversify risk into as many economic cycles as possible remains important.

We believe that lower duration positioning will remain key to protect against tightening and allocations to corporate bonds, EM assets and currencies not only provide hedges, but also potential to add alpha. High levels of liquidity and a higher yield pick-up remains very important, and we continue to seek out opportunities to add high quality corporate bonds and higher yielding currencies to the portfolio to achieve this. With growth at current levels we expect support for corporate and EM bonds, and also currencies, thanks to the prospect of rate hikes.

Singapore Bond

The Singapore Bond Fund posted a return of 6.31% in the year 2017, above its benchmark of 5.32%. The strategy of mixing shorter duration credits with longer duration Singapore Government Securities (SGS) was rewarded in a period of low volatility.

Advance estimates indicate Singapore's economy grew by 3.5% in 2017, more robust than initially projected, and the healthy pace will continue. After two years of negative reading, Consumer Price Index (All Items) inflation came in at 0.6% for 2017 while Core Inflation rose to 1.5%, from 0.9% in 2016. The Monetary Authority of Singapore expects inflation numbers to remain benign in 2018 despite the healthy growth rate.

The US Federal Reserve (Fed) hiked another 75 basis points (bps) in 2017, bringing the total to 125 bps so far this cycle. This pushed up short-term rates but longer-term rates traded in a range. Stronger economic growth in the 2nd half of 2017 coupled with geopolitical concerns and continued dollar weakness drove energy prices higher, and along with this, inflation expectation and higher rates. Meanwhile, the Fed has embarked on its multi-year balance sheet normalisation mode since October 2017.

The European Central Bank (ECB), on the other hand, is halving its monthly financial assets purchase to €30 billion effective January 2018 on the back of relatively strong growth numbers. The reduced reinvestments of Fed and ECB in the bond markets will be negative to rates at the margin, especially when taking into consideration the additional funding US Treasury requires in connection with Trump Administration's US$1.5 trillion fiscal expansion.

For now, globally synchronised recovery continues to favour risk assets at the expense of government bonds. The International Monetary Fund has just upgraded its global economic growth projection for 2018 and 2019. Given the backdrop of more robust global growth coupled with continued readings of benign inflation, we believe major central banks will be measured in their monetary policy and liquidity tightening adjustments.

Looking ahead, we are expecting markets to be more volatile in 2018, so we will endeavour to minimise the negative impact of escalating rates while keeping SGS as the core holding to weather short- to medium-term uncertainties. The good quality credits held by the fund should provide yield enhancement. We remain constructive on credits in the longer run as long as economic growth continues. Central banks' policies should guide us on portfolio positioning as investors continue to search for yield.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned 7.6% in Singapore Dollar (SGD) terms in the 2nd half of 2017. Continued synchronised global growth, improved global trade and still low interest rates helped support equities broadly.

The US S&P 500 Index returned 7.8% in SGD terms and 11.42% in US Dollar (USD) terms for the 2nd half of 2017, where a stronger SGD detracted from returns. Solid economic growth, low inflation and interest rates and anticipation of significant tax reform – which was enacted in the year's final weeks – helped fuel a broad market advance.

European stocks, as measured by the STOXX 50 Index, returned 4.5% in SGD terms and 2.3% in euro terms in the 2nd half of 2017, amid headwinds from a stronger euro foreign exchange rate, which strengthened roughly 12.3% over 2017 versus the USD, which hampered European export competitiveness. The European Central Bank's (ECB) decision to taper its bond purchase programme was a catalyst for the rise in the euro. Strong economic growth momentum extended through the end of 2017.

In Japan, the Nikkei Composite Index returned 11% in SGD terms and 16.7% in yen terms in the 2nd half of 2017, where a stronger SGD detracted from returns. Surging global industrial production and upbeat Japanese exports helped fuel market gains.

Emerging markets (EM), as measured by the MSCI EM Index returned 12.4% in SGD terms during the 2nd half of 2017. A synchronised upturn in global growth, expanding global demand and improved pricing power for commodity producers supported the asset class broadly.

Market Outlook

A continued synchronised global growth upswing, recovering commodity markets and still-low inflation have created a benign investment backdrop, though valuations for most asset classes are quite rich. While interest rates have begun to rise in many places, they remain relatively low historically, while monetary conditions remain loose amid tight credit spreads and rising equity prices. Markets have thus far taken in stride the US Federal Reserve's (Fed) steps toward normalising its balance sheet, as well as the ECB's tapering of its asset purchase programme by half.

United States: A faster pace of growth in the year's 2nd half, a significant regulatory rollback and completion of a pro-growth tax reform plan all contributed to a continued rally in the 2nd half of 2017. Since the Fed began its tightening cycle in December 2015, it has delivered five quarter point hikes to the Fed funds target. A 6th hike is expected in March, the first under Fed Chair Jerome Powell. Despite rising earnings, price-to-earnings (P/E) multiple expansion persisted as the trailing P/E for the S&P 500 approached 22x. Profit margins are running higher than average, at nearly 10%, as companies continue to limit capital expenditures. Lower effective tax rates in 2018 should provide a further tailwind for margins. A pronounced flattening of the US Treasury yield curve is a moderate cause for concern. If the curve were to move toward inversion, recession concerns could become heightened, as inverted yield curves often precede the end of business cycles, with the Fed pushing up the shorter end of the curve while investors push down the longer end.

Europe: From a valuation perspective, Europe ex UK looks less stretched than some of its global peers, with trailing P/E of 19.8x versus a 20-year average of 18.6x, dividends yielding 3%, in line with their long-term average, and net margins running somewhat above average at 6.5%. Earnings growth stalled in 4th quarter of 2017 owing largely to the hit suffered by insurers stemming from natural disasters, such as hurricanes, but modest top-line growth extended for a 5th consecutive quarter. Above-trend economic growth continues amid low inflation and still-low interest rates as strong global demand persists for European exports. The 2.5% year-on-year growth rate is the fastest in the last decade. While deflationary fears have subsided, inflation remains well below the ECB's target of near 2%, which is supportive for equities, as it implies policy rates will stay negative until at least mid-2019, based on the ECB's forward guidance. Brexit negotiations, late-winter Italian elections, potential German elections if a grand coalition is not agreed on and continued uncertainty owing to Catalonia's independence movement are geopolitical factors to be mindful of in 2018. French labour reforms have the potential to improve competitiveness over the medium-to-long term as President Macron begins to put his policy proposals into action.

Japan: Despite scepticism over the effectiveness of Abenomics, shareholder-friendly reforms appear to be bearing fruit as profit margins expand significantly. Trailing P/E ratios (16.1x) are in line with their long-term average, making them attractive on a relative basis compared with elevated valuations in most other developed markets. Surging exports, in response to a synchronised upturn in global economic growth, have led to seven quarters of economic growth, the longest uninterrupted streak in 16 years. As in much of the developed world, wages and inflation remain extremely muted despite what appear to be exceptionally tight labour markets. Consequently, the Bank of Japan is not expected to materially alter its super-loose monetary policy stance in 2018. Unfavourable demographics and a very high debt-to-gross domestic product ratio are headwinds for the Japanese economy in the years ahead.

Emerging markets: Notwithstanding impressive price appreciation, EM equities trade at a significant discount to their developed market peers, with trailing P/E running at 15.1x versus 21.3x for the MSCI World Index, although EM valuations are in line with historical valuations. Expanding profit margins, running now at around a 10% growth rate on a trailing 12-month basis, are a further tailwind for the asset class. Supported by a widening growth differential over developed markets, EMs enjoyed a banner year from a total return perspective in 2017 and carry a good deal of momentum into 2018. While developed markets have experienced a reflationary trend in recent quarters, some EMs continue to experience disinflationary pressures, particularly in Asia. Improved global demand, rebounding commodity prices and relative dollar weakness have been supportive, while the potential for more-restrictive trade policy by the US is a cause for concern. NAFTA negotiations, which are expected to conclude in 1st quarter of 2018, will be closely watched as a harbinger of US policy intentions.

Singapore Equity

After a lacklustre year in 2016, the FTSE Straits Times Index (STI) emerged as the best performing market in ASEAN in 2017 as the open economy thrived on the rebound in global trade. Uncertainties surrounding Trump administrative policies, European elections and uncertain growth trajectory of the Chinese economy at the start of the year were displaced by optimism over robust trade growth, tax cuts in the US, and synchronised global economic expansion.

The FTSE STI rose 18.1% to close the year at 3403, marking the strongest year since 2012. The financial sector was the top performer as improving loan growth, rising interest rates and kitchen sinking of bad debt associated with the oil and gas sector pave the way for robust earnings growth in 2018. DBS delivered a total return of 47.7%, reflecting its high leverage to rising interest rates and potential return on equity uplift from its digital initiatives. The real estate sector was the second best performer, driven by a rebound in secondary market transactions and en-bloc activities after regulator made some tweaks to housing policies. Developers with substantial exposure to the Singapore residential property market such as City Development and UOL Group were some of the best performing stocks in the FTSE STI, up 53.1% and 51.2% respectively, during the year. On a more negative note, in December 2017, Keppel Corp announced that the group will pay a fine of US$422 million to authorities in the US, Brazil and Singapore for a global resolution to illegal payments to win orders in Brazil. While the corruption probe was known, the magnitude of the fine is unexpected.

Economic momentum continues to firm up in Singapore with flash estimates indicating gross domestic product (GDP) growth of 3.1% year-on-year (yoy) in 4th quarter of 2017. This would bring full year GDP growth to 3.5% yoy, hitting the upper bound of the 3%-3.5% range expected by the Ministry of Trade and Industry, which was revised up from an earlier estimate of 2%-3%. Core inflation, which excludes costs for private road transportation and accommodation, came in at 1.3% yoy in December, in line with Monetary Authority of Singapore's (MAS) projection of average core inflation in the 1%-2% range. The improving private residential property market is also lending support to the domestic economy as prices rose 0.5% quarter-on-quarter in 3rd quarter of 2017, ending the 15-quarter streak of declining prices. At the same time, en-bloc collective sales quadrupled to S$5.2 billion in the first nine months of 2017, with many of them achieving record-high per-square-foot prices. This sets expectations for further increases in property prices when developers launch their new properties in 2018. While MAS maintained its zero appreciation policy stance, the forward guidance to maintain this for an extended period was removed from its statement. This moderation in wording and the firming up of cyclical momentum in the economy are precursors to potential monetary tightening moves in 2018.

Looking ahead into 2018, we believe Singapore's economic recovery, which was led by electronics export, will broaden out to the services and construction sectors. Property market volume growth and price momentum should continue into 2018 as the diminished residential supply is further exacerbated by the sharp pick up in en-bloc activities. We expect the property market momentum to filter through to construction activities as well as improved consumer sentiments. While potential GST hike could dampen retail sales in the near-term, history suggests that the negative impact on consumption is typically short-lived. If crude oil price can sustain at current levels and rig utilisation continues to improve, the growing order pipeline at Singapore's offshore and marine sector should start to translate into new order wins. The portfolio is positioned in a good mix of cyclical stocks and high quality names, which should benefit from the broad economy recovery. We remain cautious on REITs as well as telecoms, which may not do well in a rising interest rate environment.

RISKS

The risk in the Balanced Fund is diversified by investing in a mixture of local and global bonds and equities. As the sub-fund has investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty 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.

The Manager intends to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

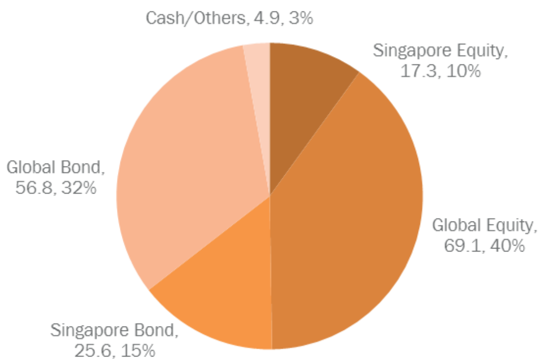
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	1.21%	3.18%
As of 31 December 2016	1.19%	6.77%

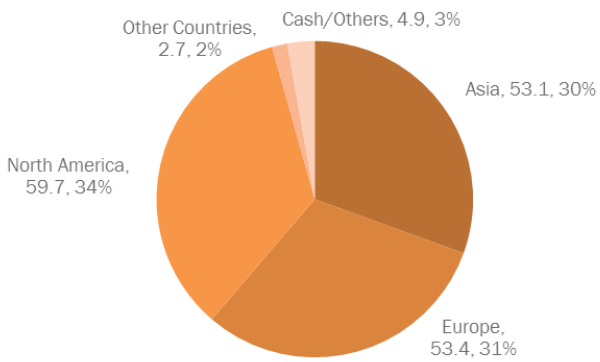
Please refer to the Fund Reports of Global Equity Fund and Global Bond Fund for details on the turnover and expense ratios.

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.

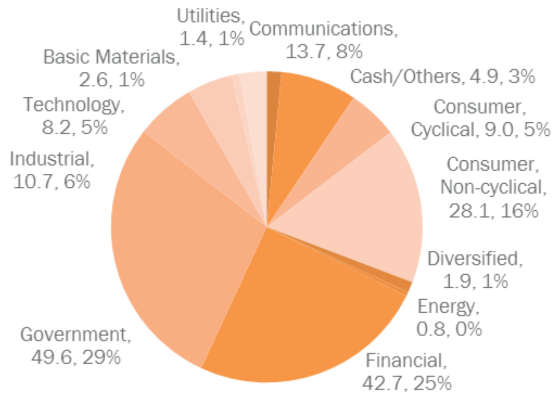
ASSET ALLOCATION AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	27.6	15.9
AA+	0.8	0.4
AA	3.7	2.1
AA-	1.2	0.7
A+	1.5	0.9
A	7.6	4.4
A-	2.8	1.6
BBB+	7.0	4.0
BBB	14.7	8.5
BBB-	3.4	1.9
BB+	1.4	0.8
BB	0.4	0.2
Not rated	10.3	5.9
Total	82.4	47.4

'Not rated' 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.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	169,394,790
Purchase of units	6,298,036
Redemption of units	(18,171,323)
Gain/(loss) on investments and other income	16,410,065
Management fees & other charge	(202,418)
Value of fund as of 31 December 2017	173,729,150

Units in issue	76,836,053
Net asset value per unit	
- at the beginning of the year	2.059
- as of 31 December 2017	2.261

Global Managed Fund (Balanced)

EXPOSURE TO DERIVATIVES

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Global Equity Fund	69.4	39.9
Global Bond Fund	61.0	35.1
Singapore Bond Fund	26.1	15.0
Singapore Equity Fund	17.5	10.1

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$202,418.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager did 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 sub-fund. The Manager confirmed that trades were made on best execution basis, that is, the Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades.

The said brokers had also executed trades for other sub-funds managed by the Manager.

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

CONFLICTS OF INTEREST

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

More Information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Global Managed Fund (Conservative)

INVESTMENT OBJECTIVE

The objective of this sub-fund is to provide medium- to long-term capital appreciation by investing in the core sub-funds, Global Equity, Global Bond, Singapore Equity and Singapore Bond.

INVESTMENT SCOPE

The Conservative Fund is invested in NTUC Income's (Income) core sub-funds in the following proportions: Singapore Equity (5%), Global Equity (25%), Singapore Bond (20%), and Global Bond (50%). The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	2 January 2003
Fund Size	S$12.37 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.87% per annum at sub-fund level Prior to 15 June 2016, the management fees were charged at core sub-fund levels
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	5% FTSE Straits Times Index (FTSE STI) 25% MSCI World Index in Singapore Dollars 20% Markit iBoxx ALBI Singapore Government 3+ Index 50% Barclays Global Aggregate in Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index Long, has been replaced by Markit iBoxx ALBI Singapore Government 3+ Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Global Bond Fund	6.1	49.5	Global Bond Fund	5.7	49.1
Global Equity Fund	3.0	24.6	Global Equity Fund	2.9	24.5
Singapore Bond Fund	2.4	19.8	Singapore Bond Fund	2.3	19.6
Singapore Equity Fund	0.6	5.0	Singapore Equity Fund	0.6	4.9

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FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

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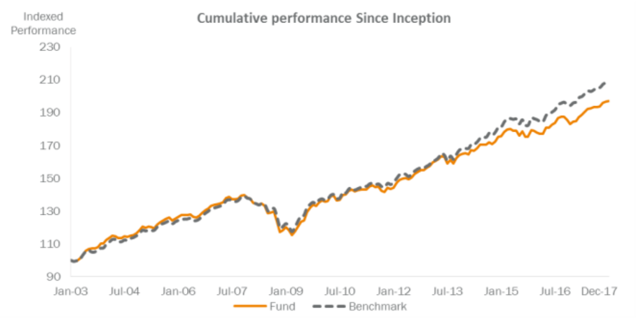
Global Managed Fund (Conservative)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Conservative)	0.25%	1.81%	2.28%	6.94%
Benchmark	0.40%	1.81%	3.04%	6.73%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Conservative)	3.94%	4.59%	3.66%	4.63%
Benchmark	4.85%	5.70%	4.29%	5.05%



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Global Bond

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For now, globally synchronised recovery continues to favour risk assets at the expense of government bonds. The International Monetary Fund has just upgraded its global economic growth projection for 2018 and 2019. Given the backdrop of more robust global growth coupled with continued readings of benign inflation, we believe major central banks will be measured in their monetary policy and liquidity tightening adjustments.

Looking ahead, we are expecting markets to be more volatile in 2018, so we will endeavour to minimise the negative impact of escalating rates while keeping SGS as the core holding to weather short- to medium-term uncertainties. The good quality credits held by the fund should provide yield enhancement. We remain constructive on credits in the longer run as long as economic growth continues. Central banks' policies should guide us on portfolio positioning as investors continue to search for yield.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned 7.6% in Singapore Dollar (SGD) terms in the 2nd half of 2017. Continued synchronised global growth, improved global trade and still low interest rates helped support equities broadly.

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European stocks, as measured by the STOXX 50 Index, returned 4.5% in SGD terms and 2.3% in euro terms in the 2nd half of 2017, amid headwinds from a stronger euro foreign exchange rate, which strengthened roughly 12.3% over 2017 versus the USD, which hampered European export competitiveness. The European Central Bank's (ECB) decision to taper its bond purchase programme was a catalyst for the rise in the euro. Strong economic growth momentum extended through the end of 2017.

In Japan, the Nikkei Composite Index returned 11% in SGD terms and 16.7% in yen terms in the 2nd half of 2017, where a stronger SGD detracted from returns. Surging global industrial production and upbeat Japanese exports helped fuel market gains.

Emerging markets (EM), as measured by the MSCI EM Index returned 12.4% in SGD terms during the 2nd half of 2017. A synchronised upturn in global growth, expanding global demand and improved pricing power for commodity producers supported the asset class broadly.

Market Outlook

A continued synchronised global growth upswing, recovering commodity markets and still-low inflation have created a benign investment backdrop, though valuations for most asset classes are quite rich. While interest rates have begun to rise in many places, they remain relatively low historically, while monetary conditions remain loose amid tight credit spreads and rising equity prices. Markets have thus far taken in stride the US Federal Reserve's (Fed) steps toward normalising its balance sheet, as well as the ECB's tapering of its asset purchase programme by half.

United States: A faster pace of growth in the year's 2nd half, a significant regulatory rollback and completion of a pro-growth tax reform plan all contributed to a continued rally in the 2nd half of 2017. Since the Fed began its tightening cycle in December 2015, it has delivered five quarter point hikes to the Fed funds target. A 6th hike is expected in March, the first under Fed Chair Jerome Powell. Despite rising earnings, price-to-earnings (P/E) multiple expansion persisted as the trailing P/E for the S&P 500 approached 22x. Profit margins are running higher than average, at nearly 10%, as companies continue to limit capital expenditures. Lower effective tax rates in 2018 should provide a further tailwind for margins. A pronounced flattening of the US Treasury yield curve is a moderate cause for concern. If the curve were to move toward inversion, recession concerns could become heightened, as inverted yield curves often precede the end of business cycles, with the Fed pushing up the shorter end of the curve while investors push down the longer end.

Europe: From a valuation perspective, Europe ex UK looks less stretched than some of its global peers, with trailing P/E of 19.8x versus a 20-year average of 18.6x, dividends yielding 3%, in line with their long-term average, and net margins running somewhat above average at 6.5%. Earnings growth stalled in 4th quarter of 2017 owing largely to the hit suffered by insurers stemming from natural disasters, such as hurricanes, but modest top-line growth extended for a 5th consecutive quarter. Above-trend economic growth continues amid low inflation and still-low interest rates as strong global demand persists for European exports. The 2.5% year-on-year growth rate is the fastest in the last decade. While deflationary fears have subsided, inflation remains well below the ECB's target of near 2%, which is supportive for equities, as it implies policy rates will stay negative until at least mid-2019, based on the ECB's forward guidance. Brexit negotiations, late-winter Italian elections, potential German elections if a grand coalition is not agreed on and continued uncertainty owing to Catalonia's independence movement are geopolitical factors to be mindful of in 2018. French labour reforms have the potential to improve competitiveness over the medium-to-long term as President Macron begins to put his policy proposals into action.

Japan: Despite scepticism over the effectiveness of Abenomics, shareholder-friendly reforms appear to be bearing fruit as profit margins expand significantly. Trailing

P/E ratios (16.1x) are in line with their long-term average, making them attractive on a relative basis compared with elevated valuations in most other developed markets. Surging exports, in response to a synchronised upturn in global economic growth, have led to seven quarters of economic growth, the longest uninterrupted streak in 16 years. As in much of the developed world, wages and inflation remain extremely muted despite what appear to be exceptionally tight labour markets. Consequently, the Bank of Japan is not expected to materially alter its super-loose monetary policy stance in 2018. Unfavourable demographics and a very high debt-to-gross domestic product ratio are headwinds for the Japanese economy in the years ahead.

Emerging markets: Notwithstanding impressive price appreciation, EM equities trade at a significant discount to their developed market peers, with trailing P/E running at 15.1x versus 21.3x for the MSCI World Index, although EM valuations are in line with historical valuations. Expanding profit margins, running now at around a 10% growth rate on a trailing 12-month basis, are a further tailwind for the asset class. Supported by a widening growth differential over developed markets, EMs enjoyed a banner year from a total return perspective in 2017 and carry a good deal of momentum into 2018. While developed markets have experienced a reflationary trend in recent quarters, some EMs continue to experience disinflationary pressures, particularly in Asia. Improved global demand, rebounding commodity prices and relative dollar weakness have been supportive, while the potential for more-restrictive trade policy by the US is a cause for concern. NAFTA negotiations, which are expected to conclude in 1st quarter of 2018, will be closely watched as a harbinger of US policy intentions.

Singapore Equity

After a lacklustre year in 2016, the FTSE Straits Times Index (STI) emerged as the best performing market in ASEAN in 2017 as the open economy thrived on the rebound in global trade. Uncertainties surrounding Trump administrative policies, European elections and uncertain growth trajectory of the Chinese economy at the start of the year were displaced by optimism over robust trade growth, tax cuts in the US, and synchronised global economic expansion.

The FTSE STI rose 18.1% to close the year at 3403, marking the strongest year since 2012. The financial sector was the top performer as improving loan growth, rising interest rates and kitchen sinking of bad debt associated with the oil and gas sector pave the way for robust earnings growth in 2018. DBS delivered a total return of 47.7%, reflecting its high leverage to rising interest rates and potential return on equity uplift from its digital initiatives. The real estate sector was the second best performer, driven by a rebound in secondary market transactions and en-bloc activities after regulator made some tweaks to housing policies. Developers with substantial exposure to the Singapore residential property market such as City Development and UOL Group were some of the best performing stocks in the FTSE STI, up 53.1% and 51.2% respectively, during the year. On a more negative note, in December 2017, Keppel Corp announced that the group will pay a fine of US$422 million to authorities in the US, Brazil and Singapore for a global resolution to illegal payments to win orders in Brazil. While the corruption probe was known, the magnitude of the fine is unexpected.

Economic momentum continues to firm up in Singapore with flash estimates indicating gross domestic product (GDP) growth of 3.1% year-on-year (yoy) in 4th quarter of 2017. This would bring full year GDP growth to 3.5% yoy, hitting the upper bound of the 3%-3.5% range expected by the Ministry of Trade and Industry, which was revised up from an earlier estimate of 2%-3%. Core inflation, which excludes costs for private road transportation and accommodation, came in at 1.3% yoy in December, in line with Monetary Authority of Singapore's (MAS) projection of average core inflation in the 1%-2% range. The improving private residential property market is also lending support to the domestic economy as prices rose 0.5% quarter-on-quarter in 3rd quarter of 2017, ending the 15-quarter streak of declining prices. At the same time, en-bloc collective sales quadrupled to S$5.2 billion in the first nine months of 2017, with many of them achieving record-high per-square-foot prices. This sets expectations for further increases in property prices when developers launch their new properties in 2018. While MAS maintained its zero appreciation policy stance, the forward guidance to maintain this for an extended period was removed from its statement. This moderation in wording and the firming up of cyclical momentum in the economy are precursors to potential monetary tightening moves in 2018.

Looking ahead into 2018, we believe Singapore's economic recovery, which was led by electronics export, will broaden out to the services and construction sectors. Property market volume growth and price momentum should continue into 2018 as the diminished residential supply is further exacerbated by the sharp pick up in en-bloc activities. We expect the property market momentum to filter through to construction activities as well as improved consumer sentiments. While potential GST hike could dampen retail sales in the near-term, history suggests that the negative impact on consumption is typically short-lived. If crude oil price can sustain at current levels and rig utilisation continues to improve, the growing order pipeline at Singapore's offshore and marine sector should start to translate into new order wins. The portfolio is positioned in a good mix of cyclical stocks and high quality names, which should benefit from the broad economy recovery. We remain cautious on REITs as well as telecoms, which may not do well in a rising interest rate environment.

RISKS

The risk in the Conservative Fund is diversified by investing in a mixture of local and global bonds and equities. As the sub-fund has investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty 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.

Global Managed Fund (Conservative)

The Manager intends to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes. Income's ILP sub-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 Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

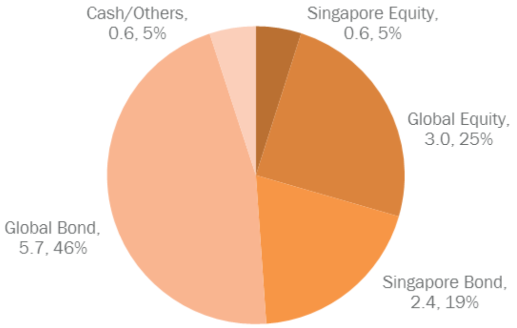
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	1.10%	6.06%
As of 31 December 2016	1.08%	4.87%

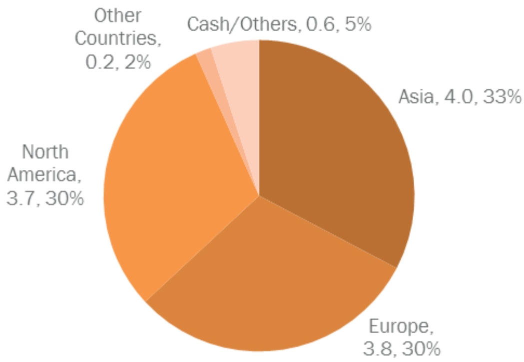
Please refer to the Fund Report of Global Bond Fund for details on the turnover and expense ratios.

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.

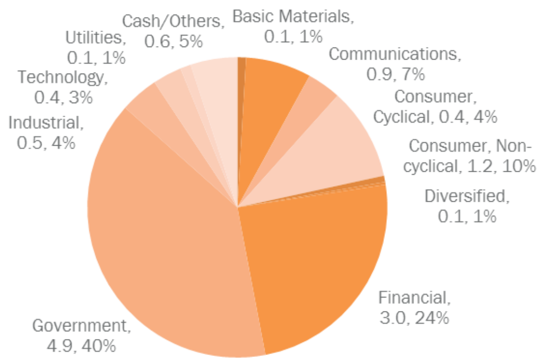
ASSET ALLOCATION AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	2.7	21.8
AA+	0.1	0.6
AA	0.4	3.0
AA-	0.1	1.0
A+	0.1	1.1
A	0.8	6.1
A-	0.3	2.6
BBB+	0.7	5.3
BBB	1.5	12.0
BBB-	0.3	2.7
BB+	0.1	1.2
Not rated	1.0	7.9
Total	8.1	65.5

'Not rated' 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.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	11,641,467
Purchase of units	1,018,080
Redemption of units	(1,090,480)
Gain/(loss) on investments and other income	813,301
Management fees & other charge	(12,011)
Value of fund as of 31 December 2017	12,370,357

Units in issue	6,273,001
Net asset value per unit	
- at the beginning of the year	1.844
- as of 31 December 2017	1.972

EXPOSURE TO DERIVATIVES

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

Global Managed Fund (Conservative)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Global Bond Fund	6.1	49.5
Global Equity Fund	3.0	24.6
Singapore Bond Fund	2.4	19.8
Singapore Equity Fund	0.6	5.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$12,011.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager did 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 sub-fund. The Manager confirmed that trades were made on best execution basis, that is, the Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades. The said brokers had also executed trades for other sub-funds managed by the Manager.

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

CONFLICTS OF INTEREST

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Global Managed Fund (Growth)

INVESTMENT OBJECTIVE

The objective of this sub-fund is to provide medium- to long-term capital appreciation by investing in the core sub-funds, Global Equity, Global Bond, Singapore Equity and Singapore Bond.

INVESTMENT SCOPE

The Growth Fund is invested in NTUC Income's (Income) core sub-funds in the following proportions: Singapore Equity (15%), Global Equity (55%), Singapore Bond (10%), and Global Bond (20%). The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	2 January 2003
Fund Size	S$254.55 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.005% per annum at sub-fund level Prior to 15 June 2016, the management fees were charged at core sub-fund levels
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	15% FTSE Straits Times Index (FTSE STI) 55% MSCI World Index in Singapore Dollars 10% Markit iBoxx ALBI Singapore Government 3+ Index 20% Barclays Global Aggregate in Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index Long, has been replaced by Markit iBoxx ALBI Singapore Government 3+ Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Global Equity Fund	139.7	54.9	Global Equity Fund	131.7	55.0
Global Bond Fund	51.0	20.0	Global Bond Fund	48.0	20.0
Singapore Equity Fund	38.4	15.1	Singapore Equity Fund	36.0	15.0
Singapore Bond Fund	25.5	10.0	Singapore Bond Fund	24.0	10.0

^ Please refer to the Fund Report of Global Bond Fund for the top 10 holdings.
Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off.

FUND MANAGER

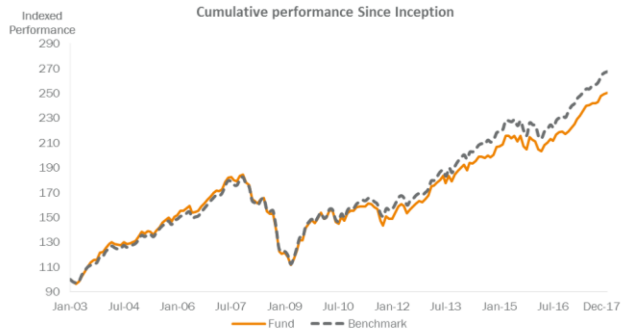
NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

Global Managed Fund (Growth)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Growth)	0.32%	3.09%	4.03%	12.64%
Benchmark	0.34%	3.26%	5.49%	11.56%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Growth)	6.52%	8.35%	3.58%	6.31%
Benchmark	6.94%	9.14%	4.35%	6.78%



Changes to benchmarks during the life of the sub-fund: Since inception to 31 May 2017 – 15% FTSE Straits Times Index (FTSE STI), 55% MSCI World Index in Singapore Dollars, 10% UOB Singapore Government Bond Index Long, 20% Barclays Global Aggregate in Singapore Dollars.

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index Long, has been replaced by Markit iBoxx ALBI Singapore Government 3+ Index.

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Global Bond

Market Review

The 2nd half of the year saw the theme of central bank tightening become more pronounced with the Bank of Canada going first with a rate rise. In September, S&P upgraded Portugal's debt to BBB- from below investment grade, helping the sovereign bonds perform strongly into the year end. The European Central Bank (ECB) outlined plans to halve the value of bonds bought from €60 billion to €30 billion per month, starting from January 2018. Bond buying would continue to at least the end of 2018, which markets took to be dovish. In response, German bunds outperformed other developed markets bonds, especially US treasuries, although some of this performance was given up by the end of the year. The Bank of England (BoE) raised rates for the first time since the financial crisis with a base rate increase from 25 basis points (bps) to 50 bps. Towards the end of the year, the price of crude oil edged up to around the $60 per barrel mark, as supply tightened following a producer agreement to limit oil output into 2018.

A new head of the US Federal Reserve (Fed) was appointed and as widely expected, it was Jerome Powell, who is already on the board of governors for the bank, so the news had little market impact, as policy continuity is widely expected. In December, the Fed raised rates by another 25 bps, to 1.25% to 1.5%, citing continuing improvements in the labour market and a general recovery to economic activities following the disruption caused by hurricanes.

In late December, president Trump signed the "Tax Cuts and Jobs Act" into law. The new tax bill cuts corporate taxes and provides individuals with temporary tax relief; questions have been raised around the bill's impact on the government's deficits and reduced tax revenue.

Market Outlook

Growth across the US, Europe and Emerging Markets (EM) is currently the strongest since the financial crisis, which we believe will be a catalyst for more rate rises to come from the US Fed in 2018. Additionally, the Fed will be reducing their balance sheet through less re-investment of maturing bonds and coupon proceeds, potentially leading to higher treasury yields. The ECB has taken similar actions and will halve the rate of bond buying from January. The BoE may also join this band of tightening central banks as already demonstrated by their November rate hike, with more expected if inflation rises to around 3% as expected. Global central bank policies nonetheless remain varied and the flexibility to diversify risk into as many economic cycles as possible remains important.

We believe that lower duration positioning will remain key to protect against tightening and allocations to corporate bonds, EM assets and currencies not only provide hedges, but also potential to add alpha. High levels of liquidity and a higher yield pick-up remains very important, and we continue to seek out opportunities to add high quality corporate bonds and higher yielding currencies to the portfolio to achieve this. With growth at current levels we expect support for corporate and EM bonds, and also currencies, thanks to the prospect of rate hikes.

Singapore Bond

The Singapore Bond Fund posted a return of 6.31% in the year 2017, above its benchmark of 5.32%. The strategy of mixing shorter duration credits with longer duration Singapore Government Securities (SGS) was rewarded in a period of low volatility.

Advance estimates indicate Singapore's economy grew by 3.5% in 2017, more robust than initially projected, and the healthy pace will continue. After two years of negative reading, Consumer Price Index (All Items) inflation came in at 0.6% for 2017 while Core Inflation rose to 1.5%, from 0.9% in 2016. The Monetary Authority of Singapore expects inflation numbers to remain benign in 2018 despite the healthy growth rate.

The US Federal Reserve (Fed) hiked another 75 basis points (bps) in 2017, bringing the total to 125 bps so far this cycle. This pushed up short-term rates but longer-term rates traded in a range. Stronger economic growth in the 2nd half of 2017 coupled with geopolitical concerns and continued dollar weakness drove energy prices higher, and along with this, inflation expectation and higher rates. Meanwhile, the Fed has embarked on its multi-year balance sheet normalisation mode since October 2017.

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Europe: From a valuation perspective, Europe ex UK looks less stretched than some of its global peers, with trailing P/E of 19.8x versus a 20-year average of 18.6x, dividends yielding 3%, in line with their long-term average, and net margins running somewhat above average at 6.5%. Earnings growth stalled in 4th quarter of 2017 owing largely to the hit suffered by insurers stemming from natural disasters, such as hurricanes, but modest top-line growth extended for a 5th consecutive quarter. Above-trend economic growth continues amid low inflation and still-low interest rates as strong global demand persists for European exports. The 2.5% year-on-year growth rate is the fastest in the last decade. While deflationary fears have subsided, inflation remains well below the ECB's target of near 2%, which is supportive for equities, as it implies policy rates will stay negative until at least mid-2019, based on the ECB's forward guidance. Brexit negotiations, late-winter Italian elections, potential German elections if a grand coalition is not agreed on and continued uncertainty owing to Catalonia's independence movement are geopolitical factors to be mindful of in 2018. French labour reforms have the potential to improve competitiveness over the medium-to-long term as President Macron begins to put his policy proposals into action.

Japan: Despite scepticism over the effectiveness of Abenomics, shareholder-friendly reforms appear to be bearing fruit as profit margins expand significantly. Trailing P/E ratios (16.1x) are in line with their long-term average, making them attractive on a relative basis compared with elevated valuations in most other developed markets. Surging exports, in response to a synchronised upturn in global economic growth, have led to seven quarters of economic growth, the longest uninterrupted streak in 16 years. As in much of the developed world, wages and inflation remain extremely muted despite what appear to be exceptionally tight labour markets. Consequently, the Bank of Japan is not expected to materially alter its super-loose monetary policy stance in 2018. Unfavourable demographics and a very high debt-to-gross domestic product ratio are headwinds for the Japanese economy in the years ahead.

Emerging markets: Notwithstanding impressive price appreciation, EM equities trade at a significant discount to their developed market peers, with trailing P/E running at 15.1x versus 21.3x for the MSCI World Index, although EM valuations are in line with historical valuations. Expanding profit margins, running now at around a 10% growth rate on a trailing 12-month basis, are a further tailwind for the asset class. Supported by a widening growth differential over developed markets, EMs enjoyed a banner year from a total return perspective in 2017 and carry a good deal of momentum into 2018. While developed markets have experienced a reflationary trend in recent quarters, some EMs continue to experience disinflationary pressures, particularly in Asia. Improved global demand, rebounding commodity prices and relative dollar weakness have been supportive, while the potential for more-restrictive trade policy by the US is a cause for concern. NAFTA negotiations, which are expected to conclude in 1st quarter of 2018, will be closely watched as a harbinger of US policy intentions.

Singapore Equity

After a lacklustre year in 2016, the FTSE Straits Times Index (STI) emerged as the best performing market in ASEAN in 2017 as the open economy thrived on the rebound in global trade. Uncertainties surrounding Trump administrative policies, European elections and uncertain growth trajectory of the Chinese economy at the start of the year were displaced by optimism over robust trade growth, tax cuts in the US, and synchronised global economic expansion.

The FTSE STI rose 18.1% to close the year at 3403, marking the strongest year since 2012. The financial sector was the top performer as improving loan growth, rising interest rates and kitchen sinking of bad debt associated with the oil and gas sector pave the way for robust earnings growth in 2018. DBS delivered a total return of 47.7%, reflecting its high leverage to rising interest rates and potential return on equity uplift from its digital initiatives. The real estate sector was the second best performer, driven by a rebound in secondary market transactions and en-bloc activities after regulator made some tweaks to housing policies. Developers with substantial exposure to the Singapore residential property market such as City Development and UOL Group were some of the best performing stocks in the FTSE STI, up 53.1% and 51.2% respectively, during the year. On a more negative note, in December 2017, Keppel Corp announced that the group will pay a fine of US$422 million to authorities in the US, Brazil and Singapore for a global resolution to illegal payments to win orders in Brazil. While the corruption probe was known, the magnitude of the fine is unexpected.

Economic momentum continues to firm up in Singapore with flash estimates indicating gross domestic product (GDP) growth of 3.1% year-on-year (yoy) in 4th quarter of 2017. This would bring full year GDP growth to 3.5% yoy, hitting the upper bound of the 3%-3.5% range expected by the Ministry of Trade and Industry, which was revised up from an earlier estimate of 2%-3%. Core inflation, which excludes costs for private road transportation and accommodation, came in at 1.3% yoy in December, in line with Monetary Authority of Singapore's (MAS) projection of average core inflation in the 1%-2% range. The improving private residential property market is also lending support to the domestic economy as prices rose 0.5% quarter-on-quarter in 3rd quarter of 2017, ending the 15-quarter streak of declining prices. At the same time, en-bloc collective sales quadrupled to S$5.2 billion in the first nine months of 2017, with many of them achieving record-high per-square-foot prices. This sets expectations for further increases in property prices when developers launch their new properties in 2018. While MAS maintained its zero appreciation policy stance, the forward guidance to maintain this for an extended period was removed from its statement. This moderation in wording and the firming up of cyclical momentum in the economy are precursors to potential monetary tightening moves in 2018.

Looking ahead into 2018, we believe Singapore's economic recovery, which was led by electronics export, will broaden out to the services and construction sectors. Property market volume growth and price momentum should continue into 2018 as the diminished residential supply is further exacerbated by the sharp pick up in en-bloc activities. We expect the property market momentum to filter through to construction activities as well as improved consumer sentiments. While potential GST hike could dampen retail sales in the near-term, history suggests that the negative impact on consumption is typically short-lived. If crude oil price can sustain at current levels and rig utilisation continues to improve, the growing order pipeline at Singapore's offshore and marine sector should start to translate into new order wins. The portfolio is positioned in a good mix of cyclical stocks and high quality names, which should benefit from the broad economy recovery. We remain cautious on REITs as well as telecoms, which may not do well in a rising interest rate environment.

RISKS

The risk in the Growth Fund is diversified by investing in a mixture of local and global bonds and equities. As the sub-fund has investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk; and (2) debt risk which includes interest rate sensitivity, credit risk,

Global Managed Fund (Growth)

changes in debt rating and credit rating, currency risk and sovereign risk. This is not an exhaustive list of risks.

The Manager intends to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes. Income's ILP sub-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 Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

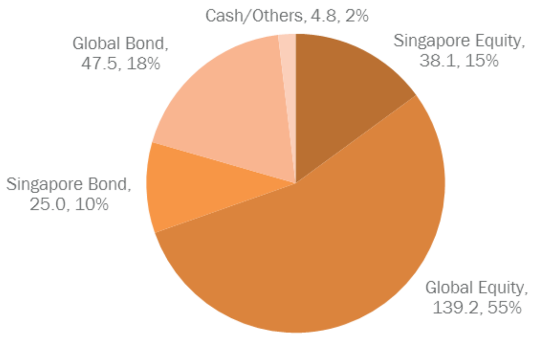
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	1.24%	3.91%
As of 31 December 2016	1.23%	7.33%

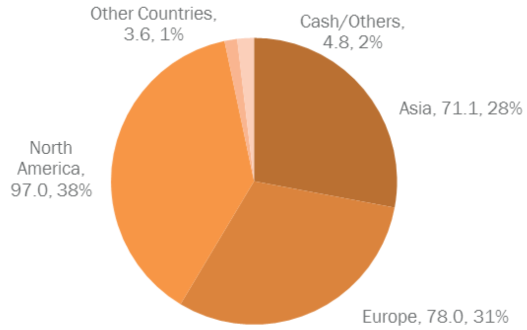
Please refer to the Fund Report of Global Equity Fund for details on the turnover and expense ratios.

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.

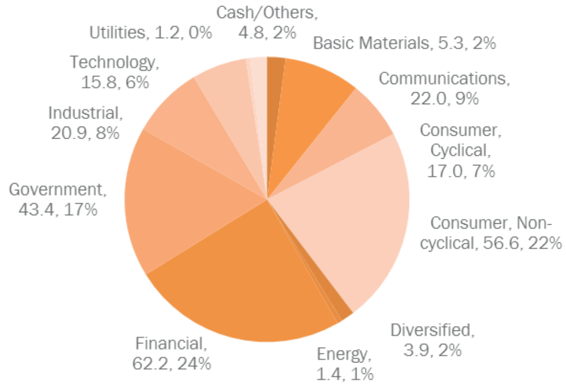
ASSET ALLOCATION AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	24.9	9.8
AA+	0.6	0.2
AA	3.3	1.3
AA-	1.0	0.4
A+	1.5	0.6
A	6.6	2.6
A-	2.5	1.0
BBB+	5.9	2.3
BBB	12.6	4.9
BBB-	2.9	1.1
BB+	1.2	0.5
BB	0.4	0.1
Not rated	9.2	3.6
Total	73.0	28.5

'Not rated' 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.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

Global Managed Fund (Growth)

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	239,511,733
Purchase of units	12,944,434
Redemption of units	(27,403,752)
Gain/(loss) on investments and other income	29,810,820
Management fees & other charge	(314,100)
Value of fund as of 31 December 2017	254,549,135

Units in issue	101,674,696
Net asset value per unit	
- at the beginning of the year	2.223
- as of 31 December 2017	2.504

EXPOSURE TO DERIVATIVES

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Global Equity Fund	139.7	54.9
Global Bond Fund	51.0	20.0
Singapore Equity Fund	38.4	15.1
Singapore Bond Fund	25.5	10.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$314,100.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager did 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 sub-fund. The Manager confirmed that trades were made on best execution basis, that is, the Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades. The said brokers had also executed trades for other sub-funds managed by the Manager.

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

CONFLICTS OF INTEREST

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

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

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	1 May 1994
Fund Size	S$90.31 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Narrowly Focused – Country – Singapore
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	60% FTSE Straits Times Index (FTSE STI) 40% Singapore 3-month Deposit Rate
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	35.3	39.1	Singapore Bond Fund	30.8	38.6
DBS Group Holdings Ltd	9.0	10.0	DBS Group Holdings Ltd	6.9	8.6
Oversea-Chinese Banking Corp	8.2	9.1	Oversea-Chinese Banking Corp	6.4	8.0
Thai Beverage PCL	3.7	4.1	Singapore Telecommunications Ltd	3.8	4.7
United Overseas Bank Ltd	3.7	4.1	Hongkong Land Holdings Ltd	2.5	3.2
Singapore Telecommunications Ltd	3.2	3.6	United Overseas Bank Ltd	2.4	3.0
UOL GROUP LIMITED SGD1	2.6	2.9	Global Logistic Properties Ltd	2.3	2.9
Singapore Technologies Engineering Ltd	2.4	2.6	Singapore Technologies Engineering Ltd	2.2	2.7
City Developments Ltd	1.9	2.2	CapitaLand Ltd	2.2	2.7
Jardine Strategic Holdings Ltd	1.9	2.1	Comfortdelgro Corp Ltd	2.1	2.6

^ Please refer to the Fund Report of Singapore Bond Fund for the top 10 holdings.
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 is the Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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.

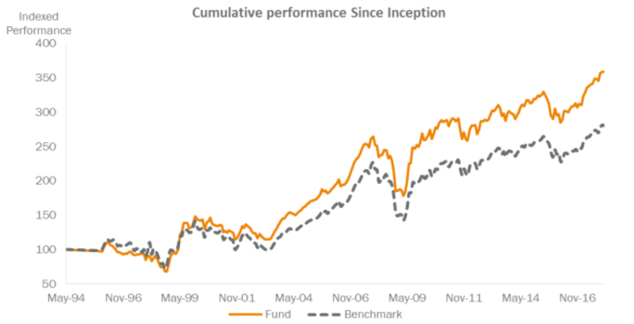
As a social enterprise, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Singapore Managed Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Singapore Managed Fund	-0.10%	3.83%	5.01%	15.60%
Benchmark	-0.36%	3.76%	4.60%	13.32%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Managed Fund	3.94%	3.93%	3.63%	5.85%
Benchmark	2.98%	3.38%	2.63%	4.11%



Changes to benchmarks during the life of the sub-fund: Since inception to 31 Mar 98 - 60% DBS50, 40% Singapore 3-Month Deposit rate.

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

After a lacklustre year in 2016, the FTSE Straits Times Index (STI) emerged as the best performing market in ASEAN in 2017 as the open economy thrived on the rebound in global trade. Uncertainties surrounding Trump administrative policies, European elections and uncertain growth trajectory of the Chinese economy at the start of the year were displaced by optimism over robust trade growth, tax cuts in the US, and synchronised global economic expansion.

The FTSE STI rose 18.1% to close the year at 3403, marking the strongest year since 2012. The financial sector was the top performer as improving loan growth, rising interest rates and kitchen sinking of bad debt associated with the oil and gas sector pave the way for robust earnings growth in 2018. DBS delivered a total return of 47.7%, reflecting its high leverage to rising interest rates and potential return on equity uplift from its digital initiatives. The real estate sector was the second best performer, driven by a rebound in secondary market transactions and en-bloc activities after regulator made some tweaks to housing policies. Developers with substantial exposure to the Singapore residential property market such as City Development and UOL Group were some of the best performing stocks in the FTSE STI, up 53.1% and 51.2% respectively, during the year. On a more negative note, in December 2017, Keppel Corp announced that the group will pay a fine of US$422 million to authorities in the US, Brazil and Singapore for a global resolution to illegal payments to win orders in Brazil. While the corruption probe was known, the magnitude of the fine is unexpected.

Economic momentum continues to firm up in Singapore with flash estimates indicating gross domestic product (GDP) growth of 3.1% year-on-year (yoy) in 4th quarter of 2017. This would bring full year GDP growth to 3.5% yoy, hitting the upper bound of the 3%-3.5% range expected by the Ministry of Trade and Industry, which was revised up from an earlier estimate of 2%-3%. Core inflation, which excludes costs for private road transportation and accommodation, came in at 1.3% yoy in December, in line with Monetary Authority of Singapore's (MAS) projection of average core inflation in the 1%-2% range. The improving private residential property market is also lending support to the domestic economy as prices rose 0.5% quarter-on-quarter in 3rd quarter of 2017, ending the 15-quarter streak of declining prices. At the same time, en-bloc collective sales quadrupled to S$5.2 billion in the first nine months of 2017, with many of them achieving record-high per-square-foot prices. This sets expectations for further increases in property prices when developers launch their new properties in 2018. While MAS maintained its zero appreciation policy stance, the forward guidance to maintain this for an extended period was removed from its statement. This moderation in wording and the firming up of cyclical momentum in the economy are precursors to potential monetary tightening moves in 2018.

Looking ahead into 2018, we believe Singapore's economic recovery, which was led by electronics export, will broaden out to the services and construction sectors. Property market volume growth and price momentum should continue into 2018 as the diminished residential supply is further exacerbated by the sharp pick up in en-bloc activities. We expect the property market momentum to filter through to construction activities as well as improved consumer sentiments. While potential GST hike could dampen retail sales in the near-term, history suggests that the negative impact on consumption is typically short-lived. If crude oil price can sustain at current levels and rig utilisation continues to improve, the growing order pipeline at Singapore's offshore and marine sector should start to translate into new order wins. The portfolio is positioned in a good mix of cyclical stocks and high quality names, which should benefit from the broad economy recovery. We remain cautious on REITs as well as telecoms, which may not do well in a rising interest rate environment.

RISKS

The risk in the Singapore Managed Fund is diversified by investing in the Singapore equity and bond markets. As the sub-fund has investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty 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.

The Manager intends to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

Income's ILP sub-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 Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

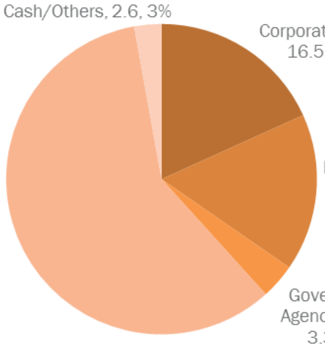
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	1.06%	26.28%
As of 31 December 2016	0.96%	31.93%

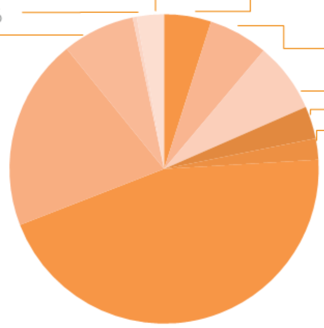
Please refer to the Fund Report of Singapore Bond Fund for details on the turnover and expense ratios.

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.

ASSET ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	16.9	18.7
AA	1.6	1.8
AA-	0.1	0.1
A+	2.0	2.2
A	2.2	2.5
A-	1.8	2.0
BBB+	0.6	0.7
BBB	3.0	3.4
BBB-	0.2	0.2
Not rated	6.0	6.7
Total	34.6	38.3

'Not rated' 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.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	79,754,843
Purchase of units	9,899,209
Redemption of units	(11,507,525)
Gain/(loss) on investments and other income	12,859,743
Management fees & other charge	(692,597)
Value of fund as of 31 December 2017	90,313,673

Units in issue	29,513,021
Net asset value per unit	
- at the beginning of the year	2.647
- as of 31 December 2017	3.060

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	1,432	1,357

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	35.3	39.1
Far East Hospitality Trust NPV	1.2	1.3
Mapletree Commercial Trust REIT NPV	1.0	1.1

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$692,597.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager did 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 sub-fund. The Manager confirmed that trades were made on best execution basis, that is, the Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades. The said brokers had also executed trades for other sub-funds managed by the Manager.

More information can be found in the Fund Report of Singapore Bond Fund.

CONFLICTS OF INTEREST

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm’s length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

AIM Now Fund

INVESTMENT OBJECTIVE

To provide investors with a regular and steady income whilst maintaining a stable capital value.

The sub-fund offers a semi-annual pay-out feature, with a historical distribution of up to 4% per annum (which constitutes of payouts up to 2% of the net asset value on 31 May and 30 November every year). Distributions are not guaranteed and can be made out of income, capital gains, and/or capital of the sub-fund which is expected to result in an immediate reduction of the net asset value per unit/share. Past payout yields do not represent future payout yields.

INVESTMENT SCOPE

The sub-fund intends to achieve this objective by investing in a diversified portfolio of asset classes including fixed income, equities and alternatives. As the portfolio is designed for investors who require a supplemental source of income, it will have a low risk profile and volatility target and as such, will allocate more to defensive assets such as fixed income.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	25 September 2009
Fund Size	S$85.12 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.85% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management (Singapore) Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars Markit iBoxx ALBI Singapore Government Index MSCI AC Asia ex-Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) Gold Spot hedged to Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	38.0	44.6	Singapore Bond Fund	41.6	40.9
Schroder Asian Investment Grade Credit	10.3	12.1	Schroder Asian Investment Grade Credit	13.1	12.8
Schroder ISF Global Inflation Linked Bond	7.0	8.3	Schroder ISF Global Corporate Bond	8.9	8.8
Schroder ISF Global Corporate Bond	6.3	7.4	Schroder ISF Global Bond	8.8	8.7
Schroder ISF Global Bond	6.3	7.4	Schroder ISF Global Inflation Linked Bond	7.7	7.6
Schroder ISF Global Equity	5.4	6.4	Schroder ISF Global Equity	6.6	6.5
Schroder ISF Asian Opportunities	4.4	5.2	Singapore Equity Fund	3.1	3.0
Singapore Equity Fund	3.6	4.2	Schroder ISF Asian Opportunities	2.3	2.3
SPDR Gold Trust	1.7	2.0	SPDR Gold Trust	2.0	2.0
Monetary Authority of Singapore Bills 020318	1.1	1.3	Schroder ISF Asian Bond Absolute Return	1.2	1.2

^ Please refer to the Fund Report of Singapore Bond Fund for the top 10 holdings.
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 is the Investment Manager of the sub-fund. Schroder Investment Management (Singapore) Limited is the Sub-Investment Manager of the sub-fund.

AIM Now Fund

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

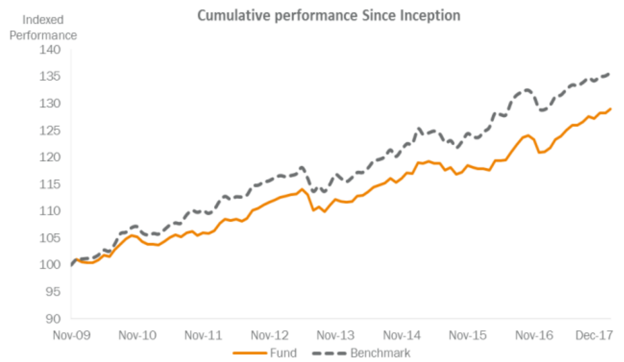
Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

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 totalled US$589.5 billion (as of 31 December 2017).

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, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM Now Fund	0.59%	1.44%	2.41%	6.64%
Benchmark	0.47%	1.14%	1.80%	5.31%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM Now Fund	3.31%	2.77%	N.A.	3.16%
Benchmark	3.46%	3.08%	N.A.	3.81%



Changes to benchmarks during the life of the sub-fund: Since 31 May 2011 to 31 May 2017 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, Gold Spot (SGD Hedged); Since 1 Mar 2010 to 31 May 2011 - MSCI AC World, MSCI AC Asia ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, DJ UBS Commodity Index; Since inception to Feb 2010 - MSCI AC World, MSCI AC Asia ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index.

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index,

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Market Review

2017 was full of political noise but ultimately, investors held their nerves and continued to push risk assets higher. The prevailing economic environment was one of robust growth and subdued inflation. Equities were the best performing asset class by some margin while equity volatility collapsed to multi-decade lows. The risk-on environment also helped credit to perform well globally, with Singapore and Asian bonds both registering positive returns. Turning to government bonds, the US yield curve flattened over the period producing positive returns in US Dollar (USD) terms at the longer end of the curve. Singapore government bonds generally outperformed their developed market peers but lagged Emerging Markets (EM). In currencies, 2017 was a year characterised by a particularly weak USD, which depreciated by over 8% against the Singapore Dollar. Conversely, the Euro moved in the opposite direction as strong Eurozone economic data encouraged investors to position for monetary policy convergence with the US.

The Aim portfolios outperformed their benchmarks over 2017 due largely to positive stock selection. The relative gains were led by strong outperformance in Asian equities and Global equities as well as Global credit and Singapore bonds. Asset allocation was overall flat; an underweight in fixed income and a preference for equities contributed positively to relative performance. Notably, an overweight in Global equities and Asian equities through the year added value.

Market Outlook

As 2018 starts, the growth picture remains strong with trading activity and leading indicators signalling robust growth ahead. The outlook for corporate profits also appears favourable. This supports our positive view on equities and we favour the higher beta markets such as Japan and EM which are expected to benefit in a reflationary and rising interest rate environment. That said, we are cognizant of rich valuations and the economic cycle entering its later stages; we expect to become progressively more cautious in 2018.

We remain cautious on duration due to the rich valuations and negative cyclical assessment. The US 10 year Treasury yields had risen sharply on speculation that a stronger

AIM Now Fund

economic growth, higher energy prices will accelerate inflation. Credit bonds' valuations are assets are expensive, and we prefer to allocate the risk budget to equities over credit.

We hold a negative view on USD over the medium-term believing that the rest of the world will continue to converge in terms of growth differentials and monetary policy momentum. Conversely, we maintain our positive view on the euro. The recent strength in Eurozone leading economic indicators is providing a supportive backdrop for Eurozone growth to remain strong in the coming quarters.

RISKS

The risk in the sub-fund is diversified by investing directly (or indirectly through other collective investment schemes) in a mixture of local and global bonds and equities as well as alternatives. As the sub-fund has direct/indirect investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk; and (2) debt risk which includes interest rate sensitivity, credit risk, changes in debt rating and credit rating, currency risk and sovereign risk. The sub-fund is also subject to financial and/or commodity derivatives risk including but not limited to commodity, agricultural commodity or gold and metal related futures and options contracts and other commodity-related derivative instruments such as commodity-linked swaps. This is not an exhaustive list of risks.

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

Income's ILP sub-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 Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

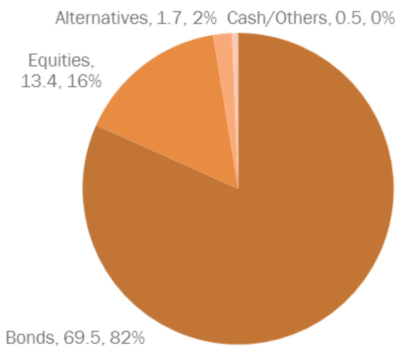
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	0.95%	15.49%
As of 31 December 2016	0.91%	49.47%

Please refer to the Fund Report of Singapore Bond Fund for details on the turnover and expense ratios.

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.

ASSET ALLOCATION AS OF 31 DECEMBER 2017



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	101,859,760
Purchase of units	11,654,516
Redemption of units	(32,597,695)
Dividend distribution	(1,863,242)
Gain/(loss) on investments and other income	6,629,421
Management fees & other charge	(567,017)
Value of fund as of 31 December 2017	85,115,743

Units in issue	89,649,228
Net asset value per unit	
- at the beginning of the year	0.908
- as of 31 December 2017	0.949

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	158,642	-	600,946	298,161
Options	-	-	(241,107)	867

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	38.0	44.6
Schroder Asian Investment Grade Credit	10.3	12.1
Schroder ISF Global Inflation Linked Bond	7.0	8.3
Schroder ISF Global Corporate Bond	6.3	7.4
Schroder ISF Global Bond	6.3	7.4
Schroder ISF Global Equity	5.4	6.4
Schroder ISF Asian Opportunities	4.4	5.2
Singapore Equity Fund	3.6	4.2
SPDR Gold Trust	1.7	2.0
Schroder ISF Asian Bond Absolute Return	0.5	0.5

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$567,017.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Sub-Investment Manager did not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore. The Sub-Investment Manager also did not receive soft dollars for the sub-fund.

More information on soft dollars for Singapore Bond Fund can be found in the Fund Report of Singapore Bond Fund.

CONFLICTS OF INTEREST

Income

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

Schroder

Schroder has in place policies and procedures to mitigate conflicts of interests which may arise in the management of clients' accounts. Schroder believes that these policies and procedures are reasonably designed to ensure that clients are treated fairly and material conflicts of interest are either avoided or are managed to avoid damage to a client's interests.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

AIM 2025 Fund

INVESTMENT OBJECTIVE

To generate capital growth at a sensible risk level for investors who intend to accumulate assets for retirement or other purposes until the year 2025.

INVESTMENT SCOPE

The sub-fund intends to achieve this objective by investing in a diversified portfolio of asset classes including fixed income, equities and alternatives. The allocation between the asset classes will become more conservative as the portfolio approaches its maturity date, reflecting the need for reduced investment risks and volatility as retirement approaches. 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.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	25 September 2009
Fund Size	S$16.74 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.00% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management (Singapore) Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars Markit iBoxx ALBI Singapore Government Index MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) FTSE EPRA/NAREIT Developed Real Estate Index in Singapore Dollars DJ UBS Commodity hedged to Singapore Dollars Gold Spot hedged to Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	3.5	20.9	Singapore Bond Fund	2.8	19.9
Schroder ISF Asian Opportunities	2.8	16.8	Schroder ISF Global Equity	2.1	15.0
Schroder ISF Global Equity	2.2	13.0	Schroder ISF Asian Opportunities	2.0	13.9
Schroder ISF Global Bond	1.5	8.7	Schroder ISF Global Bond	1.4	10.1
Schroder ISF Global Corporate Bond	1.3	7.6	Schroder ISF Global Corporate Bond	1.4	9.6
Singapore Equity Fund	1.1	6.8	Schroder Asian Investment Grade Credit	1.0	7.0
Schroder Asian Investment Grade Credit	1.0	6.2	Singapore Equity Fund	0.9	6.0
Schroder ISF Global Inflation Linked Bond	0.9	5.5	Schroder ISF Global Inflation Linked Bond	0.6	4.5
Schroder ISF Global Smaller Companies	0.7	4.1	Schroder ISF Global Smaller Companies	0.6	4.1
Schroder ISF Emerging Markets	0.5	3.1	SPDR Gold Trust	0.3	1.8

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 is the Investment Manager of the sub-fund. Schroder Investment Management (Singapore) Limited is the Sub-Investment Manager of the sub-fund.

AIM 2025 Fund

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

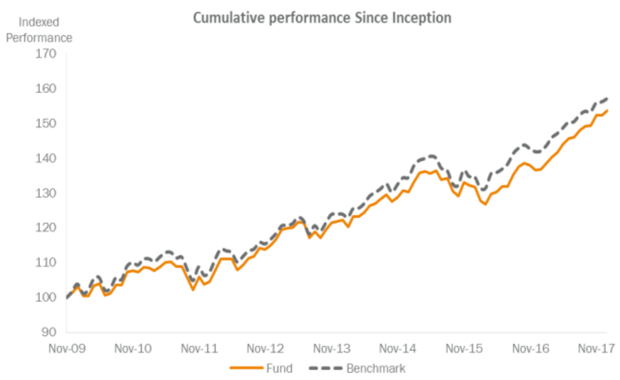
Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

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 totalled US$589.5 billion (as of 31 December 2017).

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, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2025 Fund	0.88%	2.91%	5.17%	12.34%
Benchmark	0.63%	2.52%	4.43%	10.56%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2025 Fund	5.63%	5.64%	N.A.	5.40%
Benchmark	5.31%	5.81%	N.A.	5.68%



Changes to benchmarks during the life of the sub-fund: Since 31 May 2011 to 31 May 2017 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity, Gold Spot (SGD Hedged); Since inception to 31 May 2011 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity.

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index.

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Market Review

2017 was full of political noise but ultimately, investors held their nerves and continued to push risk assets higher. The prevailing economic environment was one of robust growth and subdued inflation. Equities were the best performing asset class by some margin while equity volatility collapsed to multi-decade lows. The risk-on environment also helped credit to perform well globally, with Singapore and Asian bonds both registering positive returns. Turning to government bonds, the US yield curve flattened over the period producing positive returns in US Dollar (USD) terms at the longer end of the curve. Singapore government bonds generally outperformed their developed market peers but lagged Emerging Markets (EM). In currencies, 2017 was a year characterised by a particularly weak USD, which depreciated by over 8% against the Singapore Dollar. Conversely, the Euro moved in the opposite direction as strong Eurozone economic data encouraged investors to position for monetary policy convergence with the US.

The Aim portfolios outperformed their benchmarks over 2017 due largely to positive stock selection. The relative gains were led by strong outperformance in Asian equities and Global equities as well as Global credit and Singapore bonds. Asset allocation was overall flat; an underweight in fixed income and a preference for equities contributed positively to relative performance. Notably, an overweight in Global equities and Asian equities through the year added value.

Market Outlook

As 2018 starts, the growth picture remains strong with trading activity and leading indicators signalling robust growth ahead. The outlook for corporate profits also appears favourable. This supports our positive view on equities and we favour the higher beta markets such as Japan and EM which are expected to benefit in a reflationary and rising interest rate environment. That said, we are cognizant of rich valuations and the economic cycle entering its later stages; we expect to become progressively more cautious in 2018.
We remain cautious on duration due to the rich valuations and negative cyclical assessment. The US 10 year Treasury yields had risen sharply on speculation that a stronger

AIM 2025 Fund

economic growth, higher energy prices will accelerate inflation. Credit bonds' valuations are assets are expensive, and we prefer to allocate the risk budget to equities over credit.

We hold a negative view on USD over the medium-term believing that the rest of the world will continue to converge in terms of growth differentials and monetary policy momentum. Conversely, we maintain our positive view on the euro. The recent strength in Eurozone leading economic indicators is providing a supportive backdrop for Eurozone growth to remain strong in the coming quarters.

RISKS

The risk in the sub-fund is diversified by investing directly (or indirectly through other collective investment schemes) in a mixture of local and global bonds and equities as well as alternatives. As the sub-fund has direct/indirect investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk; and (2) debt risk which includes interest rate sensitivity, credit risk, changes in debt rating and credit rating, currency risk and sovereign risk. The sub-fund is also subject to financial and/or commodity derivatives risk including but not limited to commodity, agricultural commodity or gold and metal related futures and options contracts and other commodity-related derivative instruments such as commodity-linked swaps. This is not an exhaustive list of risks.

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

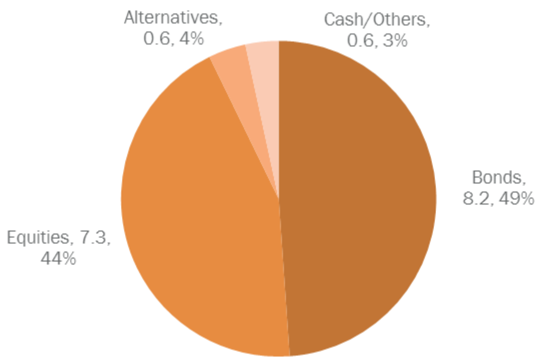
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	1.13%	20.89%
As of 31 December 2016	1.17%	52.64%

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.

ASSET ALLOCATION AS OF 31 DECEMBER 2017



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	14,262,821
Purchase of units	3,190,295
Redemption of units	(2,509,983)
Gain/(loss) on investments and other income	1,936,900
Management fees & other charge	(136,058)
Value of fund as of 31 December 2017	16,743,975

Units in issue	11,280,985
Net asset value per unit	
- at the beginning of the year	1.321
- as of 31 December 2017	1.484

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	38,891	-	104,906	76,838
Options	-	-	(39,691)	108

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	3.5	20.9
Schroder ISF Asian Opportunities	2.8	16.8
Schroder ISF Global Equity	2.2	13.0
Schroder ISF Global Bond	1.5	8.7
Schroder ISF Global Corporate Bond	1.3	7.6
Singapore Equity Fund	1.1	6.8
Schroder Asian Investment Grade Credit	1.0	6.2
Schroder ISF Global Inflation Linked Bond	0.9	5.5
Schroder ISF Global Smaller Companies	0.7	4.1
Schroder ISF Emerging Markets	0.5	3.1
Schroder Alt Solutions Commodity	0.3	1.9
SPDR Gold Trust	0.3	1.9

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$136,058.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Sub-Investment Manager did not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore. The Sub-Investment Manager also did not receive soft dollars for the sub-fund.

CONFLICTS OF INTEREST

Income

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

Schroder

Schroder has in place policies and procedures to mitigate conflicts of interests which may arise in the management of clients' accounts. Schroder believes that these policies and procedures are reasonably designed to ensure that clients are treated fairly and material conflicts of interest are either avoided or are managed to avoid damage to a client's interests.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

AIM 2035 Fund

INVESTMENT OBJECTIVE

To generate capital growth at a sensible risk level for investors who intend to accumulate assets for retirement or other purposes until the year 2035.

INVESTMENT SCOPE

The sub-fund intends to achieve this objective by investing in a diversified portfolio of asset classes including fixed income, equities and alternatives. The allocation between the asset classes will become more conservative as the portfolio approaches its maturity date, reflecting the need for reduced investment risks and volatility as retirement approaches. 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.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	25 September 2009
Fund Size	S$22.81 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.00% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management (Singapore) Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars Markit iBoxx ALBI Singapore Government Index MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) FTSE EPRA/NAREIT Developed Real Estate Index in Singapore Dollars DJ UBS Commodity hedged to Singapore Dollars Gold Spot hedged to Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.5	24.2	Schroder ISF Global Equity	5.2	27.8
Schroder ISF Asian Opportunities	5.5	24.0	Schroder ISF Asian Opportunities	3.9	20.7
Singapore Equity Fund	2.2	9.8	Singapore Equity Fund	1.7	8.8
Schroder ISF Emerging Markets	1.8	8.1	Singapore Bond Fund	1.4	7.6
Singapore Bond Fund	1.4	5.9	Schroder ISF Global Smaller Companies	1.1	6.1
Schroder ISF Global Smaller Companies	1.3	5.9	Schroder ISF Global Corporate Bond	1.1	6.0
Schroder ISF Global Corporate Bond	1.2	5.2	Schroder Asian Investment Grade Credit	1.0	5.4
Schroder Asian Investment Grade Credit	1.1	4.9	Schroder ISF Global Bond	0.7	3.8
Schroder ISF Global Inflation Linked Bond	0.8	3.6	Schroder ISF Emerging Markets	0.7	3.7
Schroder ISF Global Bond	0.7	3.2	Schroder ISF Global Inflation Linked Bond	0.5	2.9

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 is the Investment Manager of the sub-fund. Schroder Investment Management (Singapore) Limited is the Sub-Investment Manager of the sub-fund.

AIM 2035 Fund

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

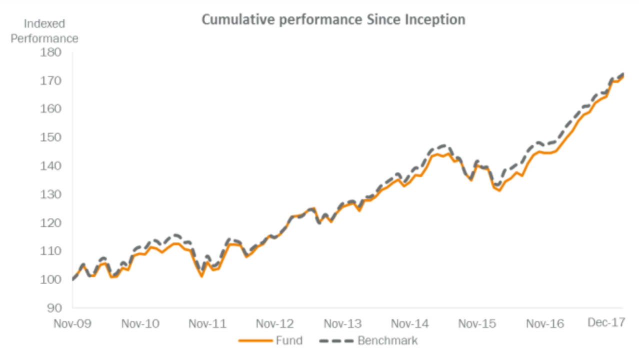
Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

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 totalled US$589.5 billion (as of 31 December 2017).

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, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2035 Fund	1.16%	4.28%	7.88%	18.19%
Benchmark	0.82%	3.81%	6.83%	15.91%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2035 Fund	7.93%	7.71%	N.A.	6.83%
Benchmark	7.34%	7.76%	N.A.	6.88%



Changes to benchmarks during the life of the sub-fund: Since 31 May 2011 to 31 May 2017 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity, Gold Spot (SGD Hedged); Since inception to 31 May 2011 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity.

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index.

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Market Review

2017 was full of political noise but ultimately, investors held their nerves and continued to push risk assets higher. The prevailing economic environment was one of robust growth and subdued inflation. Equities were the best performing asset class by some margin while equity volatility collapsed to multi-decade lows. The risk-on environment also helped credit to perform well globally, with Singapore and Asian bonds both registering positive returns. Turning to government bonds, the US yield curve flattened over the period producing positive returns in US Dollar (USD) terms at the longer end of the curve. Singapore government bonds generally outperformed their developed market peers but lagged Emerging Markets (EM). In currencies, 2017 was a year characterised by a particularly weak USD, which depreciated by over 8% against the Singapore Dollar. Conversely, the Euro moved in the opposite direction as strong Eurozone economic data encouraged investors to position for monetary policy convergence with the US.

The Aim portfolios outperformed their benchmarks over 2017 due largely to positive stock selection. The relative gains were led by strong outperformance in Asian equities and Global equities as well as Global credit and Singapore bonds. Asset allocation was overall flat; an underweight in fixed income and a preference for equities contributed positively to relative performance. Notably, an overweight in Global equities and Asian equities through the year added value.

Market Outlook

As 2018 starts, the growth picture remains strong with trading activity and leading indicators signalling robust growth ahead. The outlook for corporate profits also appears favourable. This supports our positive view on equities and we favour the higher beta markets such as Japan and EM which are expected to benefit in a reflationary and rising interest rate environment. That said, we are cognizant of rich valuations and the economic cycle entering its later stages; we expect to become progressively more cautious in 2018.

We remain cautious on duration due to the rich valuations and negative cyclical assessment. The US 10 year Treasury yields had risen sharply on speculation that a stronger

economic growth, higher energy prices will accelerate inflation. Credit bonds' valuations are assets are expensive, and we prefer to allocate the risk budget to equities over credit.

We hold a negative view on USD over the medium-term believing that the rest of the world will continue to converge in terms of growth differentials and monetary policy momentum. Conversely, we maintain our positive view on the euro. The recent strength in Eurozone leading economic indicators is providing a supportive backdrop for Eurozone growth to remain strong in the coming quarters.

RISKS

The risk in the sub-fund is diversified by investing directly (or indirectly through other collective investment schemes) in a mixture of local and global bonds and equities as well as alternatives. As the sub-fund has direct/indirect investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk; and (2) debt risk which includes interest rate sensitivity, credit risk, changes in debt rating and credit rating, currency risk and sovereign risk. The sub-fund is also subject to financial and/or commodity derivatives risk including but not limited to commodity, agricultural commodity or gold and metal related futures and options contracts and other commodity-related derivative instruments such as commodity-linked swaps. This is not an exhaustive list of risks.

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

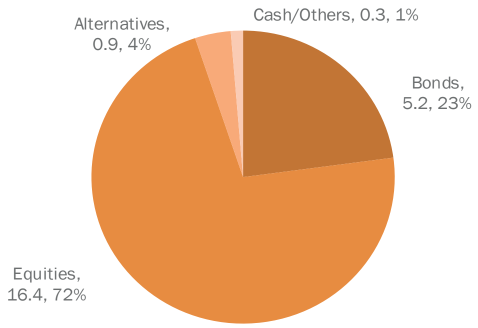
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	1.13%	24.69%
As of 31 December 2016	1.15%	49.53%

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.

ASSET ALLOCATION AS OF 31 DECEMBER 2017



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	18,788,332
Purchase of units	2,689,798
Redemption of units	(2,112,620)
Gain/(loss) on investments and other income	3,638,617
Management fees & other charge	(190,786)
Value of fund as of 31 December 2017	22,813,341

Units in issue	13,764,814
Net asset value per unit	
- at the beginning of the year	1.402
- as of 31 December 2017	1.657

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	32,389	-	90,173	64,481
Options	-	-	(53,406)	108

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.5	24.2
Schroder ISF Asian Opportunities	5.5	24.0
Singapore Equity Fund	2.2	9.8
Schroder ISF Emerging Markets	1.8	8.1
Singapore Bond Fund	1.4	5.9
Schroder ISF Global Smaller Companies	1.3	5.9
Schroder ISF Global Corporate Bond	1.2	5.2
Schroder Asian Investment Grade Credit	1.1	4.9
Schroder ISF Global Inflation Linked Bond	0.8	3.6
Schroder ISF Global Bond	0.7	3.2
Schroder Alt Solutions Commodity	0.5	2.0
SPDR Gold Trust	0.4	1.8

BORROWINGS

Nil.

AIM 2035 Fund

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$190,786.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager and Sub-Investment Manager did not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore. The Manager and Sub-Investment Manager also did not receive soft dollars for the sub-fund.

CONFLICTS OF INTEREST

Income

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

Schroder

Schroder has in place policies and procedures to mitigate conflicts of interests which may arise in the management of clients' accounts. Schroder believes that these policies and procedures are reasonably designed to ensure that clients are treated fairly and material conflicts of interest are either avoided or are managed to avoid damage to a client's interests.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

AIM 2045 Fund

INVESTMENT OBJECTIVE

To generate capital growth at a sensible risk level for investors who intend to accumulate assets for retirement or other purposes until the year 2045.

INVESTMENT SCOPE

The sub-fund intends to achieve this objective by investing in a diversified portfolio of asset classes including fixed income, equities and alternatives. The allocation between the asset classes will become more conservative as the portfolio approaches its maturity date, reflecting the need for reduced investment risks and volatility as retirement approaches. 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.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	25 September 2009
Fund Size	S$26.85 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.00% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management (Singapore) Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars Markit iBoxx ALBI Singapore Government Index MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) FTSE EPRA/NAREIT Developed Real Estate Index in Singapore Dollars DJ UBS Commodity hedged to Singapore Dollars Gold Spot hedged to Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	6.5	24.2	Schroder ISF Global Equity	6.0	28.9
Schroder ISF Asian Opportunities	6.5	24.2	Schroder ISF Asian Opportunities	4.3	20.9
Singapore Equity Fund	3.0	11.0	Singapore Equity Fund	2.0	9.8
Schroder ISF Emerging Markets	2.6	9.7	Schroder ISF Global Smaller Companies	1.6	7.7
Schroder ISF Global Smaller Companies	2.1	7.9	Schroder ISF Global Corporate Bond	1.3	6.1
Schroder Asian Investment Grade Credit	1.3	5.0	Schroder Asian Investment Grade Credit	1.1	5.4
Schroder ISF Global Corporate Bond	1.3	4.9	Schroder ISF Emerging Markets	1.0	4.9
Singapore Bond Fund	0.7	2.8	Singapore Bond Fund	1.0	4.7
Schroder ISF Global Inflation Linked Bond	0.7	2.5	Schroder ISF Global Bond	0.6	3.0
Schroder Alt Solutions Commodity	0.5	1.9	Schroder ISF Global Inflation Linked Bond	0.4	1.9

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 is the Investment Manager of the sub-fund. Schroder Investment Management (Singapore) Limited is the Sub-Investment Manager of the sub-fund.

AIM 2045 Fund

NTUC Income Insurance Co-operative Limited (Income)

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

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

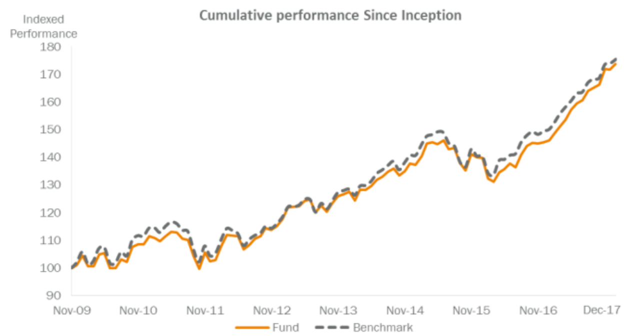
Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

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 totalled US$589.5 billion (as of 31 December 2017).

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, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2045 Fund	1.20%	4.48%	8.25%	18.89%
Benchmark	0.85%	4.05%	7.26%	16.88%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2045 Fund	8.21%	8.14%	N.A.	7.01%
Benchmark	7.64%	8.18%	N.A.	7.14%



Changes to benchmarks during the life of the sub-fund: Since 31 May 2011 to 31 May 2017 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity, Gold Spot (SGD Hedged); Since inception to 31 May 2011 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity.

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index.

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Market Review

2017 was full of political noise but ultimately, investors held their nerves and continued to push risk assets higher. The prevailing economic environment was one of robust growth and subdued inflation. Equities were the best performing asset class by some margin while equity volatility collapsed to multi-decade lows. The risk-on environment also helped credit to perform well globally, with Singapore and Asian bonds both registering positive returns. Turning to government bonds, the US yield curve flattened over the period producing positive returns in US Dollar (USD) terms at the longer end of the curve. Singapore government bonds generally outperformed their developed market peers but lagged Emerging Markets (EM). In currencies, 2017 was a year characterised by a particularly weak USD, which depreciated by over 8% against the Singapore Dollar. Conversely, the Euro moved in the opposite direction as strong Eurozone economic data encouraged investors to position for monetary policy convergence with the US.

The Aim portfolios outperformed their benchmarks over 2017 due largely to positive stock selection. The relative gains were led by strong outperformance in Asian equities and Global equities as well as Global credit and Singapore bonds. Asset allocation was overall flat; an underweight in fixed income and a preference for equities contributed positively to relative performance. Notably, an overweight in Global equities and Asian equities through the year added value.

Market Outlook

As 2018 starts, the growth picture remains strong with trading activity and leading indicators signalling robust growth ahead. The outlook for corporate profits also appears favourable. This supports our positive view on equities and we favour the higher beta markets such as Japan and EM which are expected to benefit in a reflationary and rising interest rate environment. That said, we are cognizant of rich valuations and the economic cycle entering its later stages; we expect to become progressively more cautious in 2018.

We remain cautious on duration due to the rich valuations and negative cyclical assessment. The US 10 year Treasury yields had risen sharply on speculation that a stronger economic growth, higher energy prices will accelerate inflation. Credit bonds' valuations are assets are expensive, and we prefer to allocate the risk budget to equities over credit.

We hold a negative view on USD over the medium-term believing that the rest of the world will continue to converge in terms of growth differentials and monetary policy momentum. Conversely, we maintain our positive view on the euro. The recent strength in Eurozone leading economic indicators is providing a supportive backdrop for Eurozone growth to remain strong in the coming quarters.

RISKS

The risk in the sub-fund is diversified by investing directly (or indirectly through other collective investment schemes) in a mixture of local and global bonds and equities as well as alternatives. As the sub-fund has direct/indirect investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk; and (2) debt risk which includes interest rate sensitivity, credit risk, changes in debt rating and credit rating, currency risk and sovereign risk. The sub-fund is also subject to financial and/or commodity derivatives risk including but not limited to commodity, agricultural commodity or gold and metal related futures and options contracts and other commodity-related derivative instruments such as commodity-linked swaps. This is not an exhaustive list of risks.

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

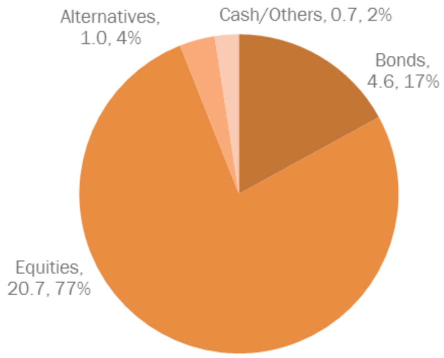
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	1.13%	25.22%
As of 31 December 2016	1.14%	43.44%

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.

ASSET ALLOCATION AS OF 31 DECEMBER 2017



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	20,631,539
Purchase of units	5,770,433
Redemption of units	(3,567,679)
Gain/(loss) on investments and other income	4,233,857
Management fees & other charge	(215,933)
Value of fund as of 31 December 2017	26,852,217

Units in issue	15,980,668
Net asset value per unit	
- at the beginning of the year	1.412
- as of 31 December 2017	1.680

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	34,007	-	103,506	65,649
Options	-	-	(57,862)	217

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	6.5	24.2
Schroder ISF Asian Opportunities	6.5	24.2
Singapore Equity Fund	3.0	11.0
Schroder ISF Emerging Markets	2.6	9.7
Schroder ISF Global Smaller Companies	2.1	7.9
Schroder Asian Investment Grade Credit	1.3	5.0
Schroder ISF Global Corporate Bond	1.3	4.9
Singapore Bond Fund	0.7	2.8
Schroder ISF Global Inflation Linked Bond	0.7	2.5
Schroder Alt Solutions Commodity	0.5	1.9
Schroder ISF Global Bond	0.5	1.9
SPDR Gold Trust	0.5	1.7

BORROWINGS

Nil.

AIM 2045 Fund

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$215,933.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager and Sub-Investment Manager did not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore. The Manager and Sub-Investment Manager also did not receive soft dollars for the sub-fund.

CONFLICTS OF INTEREST

Income

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

Schroder

Schroder has in place policies and procedures to mitigate conflicts of interests which may arise in the management of clients' accounts. Schroder believes that these policies and procedures are reasonably designed to ensure that clients are treated fairly and material conflicts of interest are either avoided or are managed to avoid damage to a client's interests.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Money Market Fund

INVESTMENT OBJECTIVE

To achieve a return that is better than short-term cash deposits while maintaining liquidity and security of capital.

INVESTMENT SCOPE

This sub-fund invests mainly in good quality money market instruments and short-term bonds which include bank deposits, government and statutory board securities, certificates of deposit and corporate bonds. The sub-fund is denominated in Singapore Dollars (SGD). Non-SGD denominated investments, if any, will be hedged to SGD.

This sub-fund may be suitable for investors seeking for yield enhancement to their SGD deposit.

We advise all investors to consider the sub-fund's objectives, risks, charges and expenses carefully before investing in any Investment-Linked Policy (ILP) sub-funds. Our insurance advisers would be able to help you with your investment choices. Do note that the purchase of a unit in this money market fund is not the same as placing funds on deposit with a bank or deposit-taking financial institution.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	1 May 2006
Fund Size	S$15.08 million
Annual Management Fee	0.25% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	Singapore 3-month Interbank Bid Rate
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 0.5% 010418	1.7	11.6	Singapore Government Bonds 0.5% 010418	1.7	9.7
Monetary Authority of Singapore Bills 190118	1.5	9.9	Public Utilities Board 3.9% 310818	1.6	8.8
Public Utilities Board 3.9% 310818	1.0	6.8	Monetary Authority of Singapore Bills 200117	1.5	8.3
CMT MTN Pte Ltd Capita 3.731% 210318	1.0	6.7	Hutchison Whampoa Int 3.5% 130117	1.1	6.1
Korea Dev Bank 2.65% 031218	1.0	6.7	Bk of Communications HK 2.1% 240717	1.0	5.6
Bank of China/SG Bchina 2.75% 300619	1.0	6.7	Malayan Banking 1.85% 100417	1.0	5.6
National University of Singapore 1.708% 130219	1.0	6.7	SMRT Capital Pte Ltd 1.2% 051017	1.0	5.6
Singapore Government Bonds 1.625% 011019	1.0	6.7	Monetary Authority of Singapore Bills 130117	1.0	5.6
Sumitomo Mitsubishi Bank 2.02% 300518	1.0	6.6	Singapore Bus Services 1.8% 120917	1.0	5.5
Mizuho Bank Ltd 2.77% 150319	0.8	5.1	Monetary Authority of Singapore Bills 060117	0.7	4.2

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 is the Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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.

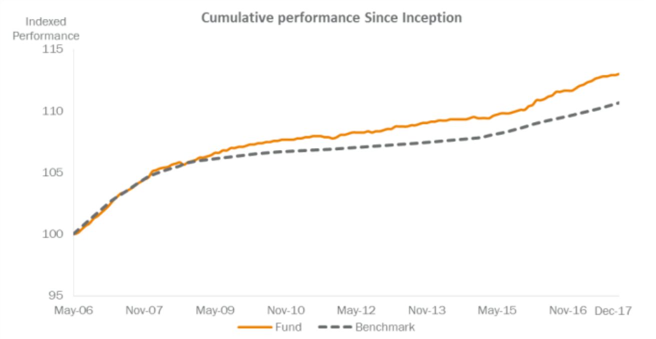
As a social enterprise, Income is committed to making insurance accessible, affordable and sustainable for all.

Money Market Fund

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Money Market Fund	0.09%	0.17%	0.34%	1.22%
Benchmark	0.09%	0.25%	0.49%	0.92%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Money Market Fund	1.08%	0.83%	0.77%	1.06%
Benchmark	0.88%	0.64%	0.56%	0.88%



The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

The Money Market Fund posted a return of 1.22% in the year 2017, above its benchmark of 0.92%.

Advance estimates indicate Singapore's economy grew by 3.5% in 2017, more robust than initially projected, and the healthy pace will continue. After two years of negative reading, Consumer Price Index (All Items) inflation came in at 0.6% for 2017 while Core Inflation rose to 1.5%, from 0.9% in 2016. The Monetary Authority of Singapore expects inflation numbers to remain benign in 2018 despite the healthy growth rate.

The US Federal Reserve (Fed) hiked another 75 basis points (bps) in 2017, bringing the total to 125 bps so far this cycle. Meanwhile, the Fed is on its multi-year balance sheet normalisation mode since October 2017. The European Central Bank (ECB), on the other hand, is halving its monthly financial assets purchase to €30 billion effective January 2018 on the back of relatively strong growth numbers. The reduced reinvestments of Fed and ECB in the rates market is expected to exert upward pressure on short-term interest rates. This is positive for the short duration Money Market Fund as matured assets may be reinvested at higher yield.

For now, globally synchronised recovery continues to favour risk assets at the expense of government bonds. The International Monetary Fund has just upgraded its global economic growth projection for 2018 and 2019. Given the backdrop of more robust global growth coupled with benign inflation data, we believe major central banks will be measured in their monetary policy and liquidity tightening adjustments.

The Money Market Fund is positioned for steady investment returns guided by short-term rates. We remain constructive on credits and continue to work towards identifying high quality assets with decent credit spread for investment. Central banks' policies should continue to underpin investors' search for yield.

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 sub-fund changes.

The Money Market Fund is not a capital guaranteed fund. We do not guarantee the amount of capital invested or return received. Although the fund manager seeks to preserve the principal value, we do not assure that the ILP sub-fund can fully meet its objective.

However, since the sub-fund is invested mainly in the interbank market, i.e. the money is lent to banks. A small portion of the sub-fund is invested with well rated corporations. The sub-fund is well diversified with a large number of borrowers.

The money is invested in short-term deposits, with a maximum duration of three years. The average duration is likely to be around six months. This ensures that the investments will not be adversely affected by a large change in the interest rate.

The Manager intends to hedge its foreign currency exposure. Financial derivatives in the ILP sub-fund are used for hedging purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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

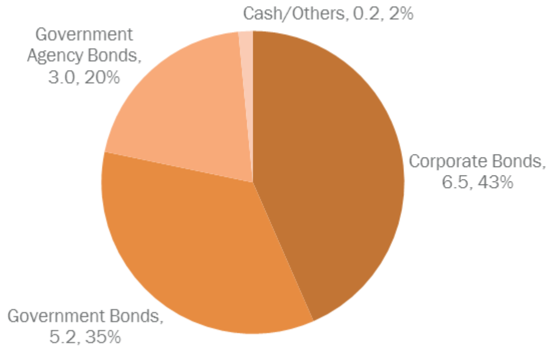
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	0.27%	52.14%
As of 31 December 2016	0.27%	217.08%

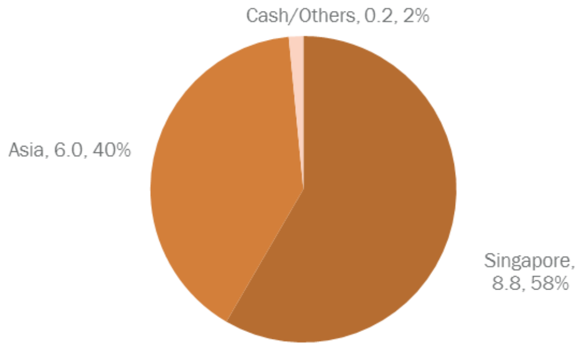
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Money Market Fund

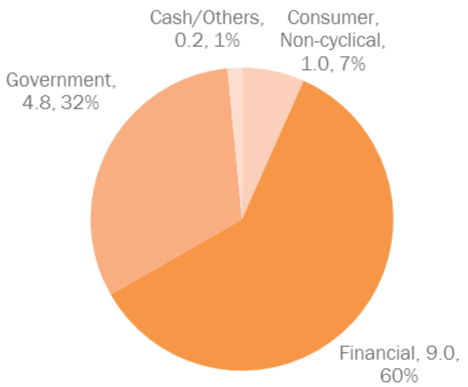
ASSET ALLOCATION AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION AS OF 31 DECEMBER 2017



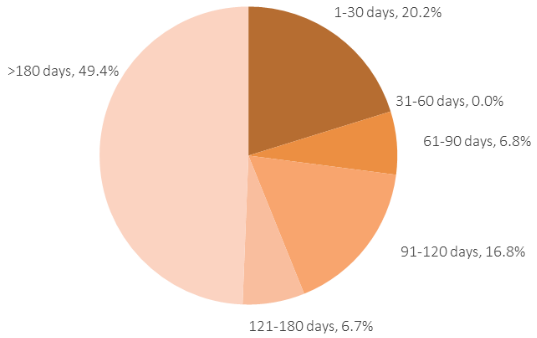
SECTOR ALLOCATION AS OF 31 DECEMBER 2017



TERM TO MATURITY OF INVESTMENTS AS OF 31 DECEMBER 2017

Term to maturity

	S$ (mil)	% of NAV
1-30	3.0	20.2
31-60	0.0	0.0
61-90	1.0	6.8
91-120	2.5	16.8
121-180	1.0	6.7
>180	7.3	49.4
Total	14.8	100.0



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	3.8	24.9
AA+	0.0	0.0
AA	1.0	6.7
AA-	0.5	3.4
A+	1.3	8.4
A	2.0	13.4
A-	1.3	8.3
Not rated	5.0	33.4
Total	14.8	98.5

'Not rated' 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.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	17,982,678
Purchase of units	45,434,974
Redemption of units	(48,543,958)
Gain/(loss) on investments and other income	244,069
Management fees & other charge	(41,878)
Value of fund as of 31 December 2017	15,075,885

Units in issue	12,940,656
Net asset value per unit	
- at the beginning of the year	1.151
- as of 31 December 2017	1.165

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	24,991	-	59,795	102,150

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$41,878.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager did 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 sub-fund. The Manager confirmed that trades were made on best execution basis, that is, the Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades. The said brokers had also executed trades for other sub-funds managed by the Manager.

CONFLICTS OF INTEREST

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Asian Bond Fund

INVESTMENT OBJECTIVE

To provide a medium to long-term rate of return by investing mainly in Asian Fixed Income Securities.

INVESTMENT SCOPE

The sub-fund is invested in the BlackRock Global Funds - Asian Tiger Bond Fund A6 SGD Hedged Share Class (the underlying fund). The underlying fund will invest at least 70% of its total assets in the fixed income transferable securities of issuers domiciled in, or exercising the predominant part of their economic activity in, Asian Tiger countries (i.e. South Korea, the People's Republic of China, Taiwan, Hong Kong, the Philippines, Thailand, Malaysia, Singapore, Vietnam, Cambodia, Laos, Myanmar, Indonesia, Macau, India and Pakistan). The underlying fund may also invest in the full spectrum of available securities, including non-investment grade. It may use financial derivative instruments for efficient portfolio management or to hedge market, interest rate and currency risk. Please refer to the "Investment Objectives & Policies" and "Derivatives – General" sections of the Underlying Funds' Luxembourg Prospectus for further information. The Luxembourg Prospectus is available within the Singapore prospectus at www.blackrock.com/sg/en/literature/prospectus/bgf-singapore-prospectus-sg.pdf.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	3 May 2016
Fund Size	S$31.94 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% per annum, which includes management fee charged by the investment manager of the BlackRock Global Funds - Asian Tiger Bond Fund A6 SGD Share Class.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	BlackRock (Luxembourg) S.A.
Benchmark	J.P. Morgan Asia Credit Index Hedged to Singapore Dollars
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

Asian Bond Fund

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
BGF-ASIAN TIGER BOND-A6SHD BGATA6S	32.9	103.0	BGF-ASIAN TIGER BOND-A6SHD BGATA6S	22.7	103.8

Asian Bond Fund

BlackRock Global Funds – Asian Tiger Bond Fund ^

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
India Government 7.59% 200329	69.9	1.9	SPIC 2016 US Dollar Bond Co Ltd Regs 3% 120621	38.7	1.4
Indonesia Govt Mtn Regs 4.75% 180747	42.6	1.1	Pertamina Persero Pt Mtn Regs 5.625% 052043	36.6	1.3
Adani Transmission Ltd 4% 030826	34.7	0.9	Sinopec Group Overseas Development Regs 4.375%	34.3	1.2
Abu Dhabi (Emirate Of) 4.125% 111047	33.2	0.9	Sri Lanka Govt Regs 6.85% 110325	32.5	1.1
Overseas Chinese Town Asia Holding 4.3% 311249	33.2	0.9	Alibaba Group Holding Ltd 3.6% 281124	31.6	1.1
Hesteel Hong Kong Co Ltd 4.25% 070420	32.5	0.9	Ccci Treasure Ltd Regs 3.5% 123149	30.9	1.1
Indonesia Government 2.95% 110123	30.6	0.8	Hutchison Whampoa Int 3.625% 103124	28.8	1.0
Charming Light Investments Ltd 4.375% 211227	30.3	0.8	Reliance Industries Ltd Regs 5.875% 311249	28.2	1.0
CNAC HK SYNBR 5% 050520	29.9	0.8	Universal Ent Corp Mtn 8.5% 240820	27.9	1.0
Hutchison Whampoa Int 3.625% 103124	29.5	0.8	Indonesia Govt Mtn Regs 6.75% 150144	26.7	0.9

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Asian Bond Fund was launched on 3 May 2016.

^ Information extracted from the underlying BlackRock Global Funds – Asian Tiger Bond Fund A6 SGD Hedged Share Class. Source: BlackRock (Singapore) Limited.

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. It invests all assets in the BlackRock Global Funds – Asian Tiger Bond Fund A6 SGD Hedged Share Class which is managed by the sub-investment Manager BlackRock (Luxembourg) S.A.

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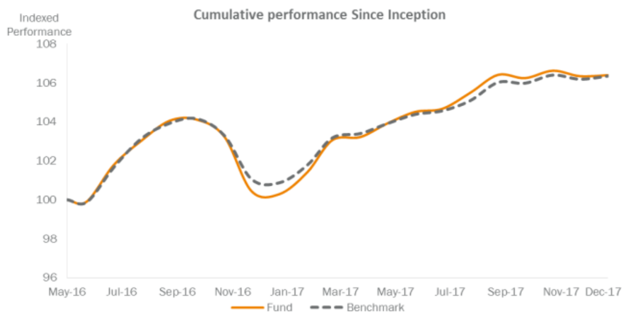
BlackRock (Luxembourg) S.A.

BlackRock helps investors build better financial futures. As a fiduciary to our clients, we provide the investment and technology solutions they need when planning for their most important goals. As of 31 December 2017, the firm managed approximately US$6.29 trillion in assets on behalf of investors worldwide. For additional information on BlackRock, please visit www.blackrock.com/sg.

Asian Bond Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Asian Bond Fund	0.05%	0.14%	1.65%	6.09%
Benchmark	0.15%	0.35%	1.71%	5.44%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Bond Fund	N.A.	N.A.	N.A.	3.84%
Benchmark	N.A.	N.A.	N.A.	3.82%



The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Market Review

Asian credit in the 2nd half of 2017 was defined by strong income gains for investors against a slight negative price return amidst a backdrop of rising US treasury (UST) rates. USTs moved higher over the period particularly at the shorter to medium tenors – given the robust global and domestic macroeconomic backdrop, it is thought that this relates to rising interest rates against a backdrop of subdued inflation. On 2nd November, President Trump nominated Jerome Powell Chairman of the US Federal Reserve (Fed), indicating a continuation of the status quo i.e., an environment of gradual interest rate rises and balance sheet reduction.

Income returns in the JP Morgan Asian Credit Index (JACI) came up to 2.10% while price returns dragged by -0.2%. Price returns did not come up to a large detraction because the compression of credit spreads across Asia went up against rising UST yields. Within Asian credit, high yield (HY) outperformed investment grade (IG) due to the sector's shorter duration and higher carry, qualities that served well given the ongoing rates rise.

China saw significant developments in plans, policies and regulations in the 2nd half of the year. In addition to the National People's Congress in October, China had its annual Central Economic Work Conference in mid-December, the first gathering of the party's Central Committee after the 19th party congress. Some pivotal takeaways include the promotion of quality against the quantity of growth, poverty alleviation and pollution control, proactive fiscal policy and neutral monetary policy. China also took measures to strengthen its financial system. The China Banking Regulatory Commission introduced 3 ratios to reduce banks' reliance on interbank financing. People's Bank of China also updated its automatic pledge financing to help commercial banks and non-bank financial institutions get intraday or overnight financing which provides an additional liquidity pool. In aggregate, these increase the resilience of the financial system and provide a more stable and less risky passage of growth for China.

Central banks in Asia made a shift from loose monetary policy towards normalisation. The Bank of Korea hiked rates in November as a result of good trade data. In addition, bond prices reflected market expectations of two rate hikes in 2018. The Reserve Bank of India kept policy rate on hold in December but held market inflation outlook higher for the 2nd half of the fiscal year, given higher inflation turnout in the months prior. Also, the government spelled out a plan for banks to recapitalise, boost lending ability and impact economic growth in India, weakening the case for monetary easing towards year end. Bank Negara Malaysia turned hawkish in November as growth had consistently surprised to the upside in 2017, driven by stronger exports and resilient consumption, as realised in 2018 when they hiked rates by 25 basis points. This progression in policy rates implies an improvement in growth and inflation outlook across Asia, which could provide the foundation for a more solid macroeconomic backdrop.

Credit was the main driver of returns in the Asian Bond Fund. Within credit, a significant contributor was the China state-owned enterprise (SOE) sector, with their strategic importance to the government and China's sovereign issuance in October that made high quality SOEs look cheap, compressing their spreads. Security selection in HY, particularly in Indonesia, also contributed positively. In rates, the sovereign upgrade of Indonesia by S&P boosted inflows and provided a supportive macro backdrop for our local market positions in the country. Consequently, it allowed the fund to gain from its overweight duration positions when the Bank of Indonesia cut rates in August without detracting from foreign exchange returns as the Indonesian Rupiah was well supported by inflows. Within currencies, our position in Indian Rupee stood out, generating significant carry this year for the capital allocation. We had underweights in the Indonesian sovereign/quasi-sovereign complex and in China property that detracted slightly, but these were used to fund more profitable sectors, leading to a positive active sector allocation overall.

For Asian US Dollar (USD) credit as a whole, an expanding local investor base and high credit rating were contributing factors to the asset class' higher returns and lower volatility as compared to USTs of equivalent maturities. In relation to a broad range of fixed income assets classes, Asian USD credit shows higher risk adjusted returns over a 3 year period. For the broader Asia region, credit metrics have improved as well on better earnings with IG corporates continuing the positive trend and credit metrics stabilising for HY corporates. The supportive fundamental and technical backdrop has benefited our overweight position in credit risk in the portfolio.

Asian Bond Fund

Market Outlook

We see a benign outlook for Asian credit. Technical and fundamental factors remain supportive and valuations appear attractive on a risk-adjusted basis and relative to developed markets. The key long-term drivers for the asset class remain an ageing population and abundant global savings, underscoring the need for income generation. More immediate drivers should be a gradual increase in interest rates by the Fed, policy direction in China and potential geopolitical events. The market continues to absorb the increase in supply while buyers continue to shift from foreigners to Asian institutional investors. We see this trend continuing and contributing to keep volatility in check.

We expect a gradual pace toward policy normalisation – primarily interest rates returning to “normal” from unusually low levels triggered by the 2008 global financial crisis. The gradual pace is important to maintain stability in credit markets. We see the synchronised global recovery causing broad inflationary pressures down the road. For now, this is mostly a US phenomenon and moderate enough for the Fed to normalise policy without stifling growth. We expect the Fed to lead with three additional rate hikes in 2018, while the European Central Bank and the Bank of Japan keep rates low for longer. This should provide abundant liquidity for global fixed income markets over the next several months. We favour credit over developed market government bonds given the low cushion these provide.

Asian credit, across IG and HY, provides higher income at lower volatility relative to the global USD-denominated corporate credit universe. In the US, IG credit is highly dependent on private corporates; in Asia, about 70% is linked to sovereign or quasi-sovereign credit. Strong reliance on sovereign credit and stable leverage in IG underpin the asset class. The smaller Asian HY universe (~15% of all Asian credit) has seen low default rates, and we believe they will likely remain low given abundant liquidity and low all-in costs of funding.

We prefer high-quality IG credits but are still finding selective opportunities in HY corporate credit. China’s reform agenda and financial deleveraging may lead to slower growth than markets are anticipating and we could see a pickup in volatility. The silver lining would be an increase in the quality and sustainability of longer-term growth.

In 2017, Asian credit returned 5.8%, as measured by JACI. The bulk of this return (4.3%) came from income, while 1.5% came from price as credit spreads tightened. We expect income to remain the primary driver of returns for Asian credit, which should attract investors seeking a lower volatility income. The caveat is that not all sectors or issuers provide equal opportunity and this underscores an active manager ability to add alpha through selection.

RISKS

The risk in the sub-fund is diversified by investing in a mixture of Asian equities, Asian fixed income securities and alternatives. As the sub-fund has direct/indirect investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty 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.

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 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 sub-fund changes.

Income’s ILP sub-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 Income’s ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

EXPENSE AND TURNOVER RATIO

Asian Bond Fund

	Expense ratio	Turnover ratio
As of 31 December 2017	1.24%	32.07%
As of 31 December 2016	1.28%	49.07%

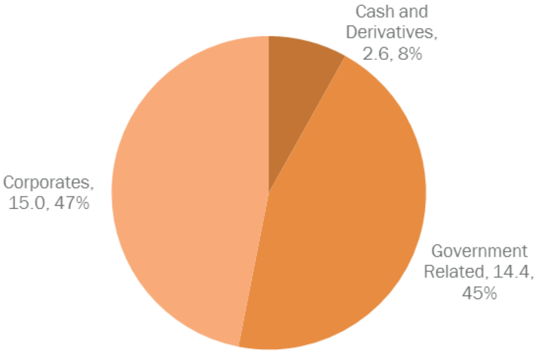
BlackRock Global Funds – Asian Tiger Bond Fund

	Expense ratio	Turnover ratio
As of 31 December 2017	1.22%	143.12%
As of 31 December 2016	1.23%	117.91%

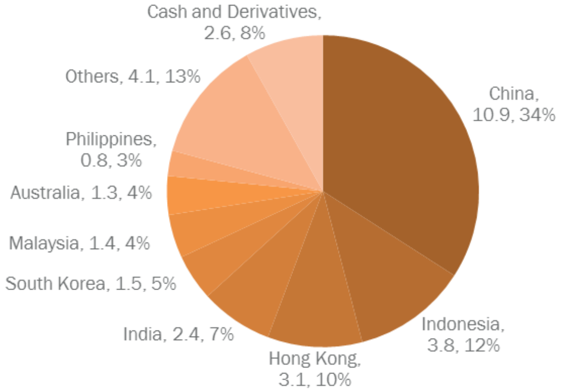
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asian Bond Fund

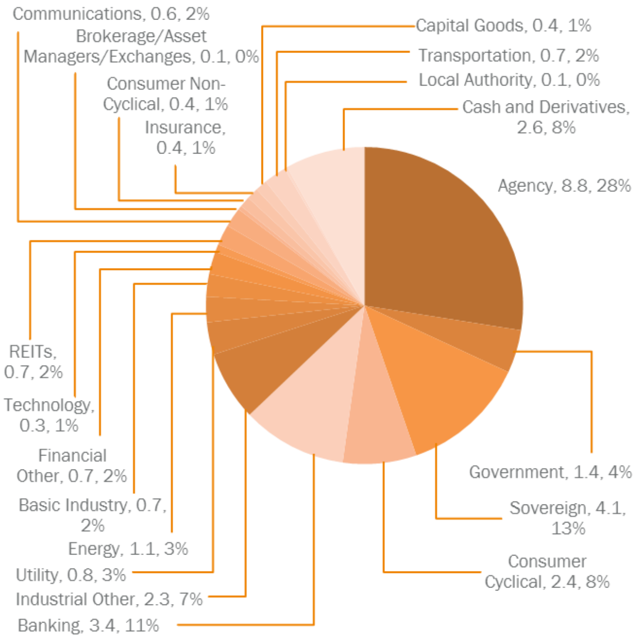
ASSET ALLOCATION^ AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION^ AS OF 31 DECEMBER 2017



SECTOR ALLOCATION^ AS OF 31 DECEMBER 2017



CREDIT RATINGS OF DEBT SECURITIES^

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	0.00	0.0
AA	1.55	4.9
A	5.84	18.3
BBB	13.32	41.7
BB	3.58	11.2
B	4.51	14.1
CCC	0.13	0.4
D	0.00	0.0
NR	0.43	1.4
Total	29.4	92.0

'Not rated' 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.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).
^ Information extracted from the underlying BlackRock Global Funds – Asian Tiger Bond Fund A6 SGD Hedged Share Class. Source: BlackRock (Singapore) Limited.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	21,906,541
Purchase of units	18,135,179
Redemption of units	(8,349,176)
Dividend distribution	(1,171,968)
Gain/(loss) on investments and other income	1,420,188
Value of fund as of 31 December 2017	31,940,764

Units in issue	33,489,622
Net asset value per unit	
- at the beginning of the year	0.939
- as of 31 December 2017	0.954

Asian Bond Fund was launched on 3 May 2016. The financial statement covered the period from 1 Jan to 31 December 2017.

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
BGF-ASIAN TIGER BOND-A6SHD BGATA6S	32.9	103.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, there is no management fee paid or payable by the sub-fund to the Investment Manager.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

The Manager did not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore. The Manager also did not receive soft dollars for the sub-fund.

BlackRock^

In accordance with new rules coming into force in January 2018 pursuant to EU Directive 2014/65/EU on markets in financial instruments referred to as "MiFID II", the BlackRock Group will no longer pay for external research via client trading commissions for its MiFID II-impacted funds ("MIFID II-impacted funds"). The BlackRock Group shall meet such research costs out of its own resources. MiFID II-impacted funds are those which have appointed the BlackRock Group MiFID firm as investment adviser or where investment management has been delegated by such firm to an overseas affiliate. Funds which have directly appointed an overseas affiliate of the the BlackRock Group within a third country (i.e. outside the European Union) to perform portfolio management are not in-scope for the purposes of MiFID II and will be subject to the local laws and market practices governing external research in the applicable jurisdiction of the relevant affiliate. This means that costs of external research may continue to be met out of the assets of such funds. A list of such funds is available on request from the Management Company. Where investments are made in non-BlackRock Group funds, they will continue to be subject to the external manager's approach to paying for external research in each case. This approach may be different from that of the BlackRock Group and may include the collection of a research charge alongside trading commissions in accordance with applicable laws and market practice. This means that the costs of external research may continue to be met out of the assets within the fund.

Where permitted by applicable regulation (excluding, for the avoidance of doubt, any Funds which are in scope for MiFID II), certain BlackRock Group companies acting as investment adviser to the Funds may accept commissions generated when trading equities with certain brokers in certain jurisdictions. Commissions may be reallocated to purchase eligible research services. Such arrangements may benefit one Fund over another because research can be used for a broader range of clients than just those whose trading funded it. The BlackRock Group has a Use of Commissions Policy designed to ensure only eligible services are purchased and excess commissions are reallocated to an eligible service provider where appropriate.

To the extent that investment advisers within the BlackRock Group are permitted to receive trading commissions or soft dollar commissions, with respect to the Funds (or portion of a Fund) for which they provide investment management and advice, they may select brokers (including, without limitation, brokers who are affiliated with the BlackRock Group or PNC Group) that furnish the BlackRock Group, directly or through third-party or correspondent relationships, with research or execution services which provide, in the BlackRock Group's view, lawful and appropriate assistance to each applicable BlackRock Group company in the investment decision-making or trade execution processes and the nature of which is that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the Funds' performance. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; economic and financial information and analysis; and quantitative analytical software. Research or execution services obtained in this manner may be used in servicing not only the account from which commissions were used to pay for the services, but also other BlackRock Group client accounts. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods and services, general office equipment, computer hardware or premises, membership fees, employee salaries or direct money payments. To the extent that the BlackRock Group uses its clients' commission dollars to obtain research or execution services, the BlackRock Group companies will not have to pay for those products and services themselves. The BlackRock Group companies may receive research or execution services that are bundled with the trade execution, clearing and/or settlement services provided by a particular broker-dealer. To the extent that each BlackRock Group company receives research or execution services on this basis, many of the same potential conflicts related to receipt of these services through third party arrangements exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing and settlement services provided by the broker-dealer and will not be paid by that BlackRock Group company.

Each of the BlackRock Group company may endeavour, subject to best execution, to execute trades through brokers who, pursuant to such arrangements, provide research or execution services in order to ensure the continued receipt of research or execution services that BlackRock Group company believes are useful in their investment decision-making or trade execution process.

Each BlackRock Group company may pay, or be deemed to have paid, commission rates higher than it could have otherwise paid in order to obtain research or execution services if that the BlackRock Group company determines in good faith that the commission paid is reasonable in relation to the value of the research or execution services provided. The BlackRock Group believes that using commission dollars to obtain the research or execution services enhances its investment research and trading processes, thereby increasing the prospect for higher investment returns.

The BlackRock Group may from time to time choose to alter or choose not to engage in the above described arrangements to varying degrees, without notice to the BlackRock Group clients, to the extent permitted by applicable law.

^Source: BlackRock (Singapore) Limited.

CONFLICTS OF INTEREST

Income

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

BlackRock^

The Management Company and other BlackRock Group companies undertake business for other clients. The BlackRock Group companies, their employees and their other clients face conflicts with the interests of the Management Company and its clients. The BlackRock Group maintains a Conflicts of Interest Policy. It is not always possible for the risk of detriment to a client's interests to be entirely mitigated such that, on every transaction when acting for clients, a risk of detriment to their interests does not remain. The types of conflict scenario giving rise to risks which BlackRock Group considers it cannot with reasonable confidence mitigate are disclosed below. The disclosable conflict scenarios, may be updated from time to time

Please refer to the section "Conflicts of Interest" in Appendix C of the Underlying Fund's Luxembourg Prospectus for more information.

BlackRock's Prospectus Disclosures-
https://www.blackrock.com/sg/en/literature/prospectus/bgf-singapore-prospectus-sg.pdf
^Source: BlackRock (Singapore) Limited.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Asian Income Fund

INVESTMENT OBJECTIVE

The Asian Income Fund aims to provide income and capital growth over the medium- to longer-term by investing primarily in Asian equities (including real estate investment trusts) and Asian fixed income securities.

The sub-fund offers a monthly pay-out feature, with a historical distribution of 4.75% to 6% per annum. Distributions are not guaranteed and can be made out of income, capital gains, and/or capital of the sub-fund which is expected to result in an immediate reduction of the net asset value per unit/share. Past payout yields do not represent future payout yields. 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.

INVESTMENT SCOPE

The sub-fund has a yield focused strategy and potentially can invest in Asian high dividend yielding equities and Asian high yielding credits which can be below investment grade or unrated. The sub-fund intends to achieve this objective by investing all or substantially all of its assets in Schroder International Opportunities Portfolio – Schroder Asian Income which is managed by Schroder Investment Management (Singapore) Ltd.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	12 May 2014
Fund Size	S$606.31 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% per annum, which includes management fee charged by the investment manager of Schroder Asian Income Fund.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management (Singapore) Limited
Reference Benchmark	The fund is neither constrained to nor is it targeting any specific benchmark. However, as an indication of the performance of such a strategy, investors can consider the performance of a reference benchmark comprising 50% MSCI AC Asia Pacific ex-Japan Net and 50% JP Morgan Asia Credit Index.
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

Asian Income Fund

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio – Schroder Asian Income	608.6	100.4	Schroder International Opportunities Portfolio – Schroder Asian Income	381.4	100.3

Asian Income Fund

Schroder International Opportunities Portfolio - Schroder Asian Income ^

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Global Multi-Asset Income	89.5	2.1	Schroder ISF Global Multi-Asset Income Fund	90.2	3.4
HK Electric Investments & HK Electric Investments Ltd.	87.3	2.0	HSBC	53.9	2.0
CapitaLand Commercial Trust REIT	86.5	2.0	National Australia Bank	48.3	1.8
Mapletree Greater China Commercial Trust REIT	81.3	1.9	Link REIT	48.0	1.8
Link REIT	79.1	1.8	Mapletree Commercial Trust	43.8	1.7
Ascendas REIT	74.4	1.7	Mapletree Industrial Trust	43.8	1.7
China Construction Bank	74.4	1.7	Westpac	43.8	1.7
Mapletree Industrial Trust REIT	74.4	1.7	Duet Group	43.2	1.6
Fortune REIT	73.6	1.7	AusNet Services	43.0	1.6
Mapletree Commercial Trust REIT	73.1	1.7	HKT Trust & HKT Limited	43.0	1.6

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off.
^ Information extracted from the underlying Schroder International Opportunities Portfolio – Schroder Asian Income. Source: Schroder Investment Manager (Singapore) Ltd.

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. It invests all or substantially all of its assets in Schroder International Opportunities Portfolio – Schroder Asian Income which is managed by Schroder Investment Management (Singapore) Ltd.

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

Schroder Investment Management (Singapore) Ltd is the Investment Manager of Schroder Asian Income Fund. Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

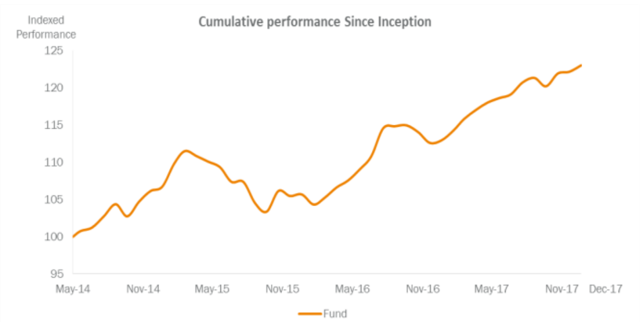
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$589.5 billion (as of 31 December 2017).

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, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

Asian Income Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Asian Income Fund	0.70%	2.34%	3.27%	8.91%
Benchmark	N.A.	N.A.	N.A.	N.A.
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Income Fund	4.85%	N.A.	N.A.	5.85%
Benchmark	N.A.	N.A.	N.A.	N.A.



The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Throughout 2017, we maintained our preference for equities over bonds and cash, which added value. The rally in equity markets continued against the backdrop of global growth and strong earnings. Asian credit also added value given the strong demand and stable fundamentals, despite monetary tightening in the US. Elsewhere, the allocation to global assets delivered positive returns but underperformed Asian assets. We added China assets in 2017 given its cheap valuations relative to other countries as short-term economic growth had stabilised and sentiment was improving, which also contributed to performance as it outperformed.

The synchronised strengthening of global growth remains intact. This, coupled with expectations that global liquidity conditions are to remain accommodative, despite policy tightening by the key central banks, suggests a positive backdrop for risk assets. Emerging Markets (EM) will continue to benefit from strong global trade expansion and rising commodities prices. We expect the weaker US Dollar (USD) environment to stay in the medium-term as economic growth for the rest of the world converges up with the US, which will provide further support to Asian assets. From a technical perspective, the strong fund inflows into EM assets in January is another factor providing the Asian markets with further impetus to go higher. In China, December exports maintained the strong momentum thanks to the higher demand from developed countries. The strengthening Renminbi and the rebuilding of foreign reserves also support market sentiment.

That being said, we are closely monitoring the risk that the inflation may rise faster than expected which could lead to faster monetary policy normalisation and a stronger USD. Elsewhere, political risks from the US with the mid-term election and Europe for 2018 might also bring some volatility back to the markets. Although we believe such risks should be contained given the current high valuation of the markets, risk management and active asset allocation still remains very important for investors when looking for income.

In fixed income, Indian and Indonesian credits were amongst the top positive contributors to performance in 2017. Looking ahead, there could be scope for some rotation from our Indian credit holdings to other parts of the credit market, especially short-term China high yield credits given the attractive yields and stable fundamentals. We have seen a large increase in new issue supply from China. We expect this trend to continue in 2018 and as such, we are mindful of the potential supply indigestion and will invest selectively. Additionally, we are also mindful of tail risks which could rattle financial markets. Stronger growth worldwide could put upward pressure on inflation and challenge the gradual pace of monetary policy normalisation from central banks.

Our equity strategy continues to focus on sectors such as REITs, financials and utilities which can generate sustainable and high dividends at more attractive valuations compared to technology stocks, which are becoming expensive after last year's strong rally. That being said, we have been adding to cyclical sectors such as energy stocks given the recovery of commodity prices, as well as consumer discretionary stocks such as Macau gaming over the past few months. The financials holdings in the portfolio can also help to hedge against the risk of rising bond yields while providing attractive dividend yields and benefiting from stronger economic growth as demand for credit and loans strengthens. We will continue to concentrate on high-quality companies with strong balance sheets and solid fundamentals offering sustainable dividend yields.

RISKS

The risk in the sub-fund is diversified by investing in a mixture of Asian equities, Asian fixed income securities and alternatives. As the sub-fund has direct/indirect investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty 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.

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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

Asian Income Fund

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 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 sub-fund changes.

Income's ILP sub-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 Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

EXPENSE AND TURNOVER RATIO

Asian Income Fund

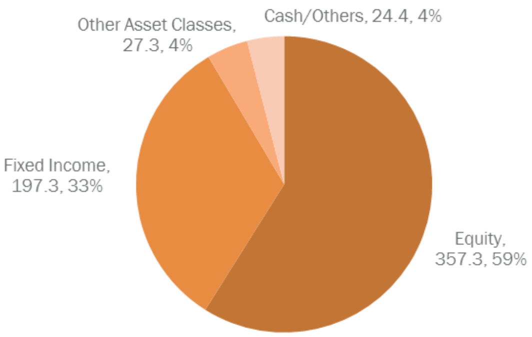
	Expense ratio	Turnover ratio
As of 31 December 2017	1.49%	9.05%
As of 31 December 2016	1.47%	7.36%

Schroder International Opportunities Portfolio - Schroder Asian Income

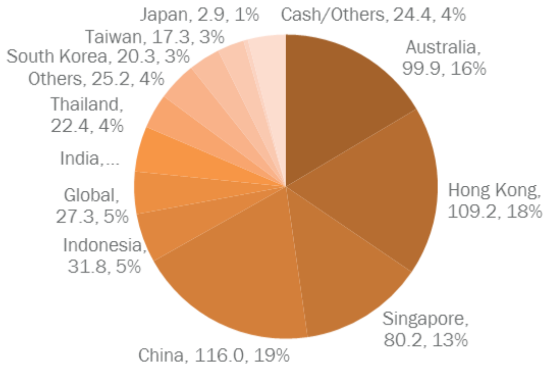
	Expense ratio	Turnover ratio
As of 31 December 2017	1.47%	18.63%
As of 31 December 2016	1.45%	26.26%

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.

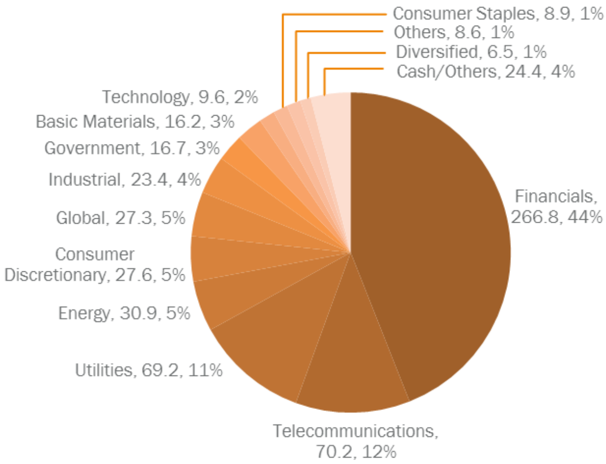
ASSET ALLOCATION^ AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION^ AS OF 31 DECEMBER 2017



SECTOR ALLOCATION^ AS OF 31 DECEMBER 2017



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil). ^Information extracted from the underlying Schroder International Opportunities Portfolio – Schroder Asian Income. Source: Schroder Investment Manager (Singapore) Ltd.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	380,264,607
Purchase of units	251,781,397
Redemption of units	(40,922,558)
Dividend distribution	(24,108,105)
Gain/(loss) on investments and other income	39,296,563
Value of fund as of 31 December 2017	606,311,904

Units in issue	616,169,158
Net asset value per unit	
- at the beginning of the year	0.949
- as of 31 December 2017	0.984

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Schroder Asian Income Fund	608.6	100.4

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, no management fee paid or payable by the sub-fund to the Investment Manager.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

The Manager did not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore. The Manager also did not receive soft dollars for the sub-fund.

Schroder^

In the management of the underlying Fund, Schroder may accept soft dollar commissions from, or enter into soft dollar arrangement with, stockbrokers who execute trades on behalf of the underlying Fund and the soft dollars received are restricted to the following kinds of services:

i. Research, analysis or price information, including computer or other information facilities;
ii. Performance measurement;
iii. Portfolio valuations; and
iv. Administration services.

Schroder may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist Schroder in their management of the underlying Fund, (b) best execution is carried out for the transactions, and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. Schroder shall not receive goods and services such as travel, accommodation and entertainment.

^Source: Schroder Investment Management (Singapore) Limited

CONFLICTS OF INTEREST

Income

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

Schroder^

The Managers and/or SIML may from time to time have to deal with competing or conflicting interests between the other funds which are managed by the Managers and/or SIML (as the case may be) with (in the case of the Managers) one or more of the Sub-Funds or (in the case of SIML) the Schroder Global Equity Stabiliser and/or the Schroder Global Quality Bond. For example, the Managers or SIML may make a purchase or sale decision on behalf of some or all of the other funds without making the same decision on behalf of the relevant Sub-Fund(s), as a decision whether or not to make the same investment or sale for the relevant Sub-Fund(s) depends on factors such as the cash availability and portfolio balance of such Sub-Fund(s). However the Managers and SIML will each use reasonable endeavours at all times to act fairly and in the interests of the relevant Sub-Fund(s). In particular, after taking into account the availability of cash and relevant investment guidelines of the other funds and the relevant Sub-Fund(s), the Managers and/or SIML (as the case may be) will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the other funds and the relevant Sub-Fund(s).

The factors which the Managers and/or SIML will take into account when determining if there are any conflicts of interest as described above include the assets (including cash) of the relevant Sub-Fund(s) as well as the assets of the other funds managed by the Managers and/or SIML (as the case may be). To the extent that another fund managed by the Managers and/or SIML (as the case may be) intends to purchase substantially similar assets, the Managers and/or SIML (as the case may be) will ensure that the assets are allocated fairly and proportionately and that the interests of all investors are treated equally between the relevant Sub-Fund(s) and the other funds. Associates of the Trustee may be engaged to offer financial, banking and brokerage services to the Sub-Fund(s) or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services, where provided, and such activities, where entered into, will be on an arm's length basis.

^Source: Schroder Investment Management (Singapore) Limited

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

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 pay-out feature, with a historical distribution of 4% to 5% of the net asset value per annum. Distributions are not guaranteed and can be made out of income, capital gains, and/or capital of the sub-fund which is expected to result in an immediate reduction of the net asset value per unit/share. Past payout yields do not represent future payout yields. 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.

INVESTMENT SCOPE

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 AS OF 31 DECEMBER 2017

Launch Date	26 March 2015
Fund Size	S$91.11 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% per annum, which includes management fee charged by the investment manager of Schroder International Selection Fund Global Multi-Asset Income.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management Limited Schroder Investment Management (Singapore) Limited
Benchmark	The Global Income fund is unconstrained and therefore not managed with reference to a benchmark.
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

Global Income Fund

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Schroder International Selection Fund - Global Multi Asset Income	91.8	100.8	Schroder International Selection Fund – Global Multi Asset Income	69.5	99.5

Global Income Fund

Schroder International Selection Fund Global Multi-Asset Income^

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Federative Republic Of Brazil 10% 01/01/2023	48.5	0.8	Schroder Utl Advanced Beta Global Equity Value Fund X	92.2	1.5
Microsoft Corporation	37.0	0.6	iShares Edge MSCI World Value Factor UCITS ETF USD	88.4	1.4
JPMorgan Chase & Co	34.5	0.5	Us Treasury 2.375% 31/12/2020	41.0	0.7
Berkshire Hathaway	31.9	0.5	Us Treasury 2% 15/11/2021	37.9	0.6
GCP Infrastructure Investments	31.9	0.5	Us Treasury 1.625% 15/11/2022	37.2	0.6
Wells Fargo & Co	31.9	0.5	Us Treasury Note 0.75% 31/10/2018	37.2	0.6
Starwood European Real Estate Finance Limited	31.3	0.5	Us Treasury 1.375% 30/09/2018	36.6	0.6
3i Infrastructure	30.0	0.5	Us Treasury 1.75% 30/09/2019	36.0	0.6
Apple Inc	28.7	0.5	Us Treasury 2.125% 15/08/2021	36.0	0.6
Johnson & Johnson	28.7	0.5	Schroder ISF Emerging Multi-Asset Income I Dis	35.4	0.6

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off.
^ Information extracted from the underlying Schroder International Selection Fund Global Multi-Asset Income. Source: Schroder Investment Manager (Singapore) Ltd.

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. It invests 100% in Schroder International Selection Fund Global Multi-Asset Income which is managed by Schroder Investment Management Limited. With effect from 1 July 2013, the investment management of a portion of the fixed income portfolio of the fund was delegated by Schroder Investment Management Limited to Schroder Investment Management (Singapore) Ltd. The Management Company is Schroder Investment Management (Luxembourg) S.A.

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

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) Limited

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

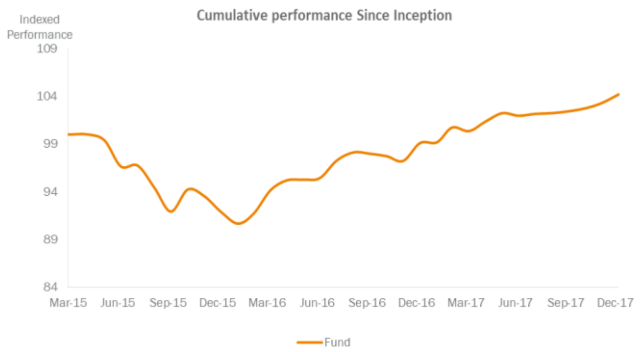
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$589.5 billion (as of 31 December 2017).

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, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

Global Income Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Income Fund	0.88%	1.73%	2.19%	5.14%
Benchmark	N.A.	N.A.	N.A.	N.A.
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Income Fund	N.A.	N.A.	N.A.	1.49%
Benchmark	N.A.	N.A.	N.A.	N.A.



The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Market Review

2017 was full of political noise, but ultimately, investors held their nerves and continued to push risk assets higher. Equities were our preferred asset class against a backdrop of synchronised global growth and improving earnings, which proved beneficial as equities were the best performing asset class by some way, with a largely smooth year of gains with all of the major indices providing positive returns in local currency terms. The star performer was the MSCI Emerging Markets (EM) index, which provided the highest return (+30.6% in local currency), while S&P 500 was second (+21.8%). Rising interest rates clearly impacted credit, but the low yield high liquidity and risk on environment continued to be supportive. With US Treasury yield starting the year at very low levels, further gains were difficult to achieve but they ended the year with a 2.1% return. Our US high yield exposure also contributed positively due to global investors' ongoing search for yield.

European political risk at the start of the year caused yields to rise in France and Italy ahead of the French presidential election. The risk of a Le Pen victory posed a threat to the survival of the monetary union, and therefore the Italian government's solvency given the help it is receiving from the European Central Bank quantitative easing. As the French electoral risk subsided, those two markets rebounded strongly, and ended the year as the two best performing.

It took a while for currency trends to become established in 2017, but from May, it was clear that the US Dollar (USD) reversed its gains from end of 2016 due to uncertainty over President Trump's policies. When measured using effective exchange rates, USD was on a weaker path (-8.4% for 2017), while the euro was going in the opposite direction (+8.6%).

Market Outlook

The global economy is experiencing the most synchronised expansion since the global financial crisis and, in tandem with the economic upswing, the outlook for corporate profits also appears favourable. This supports our positive view on equities and our preference for EM assets in both equities and fixed income. The obvious risk to our benign outlook is that asset valuations are stretched. Valuations on their own are not a great predictor of returns over a short time horizon, but they are an important indicator of risk and probability of loss. So far valuations have been underpinned by low inflation and low interest rates, and more recently by a recovery in earnings growth. High dividend yielding stocks have underperformed the broader index since mid-2016 and are now priced at a substantial discount to growth stocks. Growth stocks are currently at the top of their five year range, while high dividend stocks are near the bottom. We believe this is at extreme levels and expect to see some convergence between growth and income stocks in the coming year.

Critical to our strategy as we head into 2018 is that inflation and interest rates remain under control. Although inflation looks likely to increase due to the improvement in growth seen in 2017, we do not expect it to get out of hand, due to a combination of demographic and technological factors suppressing wage inflation. We therefore expect the process of monetary policy normalisation to be gradual. Nevertheless, the economic cycle is entering its later stages and we expect to become progressively more cautious in 2018.

On a regional basis, we have rebuilt our US position and still favour EM equities. We like the high quality nature of the US market with its strong earnings momentum which may also be boosted by tax reforms, while EMs offer attractive valuations and strong growth prospects. Conversely, we have moderated our position in European equities as we expect the pace of earnings to moderate in the coming months due to increased headwinds from the stronger euro.

On the fixed income side, we maintain our preference for EM debt, although recognise that some of the tailwinds which have supported these markets in 2017 are unlikely to continue into 2018. EM USD bonds could be vulnerable as rates start to rise, especially against a backdrop of stretched valuations and the increasing duration of the universe, while we believe we are close to the end of the rate cutting cycle which has been supporting local currency bonds. As a result, we become more selective, rotating some of this exposure into shorter dated sovereign bonds and high quality emerging corporate bonds, which offer an attractive yield with a lower duration.

Elsewhere, we maintain exposure to US high yield, again with a preference for shorter dated and higher quality names. While valuations are less compelling following a period of strong returns, low projected default rates and the ongoing search for yield by investors should continue to provide support. As rates start to rise, we should also start to see more opportunities in US investment grade credit.

Global Income Fund

RISKS

The risk in the sub-fund is diversified by investing 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). As the sub-fund has direct/indirect investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk; and (2) debt risk which includes interest rate sensitivity, credit risks, changes in debt rating and credit rating, non-investment grade risk, currency risks and sovereign risks. This is not an exhaustive list of risks.

The sub-fund may use financial derivative instruments for efficient portfolio management and hedging purpose only. The sub-fund does not use financial derivative instruments for optimizing returns. 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. The underlying fund's global exposure relating to financial derivative instruments 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 efficient portfolio management 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.

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.

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

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 sub-fund changes.

Income's ILP sub-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 Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

EXPENSE AND TURNOVER RATIO

Global Income Fund

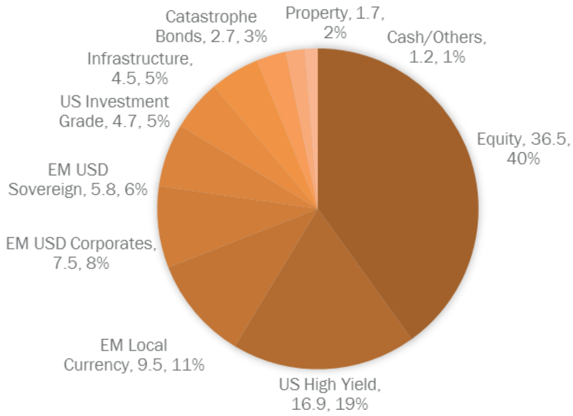
	Expense ratio	Turnover ratio
As of 31 December 2017	1.57%	33.63%
As of 31 December 2016	1.55%	23.11%

Schroder International Selection Fund Global Multi-Asset Income

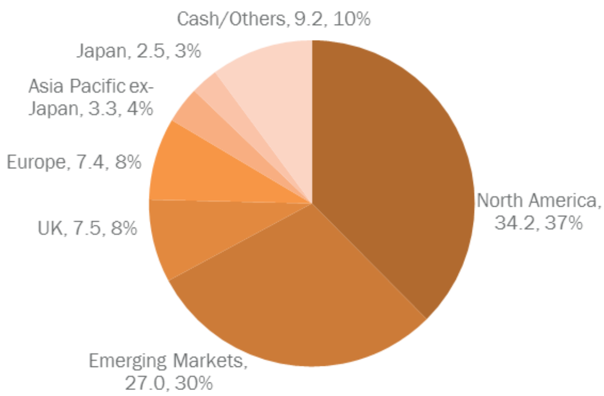
	Expense ratio	Turnover ratio
As of 31 December 2017	1.54%	105.56%
As of 31 December 2016	1.55%	109.91%

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.

ASSET ALLOCATION^ AS OF 31 DECEMBER 2017

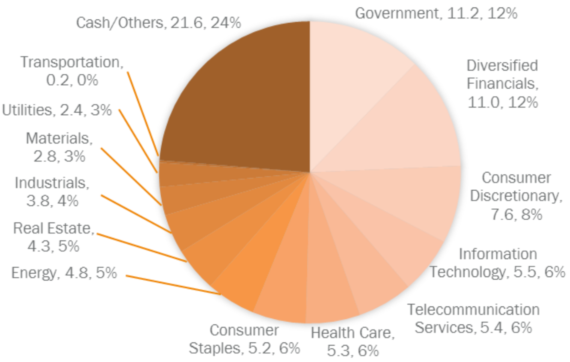


COUNTRY ALLOCATION^ AS OF 31 DECEMBER 2017



Global Income Fund

SECTOR ALLOCATION^ AS OF 31 DECEMBER 2017



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

^Information extracted from the underlying Schroder International Selection Fund Global Multi-Asset Income. Source: Schroder Investment Manager (Singapore) Ltd.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	69,898,820
Purchase of units	46,957,245
Redemption of units	(25,672,675)
Dividend distribution	(3,933,980)
Gain/(loss) on investments and other income	3,859,279
Value of fund as of 31 December 2017	91,108,689

Units in issue	103,860,183
Net asset value per unit	
- at the beginning of the year	0.877
- as of 31 December 2017	0.877

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
SISF-GLB M/A INC-ADSGDH SCHGMAH	91.8	100.8

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, there is no management fee paid or payable by the sub-fund to the Investment Manager.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

The Manager did not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore. The Manager also did not receive soft dollars for the sub-fund.

Schroder^

Schroder may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of Schroder, including the relevant sub-fund, and where Schroder is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interest of the relevant sub-fund. Any such arrangements must be made by Schroder on terms commensurate with best market practice.

^Source: Schroder Investment Management (Singapore) Limited

CONFLICTS OF INTEREST

Income

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

Schroder^

The Investment Managers and Schroders may effect transactions in which the Investment Managers or Schroders have, directly or indirectly, an interest which might involve a potential conflict with the investment manger's duty to the Company. Neither the Investment Managers nor Schroders shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Manager's fees, unless otherwise provided, be abated.

The Investment Managers will ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.

Such potential conflicting interest or duties may arise because the Investment Managers or Schroder may have invested directly or indirectly in the Company.

The prospect of the performance fee may lead the Investment Managers to make investments that are riskier than would otherwise be the case.

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Company and the Investors of the Company. The Depositary shall not carry out activities with regard to the Company that may create conflicts of interest between the Company, the Investors in the Company, the Management Company and the Depositary unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to Investors of the Company.

^Source: Schroder Investment Management (Singapore) Limited

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Global Technology Fund

INVESTMENT OBJECTIVE

To achieve long-term capital growth by investing globally in technology or technology-related industries.

INVESTMENT SCOPE

The sub-fund is fully invested in global technology equities. The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	1 August 2000
Fund Size	S$82.97 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Narrowly Focused – Sector – Technology
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Wellington Management Singapore Pte Ltd
Benchmark	MSCI World Information Technology Index (with net dividends reinvested) in Singapore Dollars
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Alphabet Inc Class A	6.7	8.1	Alphabet Inc Class A	4.2	6.1
Facebook Inc	6.0	7.2	Netflix Inc Com	3.0	4.3
Qualcomm Inc	2.7	3.3	Facebook Inc	2.7	4.0
NetApp Inc	2.7	3.3	Arista Networks Inc	2.4	3.5
Marvell Technology Group Ltd	2.6	3.1	Qualcomm Inc	2.3	3.4
Global Payments Inc	2.6	3.1	Amazon.com Inc	2.2	3.2
Salesforce.com Inc	2.5	3.1	Microchip Technology Inc	2.0	2.9
Flex Ltd	2.5	3.0	Cavium Inc	1.9	2.8
ServiceNow Inc	2.4	2.9	Seagate Technology Com	1.8	2.6
Apple Inc	2.4	2.9	Alibaba Group Holdings	1.7	2.6

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 is the Investment Manager of the sub-fund. The sub-fund is sub-managed by Wellington Management Singapore Pte Ltd.

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

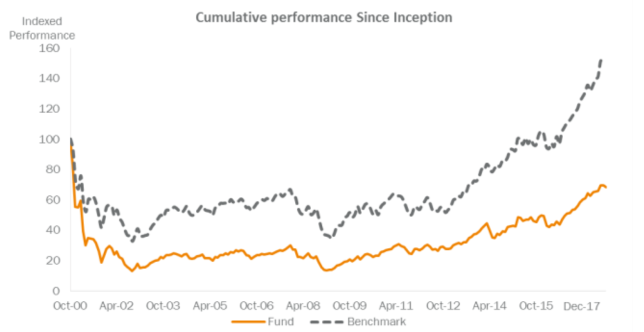
Global Technology Fund

Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1.08 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in 60 countries, as of 31 December 2017. WMC's singular focus is investments — from global equities and fixed income to currencies and commodities. WMC describes themselves as a community of teams that create solutions designed to respond to specific client needs. WMC's most distinctive strength is their proprietary, independent research, which is shared across all areas of the organisation and used only for managing clients' portfolios. Tracing its roots to the founding of Wellington Fund in 1928, the firm has offices in Boston, Massachusetts; Chicago, Illinois; Radnor, Pennsylvania; San Francisco, California; Beijing; Frankfurt; Hong Kong; London; Singapore; Sydney; Tokyo; Luxembourg and Zurich.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Technology Fund	-1.44%	3.79%	8.92%	26.90%
Benchmark	-0.84%	6.60%	13.99%	27.87%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Technology Fund	16.82%	19.56%	9.66%	-2.18%
Benchmark	17.32%	22.15%	9.35%	2.39%



Changes to benchmarks during the life of the sub-fund: Since inception to Mar 2009 - 100% NASDAQ Composite Index.
From Mar 2009 to 29 April 2016, the benchmark has been changed to Merrill Lynch 100 Technology Index in Singapore Dollar. With effect from 29 April 2016, the benchmark has been changed to MSCI World Information Technology Index in Singapore Dollars unhedged.

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Market Review

In the 3rd quarter of the year, a broad-based expansion of global economic growth, supportive monetary policy, and benign inflation helped drive the equity markets higher. Eurozone confidence reached a decade-high level during the month of September on the back of solid employment and manufacturing data and a reacceleration in the service sector. The US economy continued on an upward trajectory, and signs of firming inflation increased investors' expectations of further monetary policy tightening at the end of the year. As the global economy continued to gain momentum, central banks began to normalise their longstanding loose monetary policies. Angela Merkel was re-elected for a 4th term as German Chancellor. Her centre-right Christian Democratic Party was weakened after the far-right Alternative for Germany party won seats in Parliament. Merkel, along with French President Emmanuel Macron, now faces a more difficult task of deepening the Eurozone integration. Global geopolitical tensions were elevated in response to North Korean missile tests and a new Russia sanctions bill signed by US President Donald Trump.

Global equities posted positive results for the 7th consecutive quarter, ending 2017 with a gain of over 20%. Political concerns dominated headlines globally, while economic data across most major economies remained largely positive. Oil hit a two-year high following an extended OPEC supply-cut agreement through the end of 2018. While global merger and acquisition (M&A) volumes declined from 2016 by 1%, 2017's US$3.5 trillion in announced deals marked the 4th straight year that M&A levels surpassed US$3 trillion, a record streak. On the monetary policy front, during its October meeting the European Central Bank announced a reduction in its monthly asset purchases beginning in January, but extended the purchase programme through September 2018. The US Federal Reserve (Fed) raised the benchmark Fed rate by 25 basis points in December. The persistence of low inflation in developed countries continued to confound central bankers and increased anxiety over interest rate policy in light of a global acceleration in growth and low unemployment.

Market Outlook

Despite the strong performance of the technology sector in 2017, we still believe valuations of technology companies are supported by strong corporate earnings, a solid economic outlook, and synchronised global growth. Although the recent tax bill passed in the US is likely to increase consumer spending and aid technology companies, we do acknowledge other sectors will be larger direct beneficiaries, a primary reason for the rotation out of the technology sector in the latter half of the 4th quarter. We view US technology companies, which have by far the most aggregate overseas cash, to be the most significant beneficiaries of repatriation. This will likely spur share repurchases, balance sheet improvements, capital expenditures, and an increase in M&A. Our earnings outlook for global technology companies in 2018 remains strong, and we believe over the long-term valuations will continue to follow earnings despite short-term sector rotations and profit taking from the strongest performers.

RISKS

As the sub-fund has investments concentrating in the global technology sector, it is subject to equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk. This is not an exhaustive list of risks.

Global Technology Fund

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

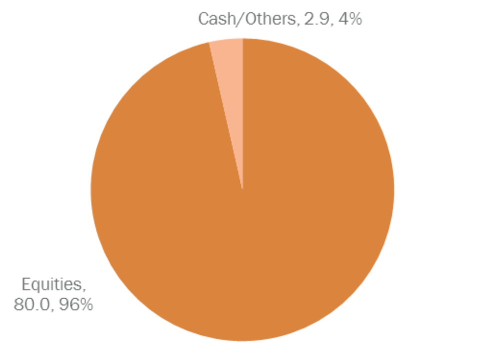
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

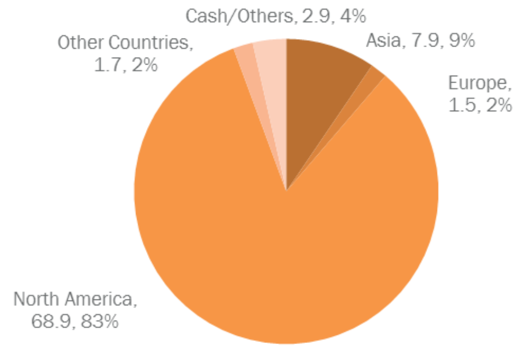
	Expense ratio	Turnover ratio
As of 31 December 2017	1.31%	161.64%
As of 31 December 2016	1.32%	305.44%

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.

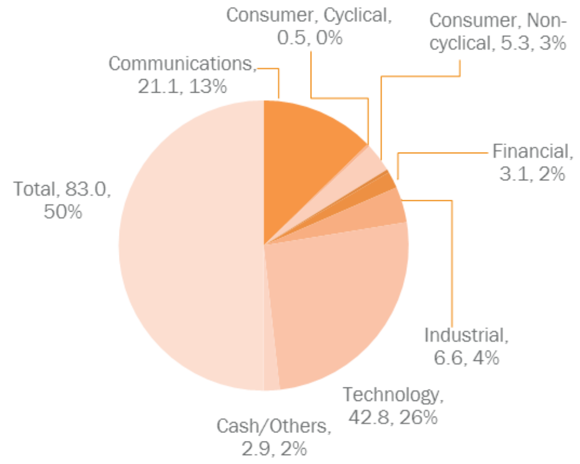
ASSET ALLOCATION AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under the Global Technology Fund.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	68,388,840
Purchase of units	15,905,914
Redemption of units	(19,350,457)
Gain/(loss) on investments and other income	19,011,395
Management fees & other charge	(986,437)
Value of fund as of 31 December 2017	82,969,255

Units in issue	121,330,061
Net asset value per unit	
- at the beginning of the year	0.539
- as of 31 December 2017	0.684

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	79	-	15,925	(53)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Gty Technology Holdings Inc	0.6	0.7

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$980,793.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager and Sub-Investment Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager and Sub-Investment Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager and Sub-Investment Manager did not accept or enter into soft dollar commission/arrangement unless such commission /arrangement would, in the opinion of the Manager and Sub-Investment Manager, assist the Manager/Sub-Investment Manager in the management of the sub-fund. The Manager and Sub-Investment Manager confirmed that trades were made on best execution basis, that is, the Manager and Sub-Investment Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades.

CONFLICTS OF INTEREST

The Manager and Sub-Investment Managers may from time to time have to deal with competing or conflicting interests between these sub-funds. However, the Manager and Sub-Investment Managers will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager and Sub-investment Managers have in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Prime Fund

INVESTMENT OBJECTIVE

To achieve long-term capital appreciation by investing in stocks and fixed income securities in the region, including North Asian and South-East Asian countries. The strategy is to be value oriented.

INVESTMENT SCOPE

The investment scope is Singapore (30%), Hong Kong (20%) and Thailand (10%) stocks and regional bonds (40%). The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	2 August 1973
Fund Size	S$255.08 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Narrowly Focused – Regional – Asia
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	30% FTSE Straits Times Index (FTSE STI) 20% Hang Seng Index in Singapore Dollars 10% Stock Exchange of Thailand Index in Singapore Dollars 40% Singapore 3-month Deposit Rate
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	100.9	39.6	Singapore Bond Fund	80.2	37.8
DBS Group Holdings Ltd	15.7	6.2	DBS Group Holdings Ltd	9.0	4.2
Oversea-Chinese Banking Corp	13.5	5.3	Oversea-Chinese Banking Corp	8.3	3.9
Tencent Holdings Ltd	11.8	4.6	Tencent Holdings Ltd	7.6	3.6
PING AN Insurance Group Co	7.2	2.8	HSBC Holdings Plc	6.0	2.8
HSBC Holdings Plc	6.7	2.6	AIA Group Ltd	4.6	2.2
Thai Beverage PCL	6.3	2.5	PING AN Insurance Group Co	4.4	2.1
AIA Group Ltd	5.8	2.3	Singapore Telecommunications Ltd	4.2	2.0
UOL GROUP LIMITED SGD1	5.6	2.2	Singapore Technologies Engineering Ltd	3.8	1.8
Singapore Telecommunications Ltd	5.3	2.1	United Overseas Bank Ltd	3.5	1.7

^ Please refer to the Fund Report of Singapore Bond Fund for the top 10 holdings.
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 is the Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to 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, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Prime Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Prime Fund	0.81%	5.03%	9.04%	19.95%
Benchmark	0.46%	3.93%	6.65%	14.42%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Prime Fund	7.34%	6.38%	4.25%	8.63%
Benchmark	5.21%	5.16%	3.58%	N.A.

Changes to benchmarks during the life of the sub-fund: 31 Dec 94 to 31 Mar 98 - 33.33% DBS50, 33.33% KLCI, 33.33% Singapore 3-Month Deposit rate.
Important: The comparison to the benchmark commenced from December 1994 even though the inception date for Prime fund was August 1973.

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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

Singapore, Hong Kong and Thailand markets switched fortunes in 2017, with the former two posting one of the strongest returns in the region. Uncertainties surrounding Trump administrative policies, European elections and uncertain growth trajectory of the Chinese economy at the start of the year were displaced by optimism over robust trade growth, tax cuts in the US, and synchronised global economic expansion. Hong Kong market fared the best on the back of China's stabilising economic growth and a massive influx of Chinese capital flowing into the special administrative region. Being an open economy, Singapore benefited from the strong rebound in global trade and emerged as the best performing market in ASEAN. Thailand benefited as well but sentiment was weighed down due to the yearlong mourning of the King.

The FTSE Straits Times Index (STI) rose 18.1% to close the year at 3403, marking the strongest year since 2012. The financial sector was the top performer as improving loan growth, rising interest rates and kitchen sinking of bad debt associated with the oil and gas sector pave the way for robust earnings growth in 2018. DBS delivered a total return of 47.7%, reflecting its high leverage to rising interest rates and potential return on equity uplift from its digital initiatives. The real estate sector was the second best performer, driven by a rebound in secondary market transactions and en-bloc activities after regulator made some tweaks to housing policies. Developers with substantial exposure to the Singapore residential property market such as City Development and UOL Group were some of the best performing stocks in the FTSE STI, up 53.1% and 51.2% respectively, during the year. On a more negative note, in December 2017, Keppel Corp announced that the group will pay a fine of US$422 million to authorities in the US, Brazil and Singapore for a global resolution to illegal payments to win orders in Brazil. While the corruption probe was known, the magnitude of the fine is unexpected.

Economic momentum continues to firm up in Singapore with flash estimates indicating gross domestic product (GDP) growth of 3.1% year-on-year (yoy) in 4th quarter of 2017. This would bring full year GDP growth to 3.5% yoy, hitting the upper bound of the 3%-3.5% range expected by the Ministry of Trade and Industry, which was revised up from an earlier estimate of 2%-3%. Core inflation, which excludes costs for private road transportation and accommodation, came in at 1.3% yoy in December, in line with Monetary Authority of Singapore's (MAS) projection of average core inflation in the 1%-2% range. The improving private residential property market is also lending support to the domestic economy as prices rose 0.5% quarter-on-quarter in 3rd quarter of 2017, ending the 15-quarter streak of declining prices. At the same time, en-bloc collective sales quadrupled to S$5.2 billion in the first nine months of 2017, with many of them achieving record-high per-square-foot prices. This sets expectations for further increases in property prices when developers launch their new properties in 2018. While MAS maintained its zero appreciation policy stance, the forward guidance to maintain this for an extended period was removed from its statement. This moderation in wording and the firming up of cyclical momentum in the economy are precursors to potential monetary tightening moves in 2018.

The Hang Seng Index enjoyed a robust rally throughout 2017, rising 36.0% to close at 29,919, achieving its strongest annual growth since 2009. Several factors contributed to this, including China's stabilising economic growth, improving demand and supply fundamentals across key sectors such as property and commodities, positive flow-through effects to banks and consumption, a global recovery boosting trade growth and a massive influx of Chinese capital flowing into Hong Kong's stock market. A much-anticipated 19th National Congress of the Communist Party of China, held during October, also underpinned the market leading up to the event, given that government actions were expected to and did support the economy and keep the market sanguine. In terms of sector, Technology was the best performer driven primarily by Tencent (+114.5%), while Consumer Discretionary also did very well. Other sectors which benefited from the macroeconomic upswing include Consumer Staples, Real Estate and Financials.

On the economic front, both China and Hong Kong's economies performed commendably in 2017. China's reported real (inflation-adjusted) GDP growth reached 6.9%, representing the first uptick in years and an improvement over the government's own soft target of 6.5%. Various macroeconomic data such as the Caixin composite Purchasing Managers' Index (PMI) and factory output growth finished the year strong, pointing to a healthy economic growth momentum. The property market surged in 2017 especially for the lower-tier cities, largely due to government policies such as the shantytown redevelopment scheme which subsidised property purchases for relocated families. Supply-side structural reforms continued to curb overcapacity in commodities, leading to improved industrial profits for the metals and mining sector and reduced non-performing loans for banks. Wealth effect stemming from the property and stock markets boosted consumer sentiment, supporting accelerated store openings and price hikes in 2nd half of 2017, and lastly mainland Chinese investors more than doubled their share purchases on the Hong Kong stock market in 2017 versus 2016. In Hong Kong, 3rd quarter of 2017 GDP grew 3.6% yoy on the back of an acceleration in private consumption, driven by a tightening labour market, and export growth. The services sector also did well along with a recovery in tourism inflows – in particular, retail sales registered positive growth since April 2017, with tourism-dependent categories picking up considerably.

2017 saw the SET Index having two different halves. In the 1st half the index saw a muted price return of 2.06% which lagged regional indices. Despite this, it sprung into life in the 2nd half giving investors a price return of 11.37% ending 2017 with a total price return of 13.66%. Although the market did well, foreigners were net sellers for 2017 to a tune of US$700 million. Looking at the sectors, the petrochemical sector had a stellar year with Indorama Ventures leading the way gaining 58.86%. The segment was buoyant with chemical spreads increasing thus benefiting them. On the flip side, the worst performing segment was the insurance sector with Bangkok Life Assurance the worst performer with a return of -33.49%.

Thailand's GDP growth has improved slowly over 2017 with 3rd quarter GDP growth at 4.3% yoy, the highest quarterly growth rate in the past 4 years, coming off a low base due to the passing of the King in 2016. The strong GDP was primarily driven by a growth in exports as Thailand benefit from a synchronised global recovery. There were also signs of an uptick in private consumption. Tourism continued to be a bright spot with arrivals growing by 8.1% yoy in the first eleven months of 2017. Bank of Thailand continued to hold rates at 1.5% slightly above the historical lows of 1.25%.

Looking ahead into 2018, the economic recovery seen in 2017 should extend and firm up in 2018 with the conducive backdrop of strong global PMI readings, positive earnings revisions, stable core inflation and a large tax cut in the world's largest economy. Singapore's economic recovery, which was led by electronics export, should broaden out to the services and construction sectors. Property market volume growth and price momentum should continue into 2018 as the diminished residential supply is further exacerbated by the sharp pick up in en-bloc activities. We expect the property market momentum to filter through to construction activities as well as improved consumer sentiments. While potential GST hike could dampen retail sales in the near-term, history suggests that the negative impact on consumption is typically short-lived. If crude oil price can sustain at current levels and rig utilisation continues to improve, the growing order pipeline at Singapore's offshore and marine sector should start to translate into new order wins.

The Hong Kong market should continue to benefit from the government's policies anchoring a further stabilisation of the economy and rebalance from infrastructure-led to consumption-led growth. The market will also remain supported by investment inflows from Chinese investors.

For Thailand, growth is expected to remain robust. This growth is on the premise of a sustained global recovery driving strong export numbers in Thailand coupled with the continuation of the government's infrastructure spending. Despite this backdrop, geopolitical risk remain which could derail some of these expectations. On top of this, Thailand elections slated for end of 2018 remain a potential source of risk.

In view of the sustained economic growth momentum, the portfolio is positioned in a good mix of cyclical stocks and high quality names, which should benefit from the broad economy recovery. We continue to believe stocks which benefit from higher interest rates would be beneficiaries of the continued recovery in 2018. Given our reflationary stance, we remain cautious on REITs as well as telecoms, which may not do well in a rising interest rate environment.

RISKS

The risk in the Prime Fund is diversified by investing in a mixture of Asian equities & bonds. As the sub-fund has investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty 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.

The Manager intends to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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 sub-fund changes.

Income's ILP sub-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 Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

Prime Fund

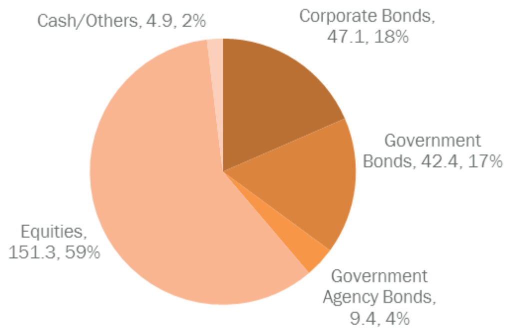
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2017	1.06%	31.92%
As of 31 December 2016	0.95%	41.99%

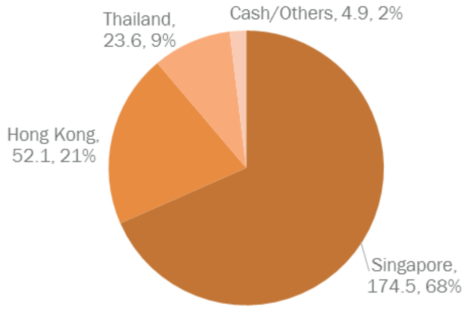
Please refer to the Fund Report of Singapore Bond Fund for details on the turnover and expense ratios.

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.

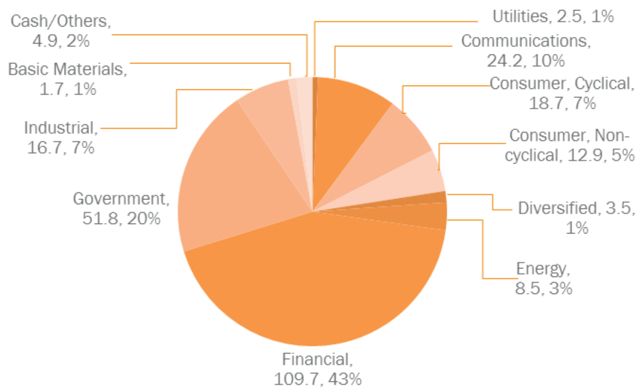
ASSET ALLOCATION AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	48.4	19.0
AA	4.5	1.8
AA-	0.3	0.1
A+	5.8	2.3
A	6.4	2.5
A-	5.2	2.1
BBB+	1.8	0.7
BBB	8.7	3.4
BBB-	0.6	0.3
Not rated	17.2	6.7
Total	98.9	38.8

'Not rated' 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.

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	212,473,372
Purchase of units	27,092,749
Redemption of units	(26,160,393)
Gain/(loss) on investments and other income	43,563,917
Management fees & other charge	(1,890,616)
Value of fund as of 31 December 2017	255,079,029

Units in issue	28,415,949
Net asset value per unit	
- at the beginning of the year	7.484
- as of 31 December 2017	8.977

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	0	0	(1,200)	1,757

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	100.9	39.6
Far East Hospitality Trust NPV	2.2	0.9
Mapletree Commercial Trust REIT NPV	1.5	0.6

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$1,890,616.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process. The Manager did 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 sub-fund. The Manager confirmed that trades were made on best execution basis, that is, the Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades. The said brokers had also executed trades for other sub-funds managed by the Manager.

CONFLICTS OF INTEREST

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

REPORTS

The financial year end of the sub-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.

Takaful Fund

INVESTMENT OBJECTIVE

To achieve long-term capital appreciation by investing in a diversified global portfolio of equity securities issued by companies considered to be in compliance with Islamic guidelines. This sub-fund is designed based on Islamic principles.

INVESTMENT SCOPE

The sub-fund invests in the global equity markets in instruments that are Syariah compliant. The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2017

Launch Date	1 September 1995
Fund Size	S$19.52 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Wellington Management Singapore Pte Ltd
Benchmark	S&P BMI Global Shari'ah Index in Singapore Dollars
Structure	Single Fund

The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

December 2017	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
Apple Inc	0.6	2.9	Apple Inc	0.5	2.9
Alphabet Inc Class A	0.5	2.7	Alphabet Inc Class A	0.5	2.4
Pepsico Inc	0.4	2.1	Bristol-Myers Squibb Co	0.4	1.9
Facebook Inc	0.4	2.1	Unilever Plc	0.3	1.7
Visa Inc	0.3	1.8	Mondelez International Inc	0.3	1.7
Tencent Holdings Ltd	0.3	1.7	Pepsico Inc	0.3	1.6
Bristol-Myers Squibb Co	0.3	1.7	Visa Inc	0.3	1.5
Unilever Plc	0.3	1.6	Exxon Mobil	0.3	1.5
Microsoft Corp	0.3	1.6	FedEx Corp	0.3	1.4
Nestle SA	0.3	1.6	Facebook Inc	0.3	1.4

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 is the Investment Manager of the sub-fund. Wellington Management Singapore Pte Ltd is the Sub-Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

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

As of 31 December 2017, Income had S$35.11 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Takaful Fund

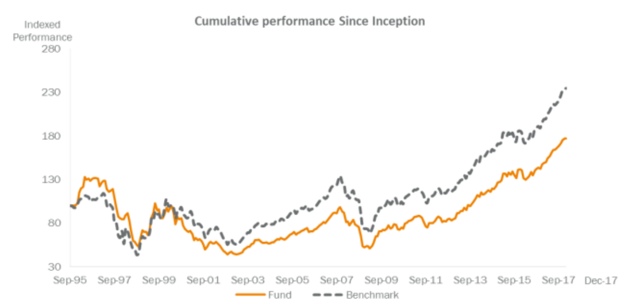
Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1.08 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in 60 countries, as of 31 December 2017. WMC's singular focus is investments — from global equities and fixed income to currencies and commodities. WMC describes themselves as a community of teams that create solutions designed to respond to specific client needs. WMC's most distinctive strength is their proprietary, independent research, which is shared across all areas of the organisation and used only for managing clients' portfolios. Tracing its roots to the founding of Wellington Fund in 1928, the firm has offices in Boston, Massachusetts; Chicago, Illinois; Radnor, Pennsylvania; San Francisco, California; Beijing; Frankfurt; Hong Kong; London; Singapore; Sydney; Tokyo; Luxembourg and Zurich.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Takaful Fund	0.07%	3.37%	7.85%	18.38%
Benchmark	0.45%	4.18%	8.94%	17.83%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Takaful Fund	11.64%	15.67%	6.75%	2.59%
Benchmark	11.12%	14.41%	6.45%	3.89%



Changes to benchmarks during the life of the sub-fund: Since 1 Jul 2010 to 16 Dec 2010 - 60% S&P Global BMI Shari'ah Index, 20% FTSE STI, 16% HSI,4% SET; Since Oct 2002 to Jun 2010 - 60% DJ Islamic Index, 20% FTSE STI, 16% HSI, 4% SET; Since Jun 2001 to Sep 2002 - 60% MSCI World, 20% FTSE STI, 16% HSI, 4% SET; Since Apr 1998 to May 2001 - 50% FTSE STI, 40% HSI, 10% SET; Since Apr 1997 to Mar 1998 - 50% FTSE STI, 50% KLCI; Since inception to Mar 1997 - 33.33% DBS 50, 33.33% KLCI, 33.33% Singapore 3-Month Deposit rate.

The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, 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.

1 Note to our Policyholders on Revision of Benchmark Return:
Effective from 1 April 2011, dividend reinvested has been included in the returns of the benchmark to achieve a better comparison of the sub-fund's performance against its benchmark. The historical benchmark returns for the period from 1 July 2010 to 31 March 2011 have therefore been revised.

MARKET REVIEW

Market Review

In the 3rd quarter of the year, a broad-based expansion of global economic growth, supportive monetary policy, and benign inflation helped drive the equity markets higher. Eurozone confidence reached a decade-high level during the month of September on the back of solid employment and manufacturing data and a reacceleration in the service sector. The US economy continued on an upward trajectory, and signs of firming inflation increased investors' expectations of further monetary policy tightening at the end of the year. As the global economy continued to gain momentum, central banks began to normalise their longstanding loose monetary policies. Angela Merkel was re-elected for a 4th term as German Chancellor. Her centre-right Christian Democratic Party was weakened after the far-right Alternative for Germany party won seats in Parliament. Merkel, along with French President Emmanuel Macron, now faces a more difficult task of deepening the Eurozone integration. Global geopolitical tensions were elevated in response to North Korean missile tests and a new Russia sanctions bill signed by US President Donald Trump.

Global equities posted positive results for the 7th consecutive quarter, ending 2017 with a gain of over 20%. Political concerns dominated headlines globally, while economic data across most major economies remained largely positive. Oil hit a two-year high following an extended OPEC supply-cut agreement through the end of 2018. While global merger and acquisition (M&A) volumes declined from 2016 by 1%, 2017's US$3.5 trillion in announced deals marked the 4th straight year that M&A levels surpassed US$3 trillion, a record streak. On the monetary policy front, during its October meeting the European Central Bank announced a reduction in its monthly asset purchases beginning in January, but extended the purchase programme through September 2018. The US Federal Reserve (Fed) raised the benchmark Fed rate by 25 basis points in December. The persistence of low inflation in developed countries continued to confound central bankers and increased anxiety over interest rate policy in light of a global acceleration in growth and low unemployment.

Market Outlook

Looking ahead, our analysts remain focused on fundamental, bottom-up stock selection with an eye on how the macro-economic outlook will affect the companies in which they invest. We continue to identify themes and opportunities that will shape future investment decisions.

Within technology, we believe the market is still underestimating the structural underpinnings behind semiconductor market growth and we think wafer price hikes can continue on for the next few years as supply is coming on much slower than what people have expected. On the one hand, the growing Internet-of-Things will involve a large increase in the number of connected devices, driving exponential growth in demand for processing and storage. On the other hand, smart devices will incorporate new capabilities and enable new applications which will drive demand for graphics processors, DRAM, NAND flash, sensors and advanced connectivity, and, in turn, demand for leading-edge chip making capacity.

RISKS

As the sub-fund has investments concentrating in equities, it is subject to equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk. This is not an exhaustive list of risks.

The managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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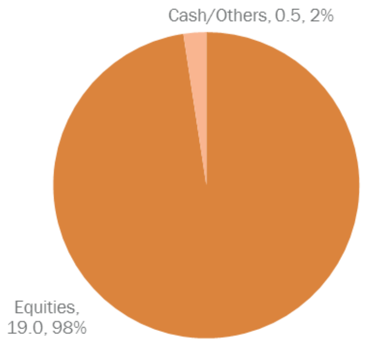
EXPENSE AND TURNOVER RATIO

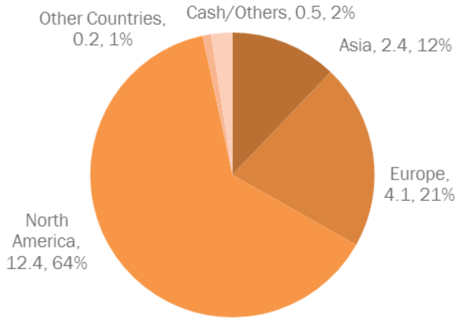
	Expense ratio	Turnover ratio
As of 31 December 2017	1.24%	38.17%
As of 31 December 2016	1.17%	47.10%

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.

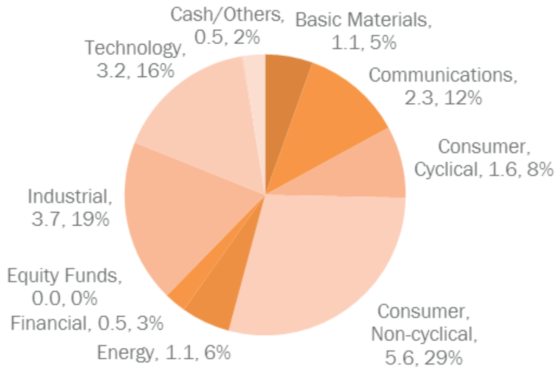
ASSET ALLOCATION AS OF 31 DECEMBER 2017



COUNTRY ALLOCATION AS OF 31 DECEMBER 2017



SECTOR ALLOCATION AS OF 31 DECEMBER 2017



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under the Takaful Fund.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2017

	S$
Value of fund as of 1 January 2017	18,581,922
Purchase of units	584,575
Redemption of units	(2,878,902)
Gain/(loss) on investments and other income	3,437,421
Management fees & other charge	(208,261)
Value of fund as of 31 December 2017	19,516,755

Units in issue	13,523,572
Net asset value per unit	
- at the beginning of the year	1.219
- as of 31 December 2017	1.443

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	291	-	3,042	117

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$192,135.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager and Sub-Investment Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Sub-Investment Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services used for and in support of the investment process. The Sub-Investment Manager did not accept or enter into soft dollar commission/arrangement unless such commission/arrangement would, in the opinion of the Sub-Investment Manager, assist the Sub-Investment Manager in the management of the sub-fund. The Sub-Investment Manager confirmed that the trades were executed on a best execution basis, that is, the Sub-Investment Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades.

CONFLICTS OF INTEREST

As the Manager of various Income ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds. However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis. The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

Wellington did not encounter any conflict of interests in the management of the sub-fund.

OTHER PARTIES

The auditor of this sub-fund is KPMG LLP. Please note that financial results ending 31 December of each year will be audited.

MATERIAL INFORMATION

There is no material information that will adversely impact the valuation of the sub-fund.

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.

Financial Statements

CAPITAL AND INCOME ACCOUNT

	Global Bond Fund S$	Global Equity Fund S$	Singapore Bond Fund S$	Singapore Equity Fund S$
Value of fund as of 1 January 2017	118,936,445	239,979,341	276,509,944	155,644,554
Purchase of units	11,645,756	6,921,272	45,310,383	14,194,679
Redemption of units	(8,313,336)	(28,391,545)	(18,367,877)	(39,315,762)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	3,560,857	39,134,440	19,448,156	32,907,715
Management fees & other charge	(1,029,876)	(3,134,889)	(1,473,054)	(1,035,769)
Value of fund as of 31 December 2017	124,799,846	254,508,619	321,427,552	162,395,417

	Asia Managed Fund S$	Global Managed Fund (Balanced) S$	Global Managed Fund (Conservative) S$	Global Managed Fund (Growth) S$
Value of fund as of 1 January 2017	97,420,773	169,394,790	11,641,467	239,511,733
Purchase of units	30,022,101	6,298,036	1,018,080	12,944,434
Redemption of units	(14,896,539)	(18,171,323)	(1,090,480)	(27,403,752)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	31,019,309	16,410,065	813,301	29,810,820
Management fees & other charge	(411,425)	(202,418)	(12,011)	(314,100)
Value of fund as of 31 December 2017	143,154,219	173,729,150	12,370,357	254,549,135

Financial Statements

CAPITAL AND INCOME ACCOUNT

	Singapore Managed Fund S$	Aim Now S$	Aim 2025 S$	Aim 2035 S$
Value of fund as of 1 January 2017	79,754,843	101,859,760	14,262,821	18,788,332
Purchase of units	9,899,209	11,654,516	3,190,295	2,689,798
Redemption of units	(11,507,525)	(32,597,695)	(2,509,983)	(2,112,620)
Dividend distribution	-	(1,863,242)	-	-
Gain/(loss) on investments and other income	12,859,743	6,629,421	1,936,900	3,638,617
Management fees & other charge	(692,597)	(567,017)	(136,058)	(190,786)
Value of fund as of 31 December 2017	90,313,673	85,115,743	16,743,975	22,813,341

	Aim 2045 S$	Money Market Fund S$	Asian Income Fund S$	Asian Bond Fund S$
Value of fund as of 1 January 2017	20,631,539	17,982,678	380,264,607	21,906,541
Purchase of units	5,770,433	45,434,974	251,781,397	18,135,179
Redemption of units	(3,567,679)	(48,543,958)	(40,922,558)	(8,349,176)
Dividend distribution	-	-	(24,108,105)	(1,171,968)
Gain/(loss) on investments and other income	4,233,857	244,069	39,296,563	1,420,188
Management fees & other charge	(215,933)	(41,878)	-	-
Value of fund as of 31 December 2017	26,852,217	15,075,885	606,311,904	31,940,764

	Global Income Fund S$	Global Technology Fund S$	Prime Fund S$	Takaful Fund S$
Value of fund as of 1 January 2017	69,898,820	68,388,840	212,473,372	18,581,922
Purchase of units	46,957,245	15,905,914	27,092,749	584,575
Redemption of units	(25,672,675)	(19,350,457)	(26,160,393)	(2,878,902)
Dividend distribution	(3,933,980)	-	-	-
Gain/(loss) on investments and other income	3,859,279	19,011,395	43,563,917	3,437,421
Management fees & other charge	-	(986,437)	(1,890,616)	(208,261)
Value of fund as of 31 December 2017	91,108,689	82,969,255	255,079,029	19,516,755

Financial Statements

BALANCE SHEET

	Global Bond Fund	Global Equity Fund	Singapore Bond Fund	Singapore Equity Fund	Asia Managed Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	-	253,581,781	-	160,845,173	143,126,429
Debt securities	116,234,193	-	315,145,738	-	-
Financial derivatives	1,223,724	1,118	60,499	2,160	-
Other receivables and assets	2,659,210	2,344,918	3,437,673	3,124,122	2,367,723
Cash and cash equivalents	7,322,445	2,306,061	3,152,953	1,581,733	257,738
Total assets	127,439,572	258,233,878	321,796,863	165,553,188	145,751,890
LIABILITIES					
Financial liabilities					
Financial derivatives - Liabilities	451,932	1,492	16,401	-	-
Other payables and liabilities	2,187,794	3,723,767	352,910	3,157,771	2,597,671
Margin account	-	-	-	-	-
Total liabilities	2,639,726	3,725,259	369,311	3,157,771	2,597,671
Value of fund	124,799,846	254,508,619	321,427,552	162,395,417	143,154,219
Units in issue	78,590,731	75,447,932	173,420,817	46,871,324	44,114,607
Net asset value per unit					
- at the beginning of the year	1.555	2.920	1.743	2.847	2.486
- as of 31 December 2017	1.588	3.373	1.853	3.465	3.245

	Global Managed Fund (Balanced)	Global Managed Fund (Conservative)	Global Managed Fund (Growth)	Singapore Managed Fund	Aim Now
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	173,970,973	12,232,455	254,622,250	88,439,486	83,482,689
Debt securities	-	-	-	-	1,099,103
Financial derivatives	-	-	-	-	172,909
Other receivables and assets	2,048,442	149,229	2,588,390	2,061,923	36,504
Cash and cash equivalents	184,963	107,701	115,419	275,214	803,661
Total assets	176,204,378	12,489,385	257,326,059	90,776,623	85,594,866
LIABILITIES					
Financial liabilities					
Financial derivatives - Liabilities	-	-	-	-	14,267
Other payables and liabilities	2,475,228	119,028	2,776,924	462,950	464,856
Margin account	-	-	-	-	-
Total liabilities	2,475,228	119,028	2,776,924	462,950	479,123
Value of fund	173,729,150	12,370,357	254,549,135	90,313,673	85,115,743
Units in issue	76,836,053	6,273,001	101,674,696	29,513,021	89,649,228
Net asset value per unit					
- at the beginning of the year	2.059	1.844	2.223	2.647	0.908
- as of 31 December 2017	2.261	1.972	2.504	3.060	0.949

Financial Statements

BALANCE SHEET

	Aim 2025	Aim 2035	Aim 2045	Money Market Fund	Asian Income Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	16,175,711	22,516,242	26,198,276	-	608,614,271
Debt securities	-	-	-	14,844,892	-
Financial derivatives	41,757	35,402	36,997	24,991	-
Other receivables and assets	6,696	174,190	452,565	768,987	6,714,027
Cash and cash equivalents	563,048	781,085	1,463,353	345,540	3,169,119
Total assets	**16,787,212**	**23,506,919**	**28,151,191**	**15,984,410**	**618,497,417**
LIABILITIES					
Financial liabilities					
Financial derivatives - Liabilities	2,866	3,013	2,990	-	-
Other payables and liabilities	40,371	690,565	1,295,984	908,525	12,185,513
Margin account	-	-	-	-	-
Total liabilities	**43,237**	**693,578**	**1,298,974**	**908,525**	**12,185,513**
Value of fund	**16,743,975**	**22,813,341**	**26,852,217**	**15,075,885**	**606,311,904**
Units in issue	**11,280,985**	**13,764,814**	**15,980,668**	**12,940,656**	**616,169,158**
Net asset value per unit					
- at the beginning of the year	**1.321**	**1.402**	**1.412**	**1.151**	**0.949**
- as of 31 December 2017	**1.484**	**1.657**	**1.680**	**1.165**	**0.984**

	Asian Bond Fund	Global Income Fund	Global Technology Fund	Prime Fund	Takaful Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	32,886,549	91,797,893	80,025,732	252,168,381	19,046,927
Debt securities	-	-	-	-	-
Financial derivatives	-	-	79	-	307
Other receivables and assets	501,913	929,259	1,165,732	1,479,873	81,110
Cash and cash equivalents	257,814	1,043,945	2,147,983	3,525,063	579,650
Total assets	**33,646,276**	**93,771,097**	**83,339,526**	**257,173,317**	**19,707,994**
LIABILITIES					
Financial liabilities					
Financial derivatives - Liabilities	-	-	-	-	16
Other payables and liabilities	1,705,512	2,662,408	370,271	2,094,288	191,223
Margin account	-	-	-	-	-
Total liabilities	**1,705,512**	**2,662,408**	**370,271**	**2,094,288**	**191,239**
Value of fund	**31,940,764**	**91,108,689**	**82,969,255**	**255,079,029**	**19,516,755**
Units in issue	**33,489,622**	**103,860,183**	**121,330,061**	**28,415,949**	**13,523,572**
Net asset value per unit					
- at the beginning of the year	**0.939**	**0.877**	**0.539**	**7.484**	**1.219**
- as of 31 December 2017	**0.954**	**0.877**	**0.684**	**8.977**	**1.443**

Notes to The Financial Statements

These notes form an integral part of the financial statements.

1 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.

(c) Investments

All purchases of investments are recognised on their trade dates, which are the date 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 date 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 Dollar, at exchange rates prevailing at the dates of the transaction. 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.

Guide to Your Investment-Linked Policy Statement

Here is a guide to help you understand your statement better.

Description of Transaction Details	
Ad-hoc Top-up	Amount of ad-hoc top-up premium paid
Additional Risk Premium	Mortality charge for IB1, IP1 and IP2 plans only
Advisory Charges	The commission paid to the adviser
Closing Balance	The number of units in each fund at the end of the statement period
DD1 COI (Dread Disease Cover insurance cover charge)	Premium deducted via units for rider insurance cover charge
Distribution Reinvestment	Amount reinvested into the policy after the distribution payout
Free Fund Units	The number of units allocated to offset bid-offer spread for single premium investments
	The number of units allocated for VivaLink policy from year 10 onwards
Fund Switch in	Amount switched into the fund
Fund Switch out	Amount switched out of the fund
Life Event Bonus Units	Amount of units allocated due to Life event
Opening Balance	The number of units in each fund at the start of the statement period
Policy Fees	The cost of policy administration which is deducted via units (both at initial and on-going)
Promotion Units	Amount of units allocated for marketing campaign
Regular Premium	Amount of regular premium paid based on the premium frequency chosen
Regular Top-up	Amount of recurring single premium top-up paid based on the premium frequency chosen
Reinstatement Top-up	Premium paid to reinstate the policy
Rider Premium	Premium deducted via units for rider coverage
Top-Up Bonus Units	The number of units allocated to offset bid-offer spread for top-up premium investments
Unit Adjustment	Adjustment made to existing fund units
VA1 COI (VivaLink insurance cover charge)	Premium deducted via units for main plan insurance cover charge
Withdrawal	Value of units withdrawn from each fund
WOP1 COI (Dread Disease Premium Waiver insurance cover charge)	Premium deducted via units for rider insurance cover charge