SEMI-ANNUAL FUND REPORT

FOR THE HALF YEAR AS OF
30 JUNE 2017

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CIO Message

1st September 2017

Dear Policyholder

The 1st half of 2017 has seen continued momentum from late 2016. The dissipation of deflation fears, subdued volatility and a benign interest rate environment supported the appreciation of risk assets around the globe. The sustained economic expansion chugs along as we enter the 8th year of the current bull market in the United States (US).

During the 1st half of the year, the US continued its advance despite tightening moves by the US Federal Reserve and fading hopes of a reflationary stimulus from Trump's policy mix. Fuelled by ample global liquidity, rebound in earnings, and a pick-up in market confidence, the US equity market reached valuations that were near historical highs. However, with long-term rates held down by structural factors, equity still looks attractive relative to fixed income asset classes.

In Europe, macroeconomic indicators highlight improving growth. Manufacturing activity is accelerating, labour market conditions are progressing, export growth is picking up, and price pressures are rising. This broad-based recovery is supported by accommodative European Central Bank policies and relief from geopolitical concerns after expected results from the Dutch and French elections.

China continues to manage a growth slowdown and credit expansion as policymakers introduced a series of measures to clamp down on shadow bank lending and the exuberant property market. We should expect the Chinese economy to maintain financial stability ahead of the Communist Party's National Congress this year. Meanwhile, many emerging market economies are seeing higher-than-expected growth in the 1st half and are at a much earlier stage of recovery. Concerns over potential protectionist policies have somewhat subsided, however the asset class remains undervalued compared to their developed market counterparts.

I am glad to report that our funds continue to perform well, with 16 out of 18 funds outperforming their benchmarks year-to-date (June 2017). Our Investment-Linked Policy Funds were represented among the Lipper Leader categories with the Global Managed Fund (Growth), Global Managed Fund (Conservative), and Takaful Fund obtaining "Lipper Leader" status in the respective, "Consistent Return", "Total Return" and "Preservation" metrics in the 1st quarter of 2017. Our Asia Managed Fund and Prime Fund achieved "Lipper Leader" status in two categories, "Consistent Return" and "Total Return" in the same review.

The latest Semi-annual Fund Report for the financial period ended June 2017 can be downloaded at www.income.com.sg/fund/coopprices.asp. You may also access your Investment-Linked Policy statement via me@income, our online customer portal 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

Mark Wang
Chief Investment Officer

Summary of Fund Performance as of 30 June 2017

	Launch Date	Fund Size (S$ million)	Performance (1 year)	Performance (2 years – Cumulative)
Core Funds				
Global Bond Fund	Jan-03	123	-2.78	4.59
Global Equity Fund	Apr-98	251	21.35	20.17
Singapore Bond Fund	Mar-00	297	2.70	10.14
Singapore Equity Fund	Jan-03	161	17.72	4.19
Managed Funds				
Asia Managed Fund	Sep-95	118	25.63	23.51
Global Managed Fund (Balanced)	Jan-03	173	9.27	11.89
Global Managed Fund (Conservative)	Jan-03	12	4.84	9.61
Global Managed Fund (Growth)	Jan-03	251	13.70	14.02
Singapore Managed Fund	May-94	85	11.95	7.09
Target Maturity Funds				
AIM Now	Sep-09	93	4.03	7.08
AIM 2025	Sep-09	16	10.84	9.13
AIM 2035	Sep-09	21	16.45	12.36
AIM 2045	Sep-09	23	17.84	12.38
Specialised Funds				
Money Market Fund	May-06	16	1.31	2.56
Thematic Funds				
Asian Bond Fund	May-16	26	2.84	N.A.
Asian Income Fund	May-14	477	7.50	10.95
Global Income Fund	May-15	75	6.84	5.50
Global Technology Fund	Aug-00	78	43.05	34.19
Prime Fund	Aug-73	227	14.33	8.02
Takaful Fund	Sep-95	19	21.75	21.20
Average Return			**12.56**	**12.03**

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 30 JUNE 2017

Launch Date	2 January 2003
Fund Size	S$123.40 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	0.85% 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
BTPS 2.2% 010627	12.4	10.1	Australian Govt 2.75% 210424	9.6	8.1
Singapore Government Bonds 4% 010918	10.5	8.5	US Treasury Infl. Index Bond 0.625% 150126	6.7	5.7
Deutschland Rep 2.5% 150846	5.8	4.7	Australian Govt 1.75% 211120	6.3	5.3
Mexican Bonos De Desarrollo 7.75% 131142	5.0	4.1	Canada Govt 2.25% 010625	6.0	5.1
Singapore Government Bonds 2.375% 011017	5.0	4.1	US Treasury Infl. Index Bond 0.125% 150420	5.3	4.5
US Treasury Note 3% 151145	5.0	4.0	Irish Govt 3.4% 180324	4.3	3.6
Japan Govt 10-yr 0.1% 201226	4.7	3.8	Japan Govt 20-yr 2.1% 201229	4.3	3.6
Bonos Del Estado 1.5% 300427	3.9	3.2	Japan Govt 20-yr 1.4% 200934	4.1	3.5
Japan Govt 20-yr 2.1% 201229	3.8	3.1	BTPS 2.7% 010347	3.9	3.3
US Treasury Infl. Index Bond 0.625% 150126	3.3	2.7	France O.A.T 3.25% 250545	3.8	3.2

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. 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 30 June 2017, Income had S$33.05 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 is also one of Amundi's group global investment centres responsible for Global and Asian Fixed Income as well as Asian Equities investment management. It has S$13.8 billion in assets under management as of 30 June 2017.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Bond Fund	0.45%	1.03%	1.16%	-2.78%
Benchmark	-0.31%	0.89%	1.31%	-0.61%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Bond Fund	1.76%	2.05%	3.87%	3.17%
Benchmark	3.70%	3.57%	4.34%	3.78%

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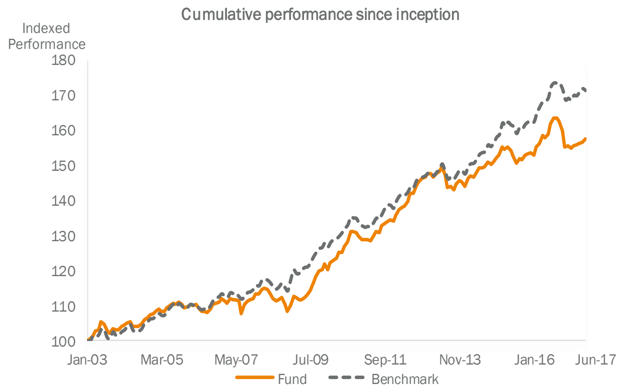


The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, with dividends and distributions reinvested. Past performance is not necessarily indicative of future performance. Fees & charges payable through deduction of premium or cancellation of units are excluded from this calculation.

MARKET REVIEW

Market Review

January marked a slow start to 2017, with the key event being the inauguration of Donald Trump as the president of the United States. Ongoing expectations of fiscal easing and inflationary policies under a Trump presidency kept US treasury yields steady. February saw strong risk asset performance across the board as global economic data continued to hold up well. In addition, the incredibly low level of volatility throughout markets remained a major theme through the 1st quarter.

In the UK, Article 50 was triggered on March 29, launching the 2-year negotiation process. In the US, as widely expected, the Federal Open Market Committee (FOMC) raised the federal funds rate by 25 basis points (bps) to 1.0%. Generally, the US Dollar (USD) weakened against emerging markets through the quarter, and strengthened against developed markets currencies.

The 2nd quarter got off to a relatively busy start with French elections, President Trump's first 100 days and a European Central Bank (ECB) meeting. Victory went to Emmanuel Macron who is seen as being more market friendly. Markets breathed a sigh of relief on the outcome, and risk assets and European government bonds, especially in the peripheral regions and France, performed well.

The ECB left rates on hold, even as inflation remains around target levels and growth appears to have hit sustainable levels. In the US, the May FOMC meeting concluded that slightly weak US growth in the 1st quarter would be short-lived and in June, the US Federal Reserve (Fed) hiked rates by another 25 bps, to move the target range of the Fed funds rate from 1% to 1.25%.

The quarter ended on the theme of central bank hawkishness after central bankers met in Portugal and it became clear that they seemed intent on returning bond markets to "normal" yield levels through a combination of reductions in buying programmes and rate rises. The exception is the Bank of Japan which is expected to remain either on hold or in easing mode for some time yet.

Global Bond Fund

Market Outlook

The fund is currently underweight overall duration, in particular in the US, Europe and UK as central banks are preparing to change course. Mario Draghi's 27 June speech startled market participants when he expressed his confidence in the inflation outlook, detailing the reasons why inflation is lagging behind the improvement in economic figures: the ongoing spill-over of the fall in oil prices between mid-2014 and early 2016, structural changes in the labour market, and "backward-lookingness" in price and wage formation. Draghi struck a reassuring tone on the inflation outlook, saying that these various phenomenon would fade over time (Eurozone core inflation surprised on the upside in June to 1.1% year-on-year). However, he also pointed out during his speech that the more favourable inflation dynamics were not yet on a self-sustaining path and that ECB policy should be "persistent".

However, a real shift is occurring in central banks' general orientations, with the ECB set to reduce its asset purchases in 2018 and the Fed's intention to shrink its balance sheet and continue raising interest rates, particularly for financial stability grounds (FOMC members have been increasingly vocal on this point). On a similar note, the Bank of Canada has expressed it could raise its key rate very soon despite still very low oil prices, while the Bank of England is pondering the relevance of a rate hike as the negotiations on Brexit have just begun and the economy is slowing.

Although inflation has not yet made a convincing comeback in developed economies, central banks will begin phasing out ultra-accommodative policies, as such policies are not without risks for the future. The shift in ECB policy will be one of the market's guiding themes in the 2nd half of 2017. The fund is now more positive on EUR versus USD as the ECB will taper, while expectations of future Fed hikes are reduced.

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.

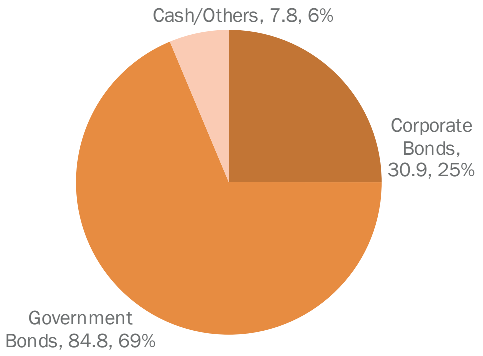
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

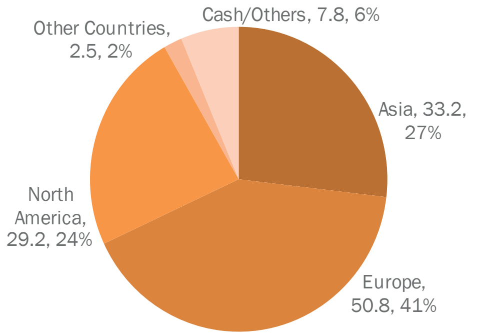
	Expense ratio	Turnover ratio
As of 30 June 2017	0.89%	156.63%
As of 30 June 2016	0.89%	201.46%

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.

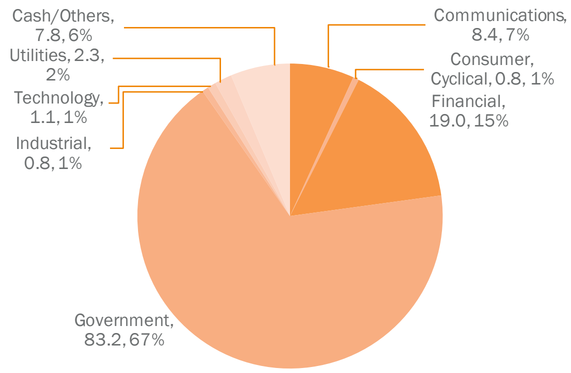
ASSET ALLOCATION AS OF 30 JUNE 2017



COUNTRY ALLOCATION AS OF 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 2017



Global Bond Fund

CREDIT RATINGS OF DEBT SECURITIES

	S$ (mil)	% of NAV
AAA	36.0	29.2
AA+	2.0	1.6
AA	5.0	4.1
AA-	1.1	0.9
A+	5.5	4.5
A	10.8	8.8
A-	3.2	2.6
BBB+	13.9	11.3
BBB	24.6	19.9
BBB-	7.8	6.3
BB+	2.7	2.2
BB	0.8	0.7
Not rated	2.0	1.6
Total	115.6	93.7

'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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	118,936,445
Purchase of units	7,409,754
Redemption of units	(4,336,063)
Gain/(loss) on investments and other income	1,895,240
Management fees and other charges	(506,950)
Value of fund as of 30 June 2017	123,398,426

Units in issue	78,439,533
Net asset value per unit	
- at the beginning of the year	1.555
- as of 30 June 2017	1.573

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(230,294)	0.19	1,062,477	(155,577)
Futures	631,476	0.51	(998,655)	749,895

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$506,950.

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 30 JUNE 2017

Launch Date	1 April 1998
Fund Size	S$251.09 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Reckitt Benckiser Group	6.6	2.6	Reckitt Benckiser Group	7.2	3.0
Visa Inc	5.7	2.3	Accenture Plc	5.9	2.5
Accenture Plc	5.3	2.1	Nestle SA	5.6	2.4
Thermo Fisher Scientific Inc	4.8	1.9	Visa Inc	5.4	2.3
Nestle SA	4.7	1.9	Time Warner Inc	4.4	1.8
Bayer AG	4.6	1.8	The Walt Disney Co	4.3	1.8
Pernod Ricard SA	4.3	1.7	Thermo Fisher Scientific Inc	4.0	1.7
The Walt Disney Co	4.3	1.7	Microsoft Corp	3.8	1.6
Medtronic Plc	4.1	1.6	Medtronic Plc	3.8	1.6
Unilever Plc	4.0	1.6	British American Tobacco Plc	3.7	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 30 June 2017, Income had S$33.05 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 30 June 2017, MSIM employs 586 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 30 June 2017, MSIM managed US$435 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$461 billion (as of 30 June 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.

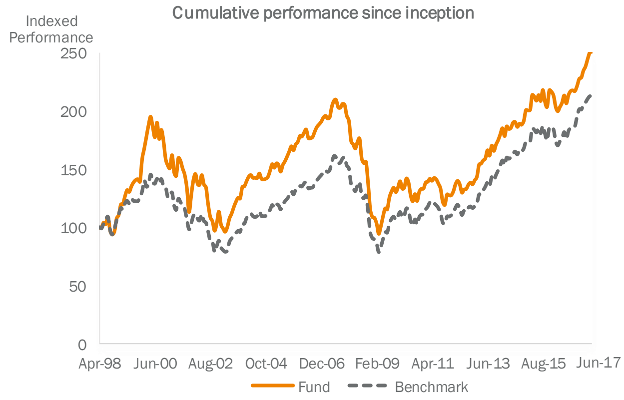
Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1.02 trillion in assets under management, WMC serves as an investment adviser to over 2,150 clients located in more than 55 countries, as of 30 June 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	0.22%	5.27%	10.17%	21.35%
Benchmark	-0.09%	2.50%	5.46%	20.91%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Equity Fund	9.56%	13.55%	1.81%	4.89%
Benchmark	8.78%	13.26%	2.88%	4.00%



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 5.6% in Singapore Dollar (SGD) terms in the 1st half of 2017. A moderate, synchronised upturn in global growth, improved corporate earnings and still-low interest rates helped support equities broadly.

The US S&P 500 index returned 4% in SGD terms and 8.2% in US Dollar (USD) terms for the 1st half of 2017, where a stronger SGD detracted from returns. Though hopes for a reflationary US policy mix faded during the year's 1st half, US markets continued their advance, fuelled in part by ample global liquidity despite tightening moves by the US Federal Reserve (Fed). Improving global growth, stabilising commodity markets and a strong rebound in earnings, particularly in the energy sector, were market-supportive.

European stocks, as measured by the STOXX 50 index returned 10.5% in SGD terms and 4.6% in euro terms during the 1st half of 2017, where a stronger euro helped fuel gains. A solid upturn in growth, fading geopolitical concerns in the wake of establishment candidates winning the Dutch and French elections and healthy European export performance helped underpin equities.

In Japan, the Nikkei Composite Index returned 4.5% in SGD terms and 11.7% in yen terms during the 1st half of 2017. Improved Japanese exports amid global and regional rebounds in industrial production and foreign trade were supportive of the market but a stronger SGD relative to the yen detracted from returns.

Emerging Markets (EMs), as measured by the MSCI EM Index returned 12.8% in SGD terms during the 1st half of 2017. Though authorities in China have recently been focusing on financial stability concerns, significant fiscal stimulus undertaken in 2016 continues to bolster demand. A synchronised upturn in global growth in early 2017, along with low levels of global inflation, have supported the asset class broadly. Concerns over potential protectionist policies from the US have receded somewhat compared with the post-election period, but remain a potential headwind going forward.

Global Equity Fund

Market Outlook

Overall, we remain cautious on equity markets. Valuations are elevated, exogenous shocks and geopolitical uncertainty abound though volatility remains perplexingly subdued. However, the global equity risk premium is still relatively high with investors continuing to find equities more attractive than low-yielding bonds. Near-term, it remains a "goldilocks" market environment as interest rates, inflation and the USD are not too high and Fed maintains a gradual pace of rate hikes. Anticipation that the Fed will begin to shrink its balance sheet and the European Central Bank (ECB) may taper bond purchases late this year or early next year bear watching.

United States: Valuations continue to look extended amid sluggish economic growth and diminishing expectations for reflationary US government tax, regulatory and infrastructure policy reforms. The Shiller P/E ratio for the S&P 500 Index is approaching 30x, a level last seen during the technology run-up in the late 1990s. Earlier market gains were primarily driven by P/E expansion rather than earnings growth. Companies have continued to sustain higher-than-average profit margins, as has been the case throughout the last several years of this business cycle, but there is some question as to the sustainability of these margins over time. The Fed continues to remove policy accommodation, which some observers fear to be too aggressive, raising rates three times in the last six months and laying out a plan to shrink its $4.5 trillion balance sheet. It continues to forecast rising inflation despite core inflation remaining stubbornly below its 2% target. Slow growth of 2% per annum is likely to persist. This amplifies the undesirability of owning high-leverage, fixed-costs businesses, as well as the preference for companies with sustainable, cross-cycle, free-cash-flow prospects.

Europe: Valuations do not appear to be excessive, trading at 21.6x, making them somewhat cheap compared with the US and UK, at 23.3x and 25x, respectively. Moderately accelerating European growth allowed the ECB to drop its long-held easing bias at its June meeting but otherwise maintain very accommodative policy. A potential headwind for the 2nd half of 2017 is the concerted effort to rein in China's shadow banking system which has the potential to slow demand for European exports such as machine tools and luxury automobiles. Investor sentiment is quite upbeat, underpinned in part by receding tail risks as the populist groundswell appears to have receded given the Dutch and French election outcomes. Hopes for long-overdue labour reforms are high in the wake of Macron's victory in France.

Japan: Valuations are relatively attractive compared to elevated global valuations. Net profit margins are elevated at 5.9% versus their 20-year average of 2.9%, a supportive factor in the near-term. Abenomics reforms have helped create a more shareholder-friendly environment, leading to improved profit margins, increased dividends and greater share buybacks. Japan has benefited from the global recovery that began in mid-2016, which has helped boost industrial production, corporate profits and business sentiment. Unemployment has fallen to a 22-year low, but wage growth remains muted despite tight labour markets. As a result, consumption remains subdued albeit improving modestly. While 1st quarter gross domestic product growth dipped to 1.0% on an annualised basis, the economy expanded for a fifth straight quarter, the longest streak in more than a decade. Despite the recent growth run, inflation remains stalled near zero. With the Bank of Japan continuing to fend off deflation, extraordinarily accommodative monetary policy remains in place, supportive for Japanese and global assets.

Emerging Markets: A resynchronisation of global growth, if sustained, should support global energy demand. Valuations are on par with their 20-year average of 15x but trade at a significant discount to developed market (DM) equities at nearly 21x. Expanding profit margins, approaching 9% today, have contributed to outperformance, versus 8% a year ago. Supported by a widening EM–DM economic growth differential, EM has outperformed substantially in 2017. Low debt levels relative to DM and a growing middle class, which could increase domestic demand, are tailwinds, while potential US trade restrictions and rising interest rates are short-term risks.

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.

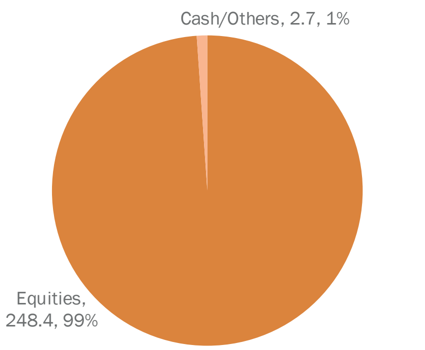
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2017	1.29%	35.86%
As of 30 June 2016	1.41%	36.25%

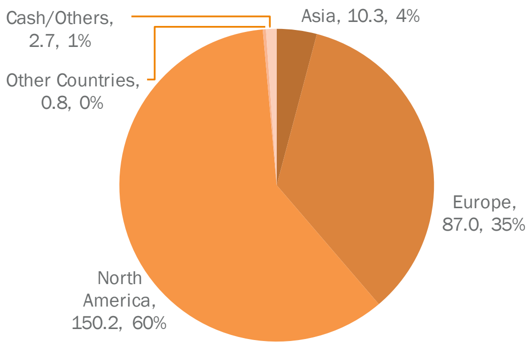
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Global Equity Fund

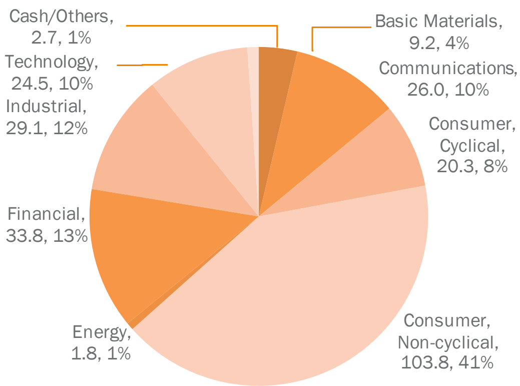
ASSET ALLOCATION AS OF 30 JUNE 2017



COUNTRY ALLOCATION AS OF 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	239,979,341
Purchase of units	4,328,440
Redemption of units	(17,277,335)
Gain/(loss) on investments and other income	25,608,737
Management fees and other charges	(1,548,004)
Value of fund as of 30 June 2017	251,091,179

Units in issue	78,053,574
Net asset value per unit	
- at the beginning of the year	2.920
- as of 30 June 2017	3.217

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(10)	-	27,963	(13,076)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
American Tower Corp	0.7	0.3

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$1,548,004.

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.

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 30 JUNE 2017

Launch Date	1 March 2000
Fund Size	S$297.08 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	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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 2.875% 010930	53.3	17.9	Singapore Government Bonds 2.875% 010930	48.6	17.8
Singapore Government Bonds 2.25% 010836	26.2	8.8	Singapore Government Bonds 3% 010924	19.8	7.3
Singapore Government Bonds 2.75% 010346	16.6	5.6	Singapore Government Bonds 2.75% 010442	18.0	6.6
Singapore Government Bonds 3% 010924	16.3	5.5	Singapore Government Bonds 3.5% 010327	14.3	5.2
Singapore Government Bonds 3.5% 010327	14.0	4.7	Singapore Government Bonds 2.75% 010723	9.2	3.4
CMT MTN Pte Ltd Capita 3.48% 060824	7.6	2.6	Singapore Government Bonds 2.875% 010729	7.7	2.8
Singapore Government Bonds 2.875% 010729	7.6	2.6	United Overseas Bank 3.15% 110722	6.1	2.3
DBS Cap Funding 5.75% 290549	6.0	2.0	Temasek FINL I 4% 071229	5.7	2.1
Temasek FINL I 4% 071229	5.6	1.9	Ascendas Pte Ltd 3.5% 180123	5.5	2.0
Ascendas Pte Ltd 3.5% 180123	5.5	1.9	Land Transport Authority 3.275% 291025	5.5	2.0

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.

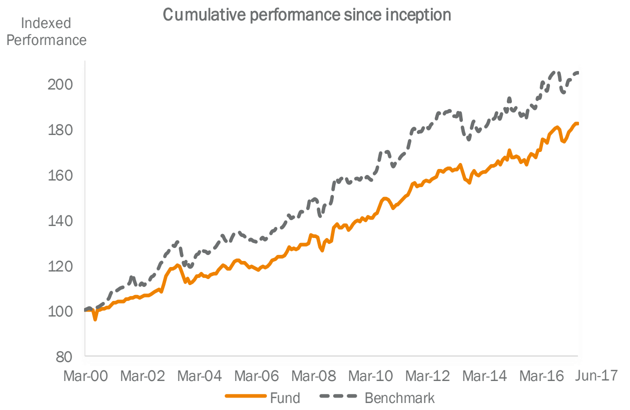
As a social enterprise, Income is committed to making insurance accessible, affordable and sustainable for all.

Singapore Bond Fund

As of 30 June 2017, Income had S$33.05 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	0.05%	1.50%	4.65%	2.70%
Benchmark	0.11%	1.48%	4.46%	1.33%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Bond Fund	3.67%	2.76%	3.65%	3.53%
Benchmark	3.58%	2.21%	3.80%	4.22%



Changes to benchmark 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's return of 4.65% in the six months to end June 2017 was superior to benchmark return of 4.45% as its strategy of shorter duration credit investments coupled with longer duration holdings of Singapore Government Securities (SGS) was rewarded in a period of low volatility.

The US Federal Reserve's (Fed) hawkish tone continued in the 1st half of 2017 whereby it hiked Fed funds rate twice more despite weaker sentiment as the Trump Administration failed to deliver any major policy initiatives to boost the economy. Coupled with moderating US inflation rate in recent months, long end rates have eased again following a surge in the 2nd half of 2016, leading global rates lower (and price higher). European Central Bank's (ECB) President Draghi has indicated that ECB will continue to provide ample liquidity to support Eurozone's recovering economy. Eurozone's economic growth is projected at 1.7% this year, underpinned by stronger private consumption and ongoing recovery in the labour market. Meanwhile, China's economic growth is expected to be around 6.5% this year as the transition from investment-led to consumption-led growth continues.

Singapore's growth should be in the upper range of the 1%-3% projection from Monetary Authority of Singapore, spurred by stronger external demand. Growth in the 1st quarter of 2017 was 2.7% on a year-on-year (yoy) basis, just shy of the 2.9% yoy posted for 4th quarter of 2016. Singapore has emerged from a deflationary environment but inflation pressures are likely to be benign with headline inflation expected to be in the 0.5%-1.5% range. The current monetary policy stance should thus remain appropriate for an extended period.

Given the backdrop of moderate global growth and inflation, major central banks are unlikely to make drastic changes to their policies. Monetary policy and liquidity tightening adjustments will be gradual and measured. With SGS as its core holding to maintain high quality overall, the Singapore Bond Fund is positioned for steady economic growth and long-term interest rates in a band. The good quality credits held by the fund should provide yield enhancement and are better positioned to weather short- to medium-term uncertainties. We remain constructive on credits in the longer run and central banks' accommodative policies should continue to underpin investors' 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.

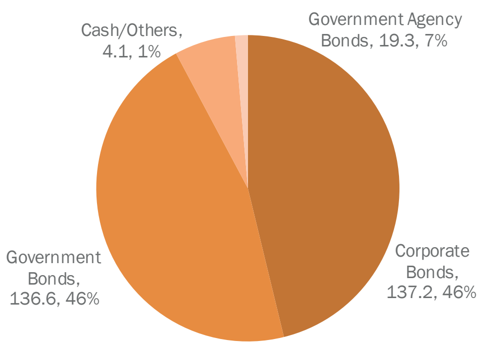
Singapore Bond Fund

EXPENSE AND TURNOVER RATIO

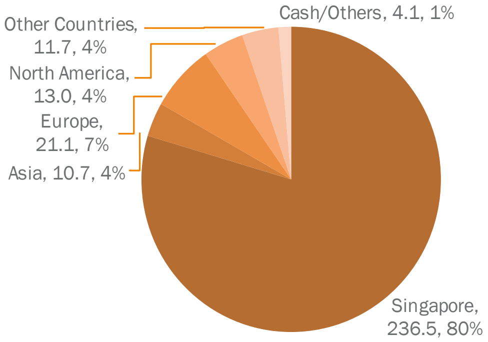
	Expense ratio	Turnover ratio
As of 30 June 2017	0.52%	42.25%
As of 30 June 2016	0.52%	37.14%

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.

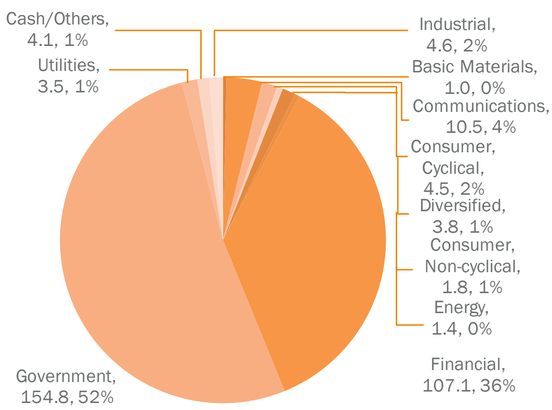
ASSET ALLOCATION AS OF 30 JUNE 2017



COUNTRY ALLOCATION AS OF 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	148.6	50.0
AA	7.3	2.5
AA-	1.0	0.3
A+	16.8	5.6
A	15.4	5.2
A-	14.2	4.8
BBB+	4.4	1.5
BBB	29.0	9.8
BBB-	9.4	3.2
BB+	2.4	0.8
Not rated	44.5	15.0
Total	293.0	98.6

'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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	276,509,944
Purchase of units	14,695,275
Redemption of units	(7,276,277)
Gain/(loss) on investments and other income	13,868,864
Management fees and other charges	(714,609)
Value of fund as of 30 June 2017	297,083,197

Units in issue	162,838,230
Net asset value per unit	
- at the beginning of the year	1.743
- as of 30 June 2017	1.824

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	56,803	0.02	63,749	297,568
Swaps	17,181	0.01	-	159,310

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$714,609.

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 30 JUNE 2017

Launch Date	2 January 2003
Fund Size	S$161.31 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	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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
DBS Group Holdings Ltd	22.8	14.1	Singapore Telecommunications Ltd	19.2	12.7
Oversea-Chinese Banking Corp	21.6	13.4	DBS Group Holdings Ltd	18.3	12.1
Singapore Telecommunications Ltd	13.9	8.6	Oversea-Chinese Banking Corp	16.9	11.2
United Overseas Bank Ltd	13.7	8.5	United Overseas Bank Ltd	12.6	8.3
Hongkong Land Holdings Ltd	7.5	4.6	Thai Beverage PCL	5.9	3.9
Thai Beverage PCL	6.9	4.3	Hongkong Land Holdings Ltd	5.9	3.9
CapitaLand Ltd	6.7	4.1	CapitaLand Ltd	5.3	3.5
Jardine Matheson Holdings	6.5	4.0	Keppel Corp Ltd	5.1	3.4
Global Logistic Properties Ltd	6.4	4.0	Singapore Airlines Ltd	4.2	2.8
Singapore Technologies Engineering Ltd	4.8	3.0	Wilmar International Ltd	4.0	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. 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 30 June 2017, Income had S$33.05 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.

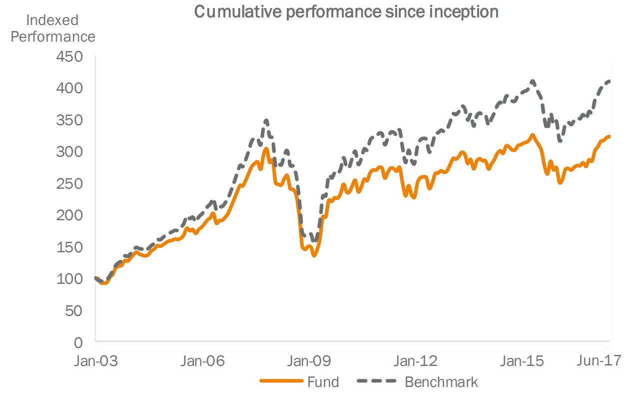
SSGA has also attained ETF industry leadership with its SPDR® family, including first-to-market launches with gold, international real estate, fixed-income and sector-specific ETFs.

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

**Assets under management were US$2.61 trillion as of 30 June 2017. AUM reflects approx. US$34.06 billion (as of 30 June 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	0.53%	2.44%	13.63%	17.72%
Benchmark	0.49%	2.79%	13.80%	17.81%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Equity Fund	2.90%	5.28%	1.43%	8.43%
Benchmark	3.27%	5.76%	2.52%	10.22%



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 FTSE Straits Time Index surged 12% to close at 3226.5 in the 1st half of 2017, the sharpest 1st half-yearly rise since 2009, as the banks signalled that the worst of asset quality for the oil and gas sector may have passed and MAS made adjustments to its measures on the residential property market. The real estate sector was the top performer, driven by sharp pickup in property transaction volumes after the tweaks to housing policies. City Development and UOL, real estate developers with significant exposure to the Singapore residential market, posted returns of 30.6% and 30.2% respectively in this period. At the same time, the stabilisation of asset quality and potential expansion of net interest margins led to outperformance of the banking sector.

On the economic front, Singapore's gross domestic product (GDP) growth remained stable at 2.5% year-on-year (yoy) in the 2nd quarter of 2017. Growth was led by the manufacturing sector, partly offset by the slower services sector. Industrial production growth accelerated to 13.1% yoy in June as manufacturing recovery broadened out beyond the electronics segment to pharmaceuticals and transport engineering. Non-oil domestic exports (NODX) accelerated in June after being stagnant for the past two months, driven by the recovery in non-electronic exports. Residential property market appears to be stabilising, with the URA private residential price index falling only 0.3% quarter-on-quarter in the 2nd quarter, the smallest decline since property prices started its descent 15 quarters ago. While the labour market continued to shed jobs in the same period, job losses were largely concentrated in the construction sector, which has high reliance on foreign workers and has relatively smaller contribution to GDP.

In the 2nd half of 2017, we expect the economic momentum to continue as property market inflection drives more construction activities and pick up in domestic consumption. Meanwhile, synchronised recovery in the global economy should lead to robust NODX. However, as the world undergoes digital transformation, economic strength may not necessarily translate into broad-based earnings recovery for the Singapore market. The emergence of well-funded new-economy players and the introduction of 4th telecom in Singapore has resulted in heightened competition. Escalation of geopolitical tensions surrounding North Korea's missile tests and rising risk of trade wars may also result in higher market volatility. In light of downside risks to earnings and potential market volatility, the portfolio is invested in high quality names that are well positioned to embrace the digital wave and cautious on REITs and telecoms, sectors with weak fundamentals and most affected by rising interest rates.

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.

Singapore Equity 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.

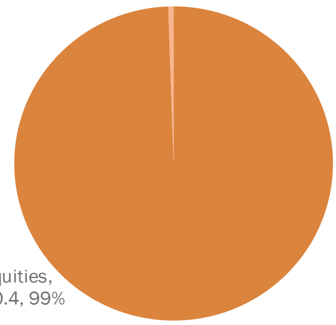
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

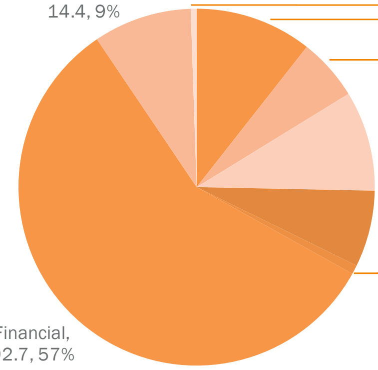
	Expense ratio	Turnover ratio
As of 30 June 2017	0.70%	28.71%
As of 30 June 2016	0.72%	18.40%

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 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	155,644,554
Purchase of units	6,215,500
Redemption of units	(21,297,238)
Gain/(loss) on investments and other income	21,258,692
Management fees and other charges	(513,593)
Value of fund as of 30 June 2017	161,307,915

Units in issue	49,859,893
Net asset value per unit	
- at the beginning of the year	2.847
- as of 30 June 2017	3.235

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	1,862	1,527
Futures	-	-	68,467	155

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Ascendas REIT	2.2	1.0
CapitaLand Mall Trust	1.6	0.7
Mapletree Commercial Trust REIT NPV	1.2	0.5
CapitaLand Mall Trust	1.2	0.5
Hutchison Port Holdings	1.1	0.5
Frasers Logistics & Industrial Trust	0.6	0.3
Far East Hospitality Trust NPV	0.6	0.3

BORROWINGS

Nil.

Singapore Equity Fund

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$513,593.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager and the 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 and 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. 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.

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 30 JUNE 2017

Launch Date	1 September 1995
Fund Size	S$118.28 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	82.6	69.8	Schroder Asian Growth Fund	66.9	71.3
Singapore Bond Fund	35.6	30.1	Singapore Bond Fund	27.9	29.7

Schroder Asian Growth Fund^

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Samsung Electronics	7.6	64.3	Taiwan Semiconductor Manufacturing Co Ltd	39.3	7.6
Taiwan Semiconductor Manufacturing	6.7	56.8	Tencent Holdings Ltd	29.6	5.7
Tencent Holdings	6.4	54.1	Samsung Electronics Co Ltd	25.5	4.9
Alibaba Group Holding	5.9	50.4	AIA Group Ltd	25.0	4.8
AIA Group	4.0	33.9	HDFC Bank Ltd	20.8	4.0
HDFC Bank	3.9	33.4	China Mobile Ltd	17.8	3.4
China Pacific Insurance Group	2.6	22.0	Alibaba Group Holding Ltd ADR	17.6	3.4
Hon Hai Precision Industry	2.4	20.7	Techtronic Ind Co Ltd	16.0	3.1
Techtronic Industries	2.4	20.4	New Oriental Education & Technology Group Inc ADR	12.7	2.4
New Oriental Education & Technology Group	2.4	20.3	China Lodging Group Ltd ADS	10.8	2.1

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 30 June 2017, Income had S$33.05 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.

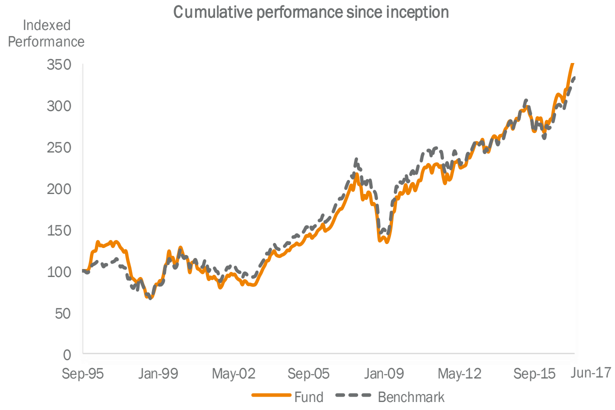
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$543.3 billion (as of 30 June 2017).

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	1.67%	7.59%	17.50%	25.63%
Benchmark	0.81%	5.14%	13.15%	20.50%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asia Managed Fund	9.27%	9.70%	6.16%	6.02%
Benchmark	7.17%	7.57%	4.72%	5.66%



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

Market Review

Asian equities delivered strong gains for the 1st half of 2017, as investor sentiment remained buoyed by signs of pick-up in global growth. All markets saw positive returns with Korea the best performing market on the back of the election of new president Moon Jae-In, raising hopes of potential restructuring for the nation's large Chaebol groups. The China market also extended its positive momentum amid improving economic data, with a landmark decision in mid-June by index provider MSCI to include Chinese A-shares in a range of its benchmark indices further boosting sentiment. Across the region, Taiwan equities advanced led by strong gains in the technology sector, while in India the market rebounded as fears receded over the negative impact of the demonetisation policy introduced in November last year.

Sector returns were led by outperformance in the technology sector driven by solid earnings results, while the more defensive telecoms and utilities sectors lagged amid headwinds from rising bond yields. The energy sector was the weakest performing as falling oil prices continued to weigh on the earnings outlook for oil majors across the region.

The fund delivered strong outperformance against the benchmark in this period, with stock selection in China contributing to most of the gains. The biggest driver to performance was the overweight to private sector, new economy stocks in the technology and consumer discretionary sector, supported by the zero exposure to Chinese banks which remained under pressure due to concerns over rising bad debts. Key stock contributors include A-share listed Hangzhou Hikvision and Han's Laser technology which rose on solid growth outlook and positive sentiment ahead of MSCI's inclusion of China A-shares in its benchmark indices, as well as internet names Alibaba and Tencent on the back of continued strong earnings momentum. Consumer names China Lodging and New Oriental Education were also up with solid top-line growth on the back of rising demand for leisure and education services.

Stock selection across other markets were overall positive with strong performance from Taiwan technology stocks Hon Hai Precision and Largan Precision on the back of expectations of a new super cycle for Apple's iPhone 8. Other key outperformers were Indian private sector banks which rebounded following last year's demonetisation drive, as well as Hong Kong blue chip insurer AIA which rose on strong earnings results.

Market Outlook

In recent months, much of the initial excitement about imminent US tax cuts, a new infrastructure investment cycle, and a broader Trump reflation trade have faded, following missteps from the new administration and greater appreciation of the legislative challenges involved with such radical measures. The US Federal Reserve has pushed ahead to raise short-term interest rates, but the US bond yields and the US Dollar have retraced much of their post-election moves reflecting this more measured outlook for US growth and inflation. However, despite this 'disappointment', equity markets have remained encouraged by continued signs of cyclical strength from the Chinese economy, where growth has accelerated in the last 12 months in response to a prolonged period of strong credit growth, fiscal stimulus and infrastructure spending. The smooth passage of the French elections, and some slightly stronger European data, has also reduced some of the political tail risks from that region that troubled investors earlier. Earnings revisions globally have been at their strongest for several years, helped by the bounce in energy and material prices in the last year, and continued strength from the technology sector.

This latest bout of stimulus in 2015-16 for the Chinese economy will continue to underpin growth in the next few quarters and smooth the political path to the next National Congress at the end of this year; however it is not without risks. Aggregate gearing levels in the economy continue to rise rapidly, with apparently declining returns on the incremental debt, while loose monetary policy has also fuelled unintended bubbles in areas like the property and local bond markets. Given the strength of the rebound in the more cyclical parts of the Chinese economy, local authorities are now tightening policy at the margin. Higher interbank interest rates are pushing up yields in the corporate bond market, while administrative restrictions have increased on the frothier parts of the local property market and there is increased scrutiny of the insurance and shadow banking sectors which have been at the forefront of growth in Total Social Finance in China in the last 2-3 years. These tighter monetary conditions are already having an impact on the spot commodity markets, which are sensitive to the delta of Chinese growth, and are likely to drain some of the momentum from the broader economy in coming quarters.

If this China slowdown does play out while awaiting meaningful reform and stimulus to boost US growth, then over the medium-term markets could again become more anxious about the earnings picture. Earlier concerns about the deflationary impacts of demographics, elevated debt levels and technological disruption could come back to the fore as none of these serious fundamental headwinds have been eliminated in the last few quarters. Earnings revisions are also likely to turn less positive in coming months as the base effect for the commodity-sensitive sectors becomes far more challenging.

Given this 'mixed' medium-term backdrop and aggregate valuations for markets that are at above-average levels, we continue to focus on bottom-up stock selection and picking longer-term structural winners, rather than chasing the shorter-term momentum in the more cyclical parts of the market. Rapidly shifting business models and trade patterns means that it is more important than ever to look forward at the growth opportunities of tomorrow rather than remain anchored in today's incumbent market heavyweights. We continue to see attractive long-term growth opportunities in the technology sectors – both hardware and ecommerce – and some of the more domestically-focused service sectors and financials across the region that are benefiting from rising income levels and evolving consumption patterns.

Asia is also home to world-class exporters across many other sectors that are benefitting from growth in attractive market niches and, in China's case in particular, a more competitive renminbi exchange rate recently. Although aggregate valuations have risen in recent months as markets have rallied, multiples are not yet at worrying levels and we continue to see long-term opportunities in our favoured areas of the markets.

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.

Asia Managed Fund

EXPENSE AND TURNOVER RATIO

Asia Managed Fund

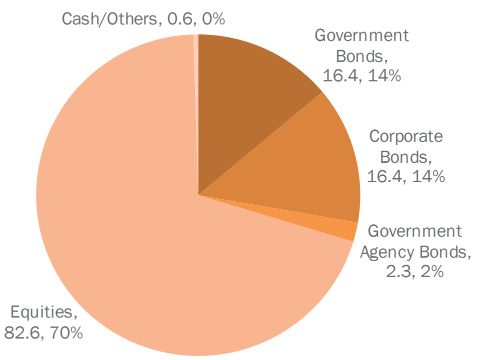
	Expense ratio	Turnover ratio
As of 30 June 2017	1.49%	10.80%
As of 30 June 2016	1.39%	5.50%

Schroder Asian Growth Fund

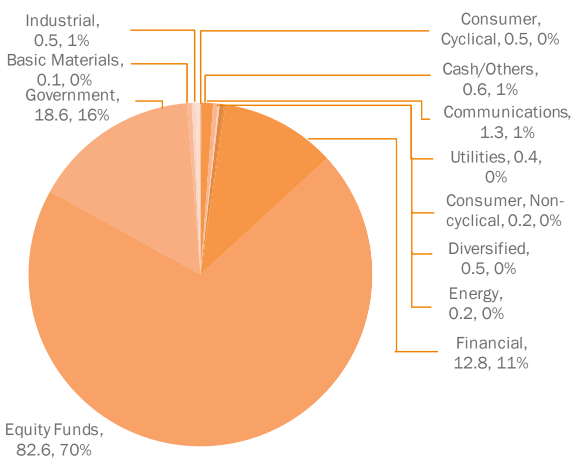
	Expense ratio	Turnover ratio
As of 30 June 2017	1.36%	19.97%
As of 30 June 2016	1.36%	28.14%

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 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	17.8	15.1
AA	0.9	0.7
AA-	0.1	0.1
A+	2.0	1.7
A	1.8	1.6
A-	1.7	1.4
BBB+	0.5	0.4
BBB	3.5	2.9
BBB-	1.1	1.0
BB+	0.3	0.2
Not rated	5.3	4.5
Total	35.1	29.7

'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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	97,420,773
Purchase of units	10,397,881
Redemption of units	(6,782,330)
Gain/(loss) on investments and other income	17,425,616
Management fees and other charges	(185,403)
Value of fund as of 30 June 2017	118,276,537

Units in issue	40,488,037
Net asset value per unit	
- at the beginning of the year	2.486
- as of 30 June 2017	2.921

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	82.6	69.8
Singapore Bond Fund	35.6	30.1

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$185,403.

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 30 JUNE 2017

Launch Date	2 January 2003
Fund Size	S$173.44 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Global Equity Fund^	69.0	39.8	Global Equity Fund^	68.6	40.3
Global Bond Fund^	61.0	35.2	Global Bond Fund^	59.2	34.8
Singapore Bond Fund	26.0	15.0	Singapore Bond Fund	25.1	14.7
Singapore Equity Fund	17.5	10.1	Singapore Equity Fund	17.3	10.2

^ 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.

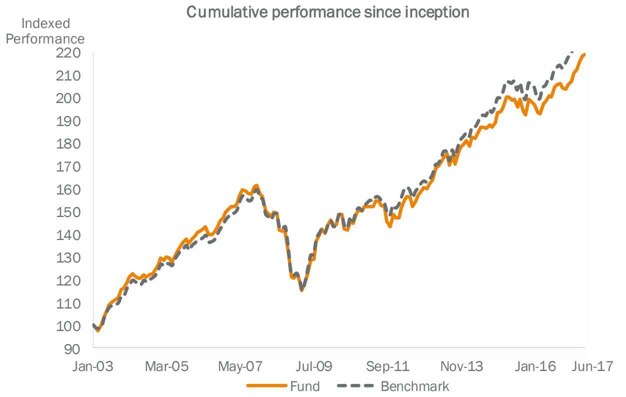
More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

Global Managed Fund (Balanced)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Balanced)	0.32%	2.96%	6.46%	9.27%
Benchmark	-0.08%	1.81%	4.66%	9.78%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Balanced)	5.42%	7.26%	3.27%	5.56%
Benchmark	5.82%	7.52%	3.85%	5.85%



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

January marked a slow start to 2017, with the key event being the inauguration of Donald Trump as the president of the United States. Ongoing expectations of fiscal easing and inflationary policies under a Trump presidency kept US treasury yields steady. February saw strong risk asset performance across the board as global economic data continued to hold up well. In addition, the incredibly low level of volatility throughout markets remained a major theme through the 1st quarter.

In the UK, Article 50 was triggered on March 29, launching the 2-year negotiation process. In the US, as widely expected, the Federal Open Market Committee (FOMC) raised the federal funds rate by 25 basis points (bps) to 1.0%. Generally, the US Dollar (USD) weakened against emerging markets through the quarter, and strengthened against developed markets currencies.

The 2nd quarter got off to a relatively busy start with French elections, President Trump's first 100 days and a European Central Bank (ECB) meeting. Victory went to Emmanuel Macron who is seen as being more market friendly. Markets breathed a sigh of relief on the outcome, and risk assets and European government bonds, especially in the peripheral regions and France, performed well.

The ECB left rates on hold, even as inflation remains around target levels and growth appears to have hit sustainable levels. In the US, the May FOMC meeting concluded that slightly weak US growth in the 1st quarter would be short-lived and in June, the US Federal Reserve (Fed) hiked rates by another 25 bps, to move the target range of the Fed funds rate from 1% to 1.25%.

The quarter ended on the theme of central bank hawkishness after central bankers met in Portugal and it became clear that they seemed intent on returning bond markets to "normal" yield levels through a combination of reductions in buying programmes and rate rises. The exception is the Bank of Japan which is expected to remain either on hold or in easing mode for some time yet.

Market Outlook

The fund is currently underweight overall duration, in particular in the US, Europe and UK as central banks are preparing to change course. Mario Draghi's 27 June speech startled market participants when he expressed his confidence in the inflation outlook, detailing the reasons why inflation is lagging behind the improvement in economic figures: the ongoing spill-over of the fall in oil prices between mid-2014 and early 2016, structural changes in the labour market, and "backward-lookingness" in price and wage formation. Draghi struck a reassuring tone on the inflation outlook, saying that these various phenomenon would fade over time (Eurozone core inflation surprised on the upside in June to 1.1% year-on-year). However, he also pointed out during his speech that the more favourable inflation dynamics were not yet on a self-sustaining path and that ECB policy should be "persistent".

However, a real shift is occurring in central banks' general orientations, with the ECB set to reduce its asset purchases in 2018 and the Fed's intention to shrink its balance sheet and continue raising interest rates, particularly for financial stability grounds (FOMC members have been increasingly vocal on this point). On a similar note, the Bank of Canada has expressed it could raise its key rate very soon despite still very low oil prices, while the Bank of England is pondering the relevance of a rate hike as the negotiations on Brexit have just begun and the economy is slowing.

Although inflation has not yet made a convincing comeback in developed economies, central banks will begin phasing out ultra-accommodative policies, as such policies are not without risks for the future. The shift in ECB policy will be one of the market's guiding themes in the 2nd half of 2017. The fund is now more positive on EUR versus USD as the ECB will taper, while expectations of future Fed hikes are reduced.

Singapore Bond

The Singapore Bond Fund's return of 4.65% in the six months to end June 2017 was superior to benchmark return of 4.45% as its strategy of shorter duration credit investments coupled with longer duration holdings of

Singapore Government Securities (SGS) was rewarded in a period of low volatility.

The US Federal Reserve's (Fed) hawkish tone continued in the 1st half of 2017 whereby it hiked Fed funds rate twice more despite weaker sentiment as the Trump Administration failed to deliver any major policy initiatives to boost the economy. Coupled with moderating US inflation rate in recent months, long end rates have eased again following a surge in the 2nd half of 2016, leading global rates lower (and price higher). European Central Bank's (ECB) President Draghi has indicated that ECB will continue to provide ample liquidity to support Eurozone's recovering economy. Eurozone's economic growth is projected at 1.7% this year, underpinned by stronger private consumption and ongoing recovery in the labour market. Meanwhile, China's economic growth is expected to be around 6.5% this year as the transition from investment-led to consumption-led growth continues.

Singapore's growth should be in the upper range of the 1%-3% projection from Monetary Authority of Singapore, spurred by stronger external demand. Growth in the 1st quarter of 2017 was 2.7% on a year-on-year (yoy) basis, just shy of the 2.9% yoy posted for 4th quarter of 2016. Singapore has emerged from a deflationary environment but inflation pressures are likely to be benign with headline inflation expected to be in the 0.5%-1.5% range. The current monetary policy stance should thus remain appropriate for an extended period.

Given the backdrop of moderate global growth and inflation, major central banks are unlikely to make drastic changes to their policies. Monetary policy and liquidity tightening adjustments will be gradual and measured. With SGS as its core holding to maintain high quality overall, the Singapore Bond Fund is positioned for steady economic growth and long-term interest rates in a band. The good quality credits held by the fund should provide yield enhancement and are better positioned to weather short- to medium-term uncertainties. We remain constructive on credits in the longer run and central banks' accommodative policies should continue to underpin investors' search for yield.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned 5.6% in Singapore Dollar (SGD) terms in the 1st half of 2017. A moderate, synchronised upturn in global growth, improved corporate earnings and still-low interest rates helped support equities broadly.

The US S&P 500 index returned 4% in SGD terms and 8.2% in US Dollar (USD) terms for the 1st half of 2017, where a stronger SGD detracted from returns. Though hopes for a reflationary US policy mix faded during the year's 1st half, US markets continued their advance, fuelled in part by ample global liquidity despite tightening moves by the US Federal Reserve (Fed). Improving global growth, stabilising commodity markets and a strong rebound in earnings, particularly in the energy sector, were market-supportive.

European stocks, as measured by the STOXX 50 index returned 10.5% in SGD terms and 4.6% in euro terms during the 1st half of 2017, where a stronger euro helped fuel gains. A solid upturn in growth, fading geopolitical concerns in the wake of establishment candidates winning the Dutch and French elections and healthy European export performance helped underpin equities.

In Japan, the Nikkei Composite Index returned 4.5% in SGD terms and 11.7% in yen terms during the 1st half of 2017. Improved Japanese exports amid global and regional rebounds in industrial production and foreign trade were supportive of the market but a stronger SGD relative to the yen detracted from returns.

Emerging Markets (EMs), as measured by the MSCI EM Index returned 12.8% in SGD terms during the 1st half of 2017. Though authorities in China have recently been focusing on financial stability concerns, significant fiscal stimulus undertaken in 2016 continues to bolster demand. A synchronised upturn in global growth in early 2017, along with low levels of global inflation, have supported the asset class broadly. Concerns over potential protectionist policies from the US have receded somewhat compared with the post-election period, but remain a potential headwind going forward.

Market Outlook

Overall, we remain cautious on equity markets. Valuations are elevated, exogenous shocks and geopolitical uncertainty abound though volatility remains perplexingly subdued. However, the global equity risk premium is still relatively high with investors continuing to find equities more attractive than low-yielding bonds. Near-term, it remains a "goldilocks" market environment as interest rates, inflation and the USD are not too high and Fed maintains a gradual pace of rate hikes. Anticipation that the Fed will begin to shrink its balance sheet and the European Central Bank (ECB) may taper bond purchases late this year or early next year bear watching.

United States: Valuations continue to look extended amid sluggish economic growth and diminishing expectations for reflationary US government tax, regulatory and infrastructure policy reforms. The Shiller P/E ratio for the S&P 500 Index is approaching 30x, a level last seen during the technology run-up in the late 1990s. Earlier market gains were primarily driven by P/E expansion rather than earnings growth. Companies have continued to sustain higher-than-average profit margins, as has been the case throughout the last several years of this business cycle, but there is some question as to the sustainability of these margins over time. The Fed continues to remove policy accommodation, which some observers fear to be too aggressive, raising rates three times in the last six months and laying out a plan to shrink its $4.5 trillion balance sheet. It continues to forecast rising inflation despite core inflation remaining stubbornly below its 2% target. Slow growth of 2% per annum is likely to persist. This amplifies the undesirability of owning high-leverage, fixed-costs businesses, as well as the preference for companies with sustainable, cross-cycle, free-cash-flow prospects.

Europe: Valuations do not appear to be excessive, trading at 21.6x, making them somewhat cheap compared with the US and UK, at 23.3x and 25x, respectively. Moderately accelerating European growth allowed the ECB to drop its long-held easing bias at its June meeting but otherwise maintain very accommodative policy. A potential headwind for the 2nd half of 2017 is the concerted effort to rein in China's shadow banking system which has the potential to slow demand for European exports such as machine tools and luxury automobiles. Investor sentiment is quite upbeat, underpinned in part by receding tail risks as the populist groundswell appears to have receded given the Dutch and French election outcomes. Hopes for long-overdue labour reforms are high in the wake of Macron's victory in France.

Japan: Valuations are relatively attractive compared to elevated global valuations. Net profit margins are elevated at 5.9% versus their 20-year average of 2.9%, a supportive factor in the near-term. Abenomics reforms have helped create a more shareholder-friendly environment, leading to improved profit margins, increased dividends and greater share buybacks. Japan has benefited from the global recovery that began in mid-2016, which has helped boost industrial production, corporate profits and business sentiment. Unemployment has fallen to a 22-year low, but wage growth remains muted despite tight labour markets. As a result, consumption remains subdued albeit improving modestly. While 1st quarter gross domestic product growth dipped to 1.0% on an annualised basis, the economy expanded for a fifth straight quarter, the longest streak in more than a decade. Despite the recent growth run, inflation remains stalled near zero. With the Bank of Japan continuing to fend off deflation, extraordinarily accommodative monetary policy remains in place, supportive for Japanese and global assets.

Emerging Markets: A resynchronisation of global growth, if sustained, should support global energy demand. Valuations are on par with their 20-year average of 15x but trade at a significant discount to developed market (DM) equities at nearly 21x. Expanding profit margins, approaching 9% today, have contributed to outperformance, versus 8% a year ago. Supported by a widening EM–DM economic growth differential, EM has outperformed substantially in 2017. Low debt levels relative to DM and a growing middle class, which could increase domestic demand, are tailwinds, while potential US trade restrictions and rising interest rates are short-term risks.

Singapore Equity

The FTSE Straits Time Index surged 12% to close at 3226.5 in the 1st half of 2017, the sharpest 1st half-yearly rise since 2009, as the banks signalled that the worst of asset quality for the oil and gas sector may have passed and MAS made adjustments to its measures on the residential property market. The real estate sector was the top performer, driven by sharp pickup in property transaction volumes after the tweaks to housing policies. City Development and UOL, real estate developers with significant exposure to the Singapore residential market, posted returns of 30.6% and 30.2% respectively in this period. At the same time, the stabilisation of asset quality and potential expansion of net interest margins led to outperformance of the banking sector.

On the economic front, Singapore's gross domestic product (GDP) growth remained stable at 2.5% year-on-year (yoy) in the 2nd quarter of 2017. Growth was led by the manufacturing sector, partly offset by the slower services sector. Industrial production growth accelerated to 13.1% yoy in June as manufacturing recovery broadened out beyond the electronics segment to pharmaceuticals and transport engineering. Non-oil domestic exports (NODX) accelerated in June after being stagnant for the past two months, driven by the recovery in non-electronic exports. Residential property market appears to be stabilising, with the URA private residential price index falling only 0.3% quarter-on-quarter in the 2nd quarter, the smallest decline since property prices started its descent 15 quarters ago. While the labour market continued to shed jobs in the same period, job losses were largely concentrated in the construction sector, which has high reliance on foreign workers and has relatively smaller contribution to GDP.

In the 2nd half of 2017, we expect the economic momentum to continue as property market inflection drives more construction activities and pick up in domestic consumption. Meanwhile, synchronised recovery in the global economy should lead to robust NODX. However, as the world undergoes digital transformation, economic strength may not necessarily translate into broad-based earnings recovery for the Singapore market. The emergence of well-funded new-economy players and the introduction of 4th telecom in Singapore has resulted in heightened competition. Escalation of geopolitical tensions surrounding North Korea's missile tests and rising risk of trade wars may also result in higher market volatility. In light of downside risks to earnings and potential market volatility, the portfolio is invested in high quality names that are well positioned to embrace the digital wave and cautious on REITs and telecoms, sectors with weak fundamentals and most affected by rising interest rates.

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.

Global Managed Fund (Balanced)

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.

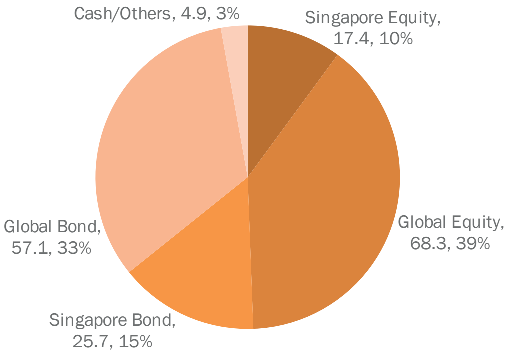
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2017	1.23%	5.41%
As of 30 June 2016	1.17%	4.68%

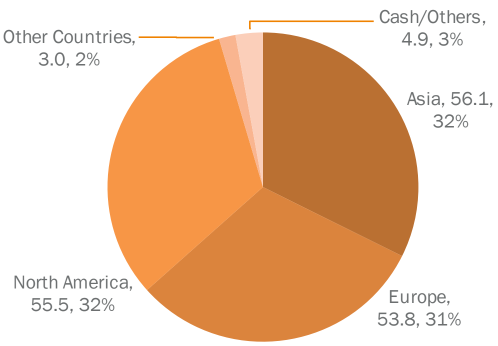
Please refer to the Fund Reports of Global Equity Fund and Global Bond Fund for details on the turnover and expense ratios.

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.

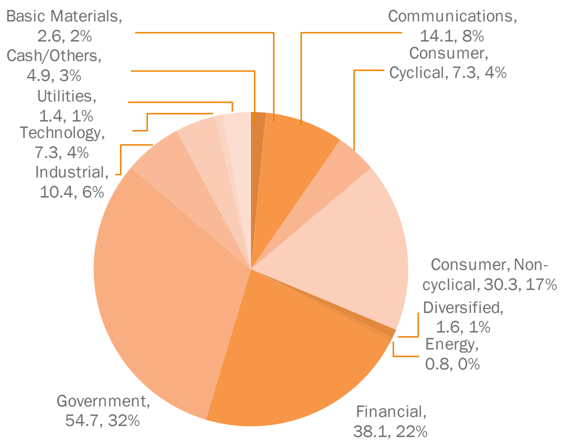
ASSET ALLOCATION AS OF 30 JUNE 2017



COUNTRY ALLOCATION AS OF 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	30.8	17.8
AA+	1.0	0.6
AA	3.1	1.8
AA-	0.7	0.4
A+	4.2	2.4
A	6.7	3.9
A-	2.8	1.6
BBB+	7.3	4.2
BBB	14.7	8.5
BBB-	4.7	2.7
BB+	1.6	0.9
BB	0.4	0.2
Not rated	4.9	2.8
Total	82.8	47.7

'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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	169,394,790
Purchase of units	2,698,188
Redemption of units	(9,448,249)
Gain/(loss) on investments and other income	10,900,594
Management fees and other charges	(107,134)
Value of fund as of 30 June 2017	173,438,189

Units in issue	79,139,484
Net asset value per unit	
- at the beginning of the year	2.059
- as of 30 June 2017	2.192

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

June 2017	S$ (mil)	% of Net Asset Value
Global Equity Fund	69.0	39.8
Global Bond Fund	61.0	35.2
Singapore Bond Fund	26.0	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 period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$107,134.

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 30 JUNE 2017

Launch Date	2 January 2003
Fund Size	S$11.78 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

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TOP 10 HOLDINGS

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Global Bond Fund^	5.9	49.8	Global Bond Fund^	5.9	49.5
Global Equity Fund	2.9	24.7	Global Equity Fund	3.0	25.1
Singapore Bond Fund	2.3	19.9	Singapore Bond Fund	2.3	19.5
Singapore Equity Fund	0.6	5.0	Singapore Equity Fund	0.6	5.1

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FUND MANAGER

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

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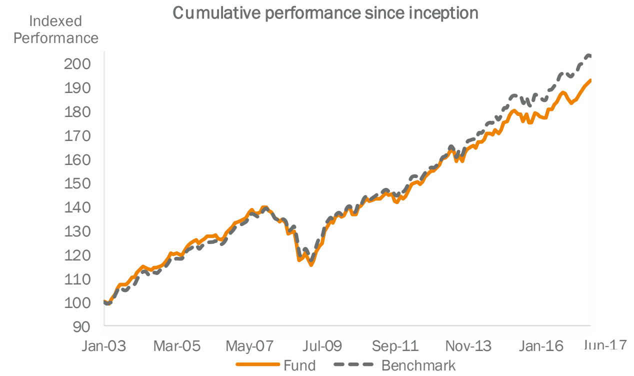
Global Managed Fund (Conservative)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Conservative)	0.31%	2.17%	4.56%	4.84%
Benchmark	-0.13%	1.51%	3.58%	5.77%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Conservative)	4.16%	5.09%	3.47%	4.63%
Benchmark	5.04%	5.87%	4.05%	5.01%



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MARKET REVIEW

Global Bond

Market Review

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In the UK, Article 50 was triggered on March 29, launching the 2-year negotiation process. In the US, as widely expected, the Federal Open Market Committee (FOMC) raised the federal funds rate by 25 basis points (bps) to 1.0%. Generally, the US Dollar (USD) weakened against emerging markets through the quarter, and strengthened against developed markets currencies.

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The ECB left rates on hold, even as inflation remains around target levels and growth appears to have hit sustainable levels. In the US, the May FOMC meeting concluded that slightly weak US growth in the 1st quarter would be short-lived and in June, the US Federal Reserve (Fed) hiked rates by another 25 bps, to move the target range of the Fed funds rate from 1% to 1.25%.

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Market Outlook

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Although inflation has not yet made a convincing comeback in developed economies, central banks will begin phasing out ultra-accommodative policies, as such policies are not without risks for the future. The shift in ECB policy will be one of the market's guiding themes in the 2nd half of 2017. The fund is now more positive on EUR versus USD as the ECB will taper, while expectations of future Fed hikes are reduced.

Singapore Bond

The Singapore Bond Fund's return of 4.65% in the six months to end June 2017 was superior to benchmark return of 4.45% as its strategy of shorter duration credit investments coupled with longer duration holdings of Singapore Government Securities (SGS) was rewarded in a period of low volatility.

The US Federal Reserve's (Fed) hawkish tone continued in the 1st half of 2017 whereby it hiked Fed funds rate twice more despite weaker sentiment as the Trump Administration failed to deliver any major policy initiatives to boost the economy. Coupled with moderating US inflation rate in recent months, long end rates have eased again following a surge in the 2nd half of 2016, leading global rates lower (and price higher). European Central Bank's (ECB) President Draghi has indicated that ECB will continue to provide ample liquidity to support Eurozone's recovering economy. Eurozone's economic growth is projected at 1.7% this year, underpinned by stronger private consumption and ongoing recovery in the labour market. Meanwhile, China's economic growth is expected to be around 6.5% this year as the transition from investment-led to consumption-led growth continues.

Singapore's growth should be in the upper range of the 1%-3% projection from Monetary Authority of Singapore, spurred by stronger external demand. Growth in the 1st quarter of 2017 was 2.7% on a year-on-year (yoy) basis, just shy of the 2.9% yoy posted for 4th quarter of 2016. Singapore has emerged from a deflationary environment but inflation pressures are likely to be benign with headline inflation expected to be in the 0.5%-1.5% range. The current monetary policy stance should thus remain appropriate for an extended period.

Given the backdrop of moderate global growth and inflation, major central banks are unlikely to make drastic changes to their policies. Monetary policy and liquidity tightening adjustments will be gradual and measured. With SGS as its core holding to maintain high quality overall, the Singapore Bond Fund is positioned for steady economic growth and long-term interest rates in a band. The good quality credits held by the fund should provide yield enhancement and are better positioned to weather short- to medium-term uncertainties. We remain constructive on credits in the longer run and central banks' accommodative policies should continue to underpin investors' search for yield.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned 5.6% in Singapore Dollar (SGD) terms in the 1st half of 2017. A moderate, synchronised upturn in global growth, improved corporate earnings and still-low interest rates helped support equities broadly.

The US S&P 500 index returned 4% in SGD terms and 8.2% in US Dollar (USD) terms for the 1st half of 2017, where a stronger SGD detracted from returns. Though hopes for a reflationary US policy mix faded during the year's 1st half, US markets continued their advance, fuelled in part by ample global liquidity despite tightening moves by the US Federal Reserve (Fed). Improving global growth, stabilising commodity markets and a strong rebound in earnings, particularly in the energy sector, were market-supportive.

European stocks, as measured by the STOXX 50 index returned 10.5% in SGD terms and 4.6% in euro terms during the 1st half of 2017, where a stronger euro helped fuel gains. A solid upturn in growth, fading geopolitical concerns in the wake of establishment candidates winning the Dutch and French elections and healthy European export performance helped underpin equities.

In Japan, the Nikkei Composite Index returned 4.5% in SGD terms and 11.7% in yen terms during the 1st half of 2017. Improved Japanese exports amid global and regional rebounds in industrial production and foreign trade were supportive of the market but a stronger SGD relative to the yen detracted from returns.

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Market Outlook

Overall, we remain cautious on equity markets. Valuations are elevated, exogenous shocks and geopolitical uncertainty abound though volatility remains perplexingly subdued. However, the global equity risk premium is still relatively high with investors continuing to find equities more attractive than low-yielding bonds. Near-term, it remains a "goldilocks" market environment as interest rates, inflation and the USD are not too high and Fed maintains a gradual pace of rate hikes. Anticipation that the Fed will begin to shrink its balance sheet and the European Central Bank (ECB) may taper bond purchases late this year or early next year bear watching.

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Japan: Valuations are relatively attractive compared to elevated global valuations. Net profit margins are elevated at 5.9% versus their 20-year average of 2.9%, a supportive factor in the near-term. Abenomics reforms have helped create a more shareholder-friendly environment, leading to improved profit margins, increased dividends and greater share buybacks. Japan has benefited from the global recovery that began in mid-2016, which has helped boost industrial production, corporate profits and business sentiment. Unemployment has fallen to a 22-year low, but wage growth remains muted despite tight labour markets. As a result, consumption remains subdued albeit improving modestly. While 1st quarter gross domestic product growth dipped to 1.0% on an annualised basis, the economy expanded for a fifth straight quarter, the longest streak in more than a decade. Despite the recent growth run, inflation remains stalled near zero. With the Bank of Japan continuing to fend off deflation, extraordinarily accommodative monetary policy remains in place, supportive for Japanese and global assets.

Emerging Markets: A resynchronisation of global growth, if sustained, should support global energy demand. Valuations are on par with their 20-year average of 15x but trade at a significant discount to developed market (DM) equities at nearly 21x. Expanding profit margins, approaching 9% today, have contributed to outperformance, versus 8% a year ago. Supported by a widening EM–DM economic growth differential, EM has outperformed substantially in 2017. Low debt levels relative to DM and a growing middle class, which could increase domestic demand, are tailwinds, while potential US trade restrictions and rising interest rates are short-term risks.

Singapore Equity

The FTSE Straits Time Index surged 12% to close at 3226.5 in the 1st half of 2017, the sharpest 1st half-yearly rise since 2009, as the banks signalled that the worst of asset quality for the oil and gas sector may have passed and MAS made adjustments to its measures on the residential property market. The real estate sector was the top performer, driven by sharp pickup in property transaction volumes after the tweaks to housing policies. City Development and UOL, real estate developers with significant exposure to the Singapore residential market, posted returns of 30.6% and 30.2% respectively in this period. At the same time, the stabilisation of asset quality and potential expansion of net interest margins led to outperformance of the banking sector.

On the economic front, Singapore's gross domestic product (GDP) growth remained stable at 2.5% year-on-year (yoy) in the 2nd quarter of 2017. Growth was led by the manufacturing sector, partly offset by the slower services sector. Industrial production growth accelerated to 13.1% yoy in June as manufacturing recovery broadened out beyond the electronics segment to pharmaceuticals and transport engineering. Non-oil domestic exports (NODX) accelerated in June after being stagnant for the past two months, driven by the recovery in non-electronic exports. Residential property market appears to be stabilising, with the URA private residential price index falling only 0.3% quarter-on-quarter in the 2nd quarter, the smallest decline since property prices started its descent 15 quarters ago. While the labour market continued to shed jobs in the same period, job losses were largely concentrated in the construction sector, which has high reliance on foreign workers and has relatively smaller contribution to GDP.

In the 2nd half of 2017, we expect the economic momentum to continue as property market inflection drives more construction activities and pick up in domestic consumption. Meanwhile, synchronised recovery in the global economy should lead to robust NODX. However, as the world undergoes digital transformation, economic strength may not necessarily translate into broad-based earnings recovery for the Singapore market. The emergence of well-funded new-economy players and the introduction of 4th telecom in Singapore has resulted in heightened competition. Escalation of geopolitical tensions surrounding North Korea's missile tests and rising risk of trade wars may also result in higher market volatility. In light of downside risks to earnings and potential market volatility, the portfolio is invested in high quality names that are well positioned to embrace the digital wave and cautious on REITs and telecoms, sectors with weak fundamentals and most affected by rising interest rates.

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.

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

Global Managed Fund (Conservative)

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.

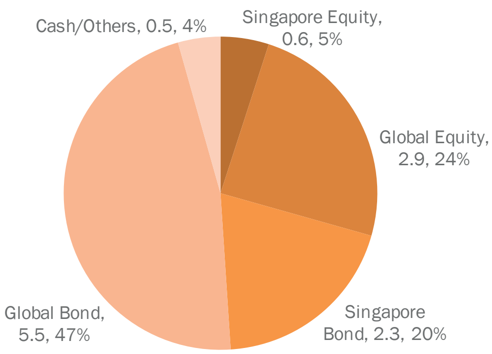
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2017	1.12%	4.18%
As of 30 June 2016	1.06%	3.71%

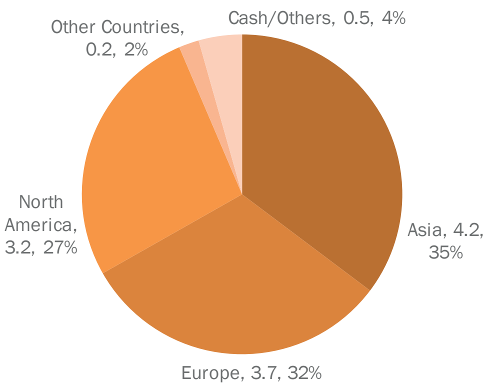
Please refer to the Fund Report of Global Bond Fund for details on the turnover and expense ratios.

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.

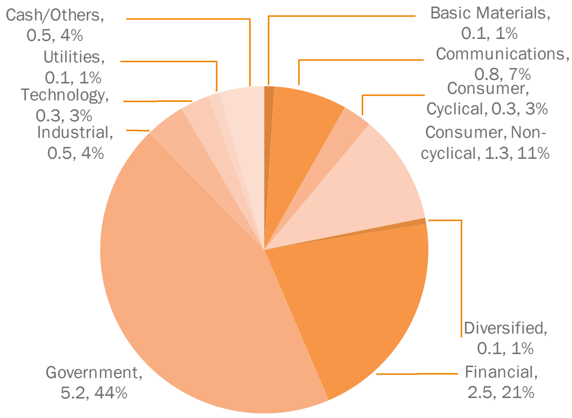
ASSET ALLOCATION AS OF 30 JUNE 2017



COUNTRY ALLOCATION AS OF 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	2.9	24.5
AA+	0.1	0.8
AA	0.3	2.5
AA-	0.1	0.5
A+	0.4	3.3
A	0.6	5.4
A-	0.3	2.3
BBB+	0.7	5.9
BBB	1.4	11.9
BBB-	0.4	3.8
BB+	0.1	1.3
BB	0.0	0.3
Not rated	0.4	3.8
Total	7.8	66.2

'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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	11,641,467
Purchase of units	207,746
Redemption of units	(592,050)
Gain/(loss) on investments and other income	533,774
Management fees and other charges	(6,272)
Value of fund as of 30 June 2017	11,784,665

Units in issue	6,111,667
Net asset value per unit	
- at the beginning of the year	1.844
- as of 30 June 2017	1.928

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

June 2017	S$ (mil)	% of Net Asset Value
Global Bond Fund	5.9	49.8
Global Equity Fund	2.9	24.7
Singapore Bond Fund	2.3	19.9
Singapore Equity Fund	0.6	5.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$6,272.

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 30 JUNE 2017

Launch Date	2 January 2003
Fund Size	S$251.29 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Global Equity Fund^	137.7	54.8	Global Equity Fund^	130.2	55.3
Global Bond Fund	50.5	20.1	Global Bond Fund	46.7	19.8
Singapore Equity Fund	38.1	15.2	Singapore Equity Fund	35.8	15.2
Singapore Bond Fund	25.2	10.0	Singapore Bond Fund	23.1	9.8

^ Please refer to the Fund Report of Global Equity 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.

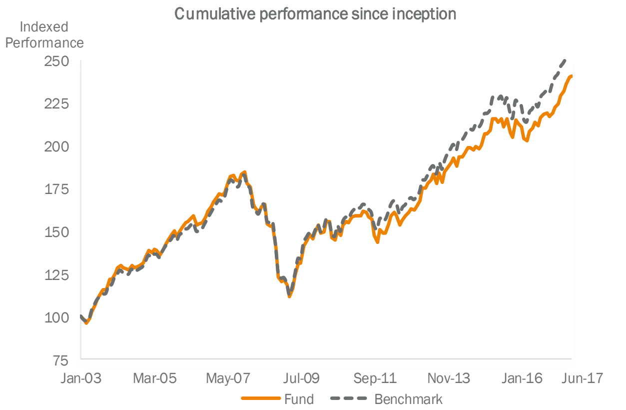
More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

Global Managed Fund (Growth)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Growth)	0.33%	3.62%	8.28%	13.70%
Benchmark	-0.03%	2.12%	5.75%	13.91%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Growth)	6.56%	9.05%	2.81%	6.24%
Benchmark	6.57%	9.16%	3.55%	6.63%



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.

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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

January marked a slow start to 2017, with the key event being the inauguration of Donald Trump as the president of the United States. Ongoing expectations of fiscal easing and inflationary policies under a Trump presidency kept US treasury yields steady. February saw strong risk asset performance across the board as global economic data continued to hold up well. In addition, the incredibly low level of volatility throughout markets remained a major theme through the 1st quarter.

In the UK, Article 50 was triggered on March 29, launching the 2-year negotiation process. In the US, as widely expected, the Federal Open Market Committee (FOMC) raised the federal funds rate by 25 basis points (bps) to 1.0%. Generally, the US Dollar (USD) weakened against emerging markets through the quarter, and strengthened against developed markets currencies.

The 2nd quarter got off to a relatively busy start with French elections, President Trump's first 100 days and a European Central Bank (ECB) meeting. Victory went to Emmanuel Macron who is seen as being more market friendly. Markets breathed a sigh of relief on the outcome, and risk assets and European government bonds, especially in the peripheral regions and France, performed well.

The ECB left rates on hold, even as inflation remains around target levels and growth appears to have hit sustainable levels. In the US, the May FOMC meeting concluded that slightly weak US growth in the 1st quarter would be short-lived and in June, the US Federal Reserve (Fed) hiked rates by another 25 bps, to move the target range of the Fed funds rate from 1% to 1.25%.

The quarter ended on the theme of central bank hawkishness after central bankers met in Portugal and it became clear that they seemed intent on returning bond markets to "normal" yield levels through a combination of reductions in buying programmes and rate rises. The exception is the Bank of Japan which is expected to remain either on hold or in easing mode for some time yet.

Market Outlook

The fund is currently underweight overall duration, in particular in the US, Europe and UK as central banks are preparing to change course. Mario Draghi's 27 June speech startled market participants when he expressed his confidence in the inflation outlook, detailing the reasons why inflation is lagging behind the improvement in economic figures: the ongoing spill-over of the fall in oil prices between mid-2014 and early 2016, structural changes in the labour market, and "backward-lookingness" in price and wage formation. Draghi struck a reassuring tone on the inflation outlook, saying that these various phenomenon would fade over time (Eurozone core inflation surprised on the upside in June to 1.1% year-on-year). However, he also pointed out during his speech that the more favourable inflation dynamics were not yet on a self-sustaining path and that ECB policy should be "persistent".

However, a real shift is occurring in central banks' general orientations, with the ECB set to reduce its asset purchases in 2018 and the Fed's intention to shrink its balance sheet and continue raising interest rates, particularly for financial stability grounds (FOMC members have been increasingly vocal on this point). On a similar note, the Bank of Canada has expressed it could raise its key rate very soon despite still very low oil prices, while the Bank of England is pondering the relevance of a rate hike as the negotiations on Brexit have just begun and the economy is slowing.

Although inflation has not yet made a convincing comeback in developed economies, central banks will begin phasing out ultra-accommodative policies, as such policies are not without risks for the future. The shift in ECB policy will be one of the market's guiding themes in the 2nd half of 2017. The fund is now more positive on EUR versus USD as the ECB will taper, while expectations of future Fed hikes are reduced.

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United States: Valuations continue to look extended amid sluggish economic growth and diminishing expectations for reflationary US government tax, regulatory and infrastructure policy reforms. The Shiller P/E ratio for the S&P 500 Index is approaching 30x, a level last seen during the technology run-up in the late 1990s. Earlier market gains were primarily driven by P/E expansion rather than earnings growth. Companies have continued to sustain higher-than-average profit margins, as has been the case throughout the last several years of this business cycle, but there is some question as to the sustainability of these margins over time. The Fed continues to remove policy accommodation, which some observers fear to be too aggressive, raising rates three times in the last six months and laying out a plan to shrink its $4.5 trillion balance sheet. It continues to forecast rising inflation despite core inflation remaining stubbornly below its 2% target. Slow growth of 2% per annum is likely to persist. This amplifies the undesirability of owning high-leverage, fixed-costs businesses, as well as the preference for companies with sustainable, cross-cycle, free-cash-flow prospects.

Europe: Valuations do not appear to be excessive, trading at 21.6x, making them somewhat cheap compared with the US and UK, at 23.3x and 25x, respectively. Moderately accelerating European growth allowed the ECB to drop its long-held easing bias at its June meeting but otherwise maintain very accommodative policy. A potential headwind for the 2nd half of 2017 is the concerted effort to rein in China's shadow banking system which has the potential to slow demand for European exports such as machine tools and luxury automobiles. Investor sentiment is quite upbeat, underpinned in part by receding tail risks as the populist groundswell appears to have receded given the Dutch and French election outcomes. Hopes for long-overdue labour reforms are high in the wake of Macron's victory in France.

Japan: Valuations are relatively attractive compared to elevated global valuations. Net profit margins are elevated at 5.9% versus their 20-year average of 2.9%, a supportive factor in the near-term. Abenomics reforms have helped create a more shareholder-friendly environment, leading to improved profit margins, increased dividends and greater share buybacks. Japan has benefited from the global recovery that began in mid-2016, which has helped boost industrial production, corporate profits and business sentiment. Unemployment has fallen to a 22-year low, but wage growth remains muted despite tight labour markets. As a result, consumption remains subdued albeit improving modestly. While 1st quarter gross domestic product growth dipped to 1.0% on an annualised basis, the economy expanded for a fifth straight quarter, the longest streak in more than a decade. Despite the recent growth run, inflation remains stalled near zero. With the Bank of Japan continuing to fend off deflation, extraordinarily accommodative monetary policy remains in place, supportive for Japanese and global assets.

Emerging Markets: A resynchronisation of global growth, if sustained, should support global energy demand. Valuations are on par with their 20-year average of 15x but trade at a significant discount to developed market (DM) equities at nearly 21x. Expanding profit margins, approaching 9% today, have contributed to outperformance, versus 8% a year ago. Supported by a widening EM–DM economic growth differential, EM has outperformed substantially in 2017. Low debt levels relative to DM and a growing middle class, which could increase domestic demand, are tailwinds, while potential US trade restrictions and rising interest rates are short-term risks.

Singapore Equity

The FTSE Straits Time Index surged 12% to close at 3226.5 in the 1st half of 2017, the sharpest 1st half-yearly rise since 2009, as the banks signalled that the worst of asset quality for the oil and gas sector may have passed and MAS made adjustments to its measures on the residential property market. The real estate sector was the top performer, driven by sharp pickup in property transaction volumes after the tweaks to housing policies. City Development and UOL, real estate developers with significant exposure to the Singapore residential market, posted returns of 30.6% and 30.2% respectively in this period. At the same time, the stabilisation of asset quality and potential expansion of net interest margins led to outperformance of the banking sector.

On the economic front, Singapore's gross domestic product (GDP) growth remained stable at 2.5% year-on-year (yoy) in the 2nd quarter of 2017. Growth was led by the manufacturing sector, partly offset by the slower services sector. Industrial production growth accelerated to 13.1% yoy in June as manufacturing recovery broadened out beyond the electronics segment to pharmaceuticals and transport engineering. Non-oil domestic exports (NODX) accelerated in June after being stagnant for the past two months, driven by the recovery in non-electronic exports. Residential property market appears to be stabilising, with the URA private residential price index falling only 0.3% quarter-on-quarter in the 2nd quarter, the smallest decline since property prices started its descent 15 quarters ago. While the labour market continued to shed jobs in the same period, job losses were largely concentrated in the construction sector, which has high reliance on foreign workers and has relatively smaller contribution to GDP.

In the 2nd half of 2017, we expect the economic momentum to continue as property market inflection drives more construction activities and pick up in domestic consumption. Meanwhile, synchronised recovery in the global economy should lead to robust NODX. However, as the world undergoes digital transformation, economic strength may not necessarily translate into broad-based earnings recovery for the Singapore market. The emergence of well-funded new-economy players and the introduction of 4th telecom in Singapore has resulted in heightened competition. Escalation of geopolitical tensions surrounding North Korea's missile tests and rising risk of trade wars may also result in higher market volatility. In light of downside risks to earnings and potential market volatility, the portfolio is invested in high quality names that are well positioned to embrace the digital wave and cautious on REITs and telecoms, sectors with weak fundamentals and most affected by rising interest rates.

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, 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

Global Managed Fund (Growth)

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.

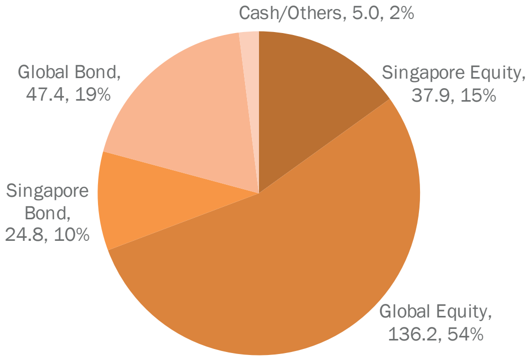
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2017	1.26%	5.81%
As of 30 June 2016	1.22%	5.84%

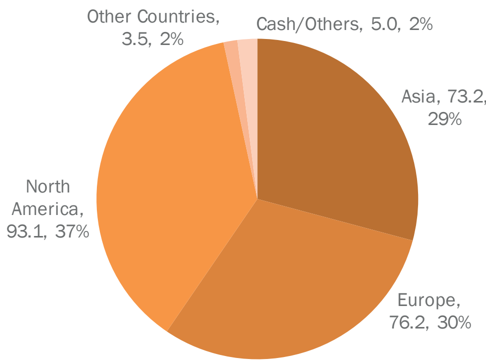
Please refer to the Fund Report of Global Equity Fund for details on the turnover and expense ratios.

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.

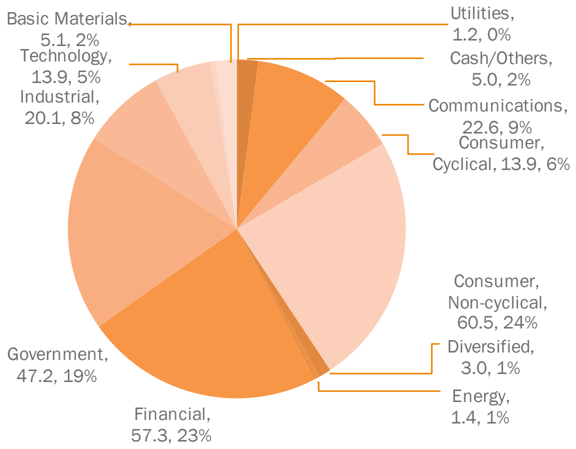
ASSET ALLOCATION AS OF 30 JUNE 2017



COUNTRY ALLOCATION AS OF 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	27.3	10.9
AA+	0.8	0.3
AA	2.7	1.1
AA-	0.6	0.2
A+	3.7	1.5
A	5.7	2.3
A-	2.5	1.0
BBB+	6.1	2.4
BBB	12.5	5.0
BBB-	4.0	1.6
BB+	1.3	0.5
BB	0.3	0.1
Not rated	4.6	1.8
Total	72.0	28.7

'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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	239,511,733
Purchase of units	5,706,975
Redemption of units	(13,486,563)
Gain/(loss) on investments and other income	19,719,401
Management fees and other charges	(165,197)
Value of fund as of 30 June 2017	251,286,349

Units in issue	104,419,561
Net asset value per unit	
- at the beginning of the year	2.223
- as of 30 June 2017	2.407

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 (Growth)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Global Equity Fund	137.7	54.8
Global Bond Fund	50.5	20.1
Singapore Equity Fund	38.1	15.2
Singapore Bond Fund	25.2	10.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$165,197.

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 30 JUNE 2017

Launch Date	1 May 1994
Fund Size	S$84.62 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	32.2	38.1	Singapore Bond Fund^	33.3	41.2
DBS Group Holdings Ltd	8.2	9.7	Singapore Telecommunications Ltd	6.6	8.2
Oversea-Chinese Banking Corp	7.7	9.1	DBS Group Holdings Ltd	6.5	8.1
Thai Beverage PCL	3.2	3.8	Oversea-Chinese Banking Corp	5.2	6.5
CapitaLand Ltd	3.0	3.6	United Overseas Bank Ltd	3.5	4.3
Global Logistic Properties Ltd	3.0	3.5	Thai Beverage PCL	2.2	2.7
Singapore Telecommunications Ltd	3.0	3.5	CapitaLand Ltd	2.0	2.5
UOL GROUP LIMITED SGD1	2.8	3.3	Singapore Airlines Ltd	1.9	2.4
Hongkong Land Holdings Ltd	2.8	3.3	Hongkong Land Holdings Ltd	1.9	2.3
United Overseas Bank Ltd	2.7	3.2	Keppel Corp Ltd	1.8	2.3

^ 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.

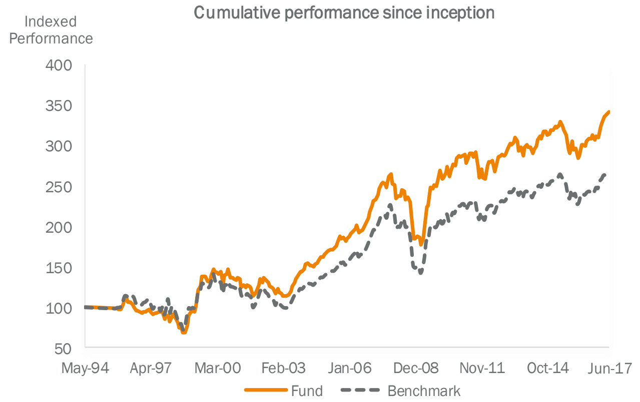
As of 30 June 2017, Income had S$33.05 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Singapore Managed Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Singapore Managed Fund	0.41%	1.78%	10.09%	11.95%
Benchmark	0.33%	1.77%	8.33%	10.83%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Managed Fund	3.44%	4.52%	3.02%	5.76%
Benchmark	2.48%	3.85%	2.26%	4.00%



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

The FTSE Straits Time Index surged 12% to close at 3226.5 in the 1st half of 2017, the sharpest 1st half-yearly rise since 2009, as the banks signalled that the worst of asset quality for the oil and gas sector may have passed and MAS made adjustments to its measures on the residential property market. The real estate sector was the top performer, driven by sharp pickup in property transaction volumes after the tweaks to housing policies. City Development and UOL, real estate developers with significant exposure to the Singapore residential market, posted returns of 30.6% and 30.2% respectively in this period. At the same time, the stabilisation of asset quality and potential expansion of net interest margins led to outperformance of the banking sector.

On the economic front, Singapore's gross domestic product (GDP) growth remained stable at 2.5% year-on-year (yoy) in the 2nd quarter of 2017. Growth was led by the manufacturing sector, partly offset by the slower services sector. Industrial production growth accelerated to 13.1% yoy in June as manufacturing recovery broadened out beyond the electronics segment to pharmaceuticals and transport engineering. Non-oil domestic exports (NODX) accelerated in June after being stagnant for the past two months, driven by the recovery in non-electronic exports. Residential property market appears to be stabilising, with the URA private residential price index falling only 0.3% quarter-on-quarter in the 2nd quarter, the smallest decline since property prices started its descent 15 quarters ago.

While the labour market continued to shed jobs in the same period, job losses were largely concentrated in the construction sector, which has high reliance on foreign workers and has relatively smaller contribution to GDP.

In the 2nd half of 2017, we expect the economic momentum to continue as property market inflection drives more construction activities and pick up in domestic consumption. Meanwhile, synchronised recovery in the global economy should lead to robust NODX. However, as the world undergoes digital transformation, economic strength may not necessarily translate into broad-based earnings recovery for the Singapore market. The emergence of well-funded new-economy players and the introduction of 4th telecom in Singapore has resulted in heightened competition. Escalation of geopolitical tensions surrounding North Korea's missile tests and rising risk of trade wars may also result in higher market volatility. In light of downside risks to earnings and potential market volatility, the portfolio is invested in high quality names that are well positioned to embrace the digital wave and cautious on REITs and telecoms, sectors with weak fundamentals and most affected by rising interest rates.

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.

Singapore Managed Fund

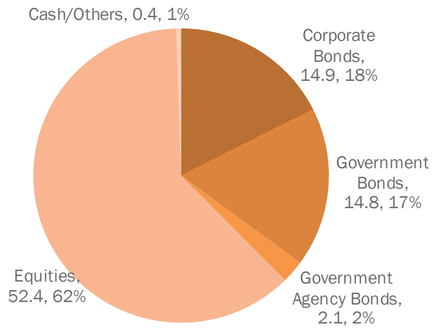
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2017	1.06%	29.91%
As of 30 June 2016	0.86%	15.00%

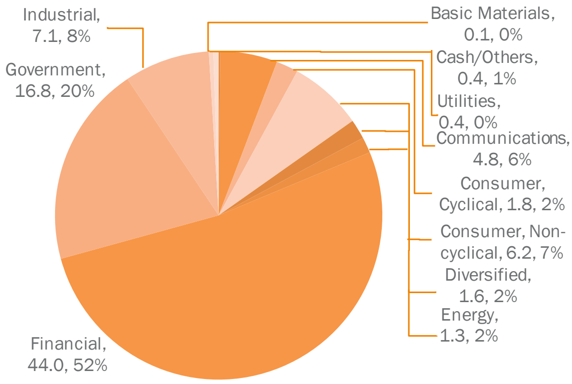
Please refer to the Fund Report of Singapore Bond Fund for details on the turnover and expense ratios.

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 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	16.1	19.1
AA	0.8	0.9
AA-	0.1	0.1
A+	1.8	2.2
A	1.7	2.0
A-	1.5	1.8
BBB+	0.5	0.6
BBB	3.1	3.7
BBB-	1.0	1.2
BB+	0.3	0.3
Not rated	4.8	5.7
Total	31.8	37.6

'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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	79,754,843
Purchase of units	3,355,212
Redemption of units	(6,467,441)
Gain/(loss) on investments and other income	8,315,470
Management fees and other charges	(339,104)
Value of fund as of 30 June 2017	84,618,980

Units in issue	29,040,715
Net asset value per unit	
- at the beginning of the year	2.647
- as of 30 June 2017	2.914

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	1,588	1,357

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	32.2	38.1
Mapletree Commercial Trust REIT NPV	1.1	1.3
Frasers Logistics & Industrial Trust	0.6	0.7
Far East Hospitality Trust NPV	0.5	0.6

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$339,104.

Singapore Managed Fund

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 payouts of 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 30 JUNE 2017

Launch Date	25 September 2009
Fund Size	S$92.55 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	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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	42.1	45.5	Singapore Bond Fund^	42.7	37.5
Schroder Asian Investment Grade Credit	11.7	12.6	Schroder Asian Investment Grade Credit	19.1	16.8
Schroder ISF Global Corporate Bond	6.9	7.5	Schroder ISF Global Corporate Bond	11.7	10.3
Schroder ISF Global Bond	6.8	7.4	Schroder ISF Global Inflation Linked Bond	9.1	8.0
Schroder ISF Global Inflation Linked Bond	6.8	7.3	Schroder ISF Global Bond	7.0	6.2
Schroder ISF Global Equity	4.9	5.3	Schroder ISF Global Equity	4.0	3.6
Schroder ISF Asian Opportunities	3.6	3.9	Schroder ISF Asian Opportunities	3.4	3.0
Singapore Equity Fund	3.0	3.3	SPDR Gold Trust	2.7	2.3
Monetary Authority of Singapore Bills 150917	2.9	3.1	Schroder ISF Asian Bond Absolute Return	1.1	1.0
SPDR Gold Trust	2.1	2.2	Singapore Equity Fund	0.8	0.7

^ 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. 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 30 June 2017, Income had S$33.05 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.

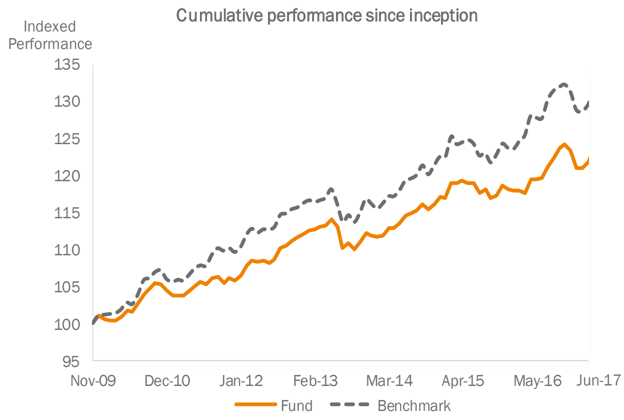
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$543.3 billion (as of 30 June 2017).

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	0.05%	1.66%	4.12%	4.03%
Benchmark	-0.07%	1.33%	3.43%	2.25%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM Now Fund	3.12%	2.99%	N.A,	3.05%
Benchmark	3.64%	3.32%	N.A.	3.80%



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

The 1st half of 2017 was generally positive for risky assets, supported by a synchronised pickup in growth. In the US, economic data was mixed but the US Federal Reserve (Fed) continued to normalise monetary policy, hiking its key rate by 25 basis points (bps) in March and June to 1.25%. However, uncertainty over the ability of the Trump administration to deliver its pro-growth agenda led the timing and magnitude of expected US fiscal stimulus to be negatively adjusted. US treasury yields and in turn the US Dollar (USD) weakened as a consequence. In Europe, macroeconomic data strengthened and European Central Bank governor Draghi indicated that a continuation of this positive trend could lead economic stimulus to be removed. Emerging Market (EM) assets were beneficiaries of a supportive global backdrop, weaker USD and stable Treasury yields.

The Aim portfolios outperformed their benchmarks over this period due to positive stock selection. The relative gains were led by strong outperformance in Asian and Global equities while Singapore bonds and global credit also support relative performance. While the portfolios were overall underweight in fixed income, the relative gains from the position were more than offset by an underweight in EM equities and cash drag.

Market Outlook

Equities continue to advance with global recovery actively remaining intact while inflation appears to have peaked following the stabilisation in energy costs. While we remain constructive on equities, we will opportunistically add put options to protect the portfolio from downside while maintaining upside participation. We continue to view EM exposure as a cheap way to access the longer-term pro-cyclical recovery. We increased our exposure to Asian equities on resilient activity and profits in the Chinese economy.

Yields have risen recently but remain within trading range of around 10-20 bps. An uptick to inflation expectations may serve as a catalyst for yields to break through the trading range and we would continue to watch out how the recent hawkish rhetoric will translate into policy action with investors still expecting fewer US rate hikes than policymakers' recent signposts. Meanwhile, we expect Asian bonds to benefit from a resumption in the downward regional inflation trend, a contained USD and the continuation of ample global liquidity.

Growth revisions and economic data in Europe remain strong which should provide support on the euro. On the other hand, we expect softer economic data and concerns around the effectiveness of Trump's policies to cap the USD strength. As a result, we maintain our overweight on the euro and neutral on the USD.

The action by OPEC to cut production will support prices at current levels but we do not expect it to be materially higher. Given current high inventory levels, it will take time for markets to be brought back into balance. Gold as a hedge against growth disappointment, inflation shock and political risk scenarios may offer diversification benefits, but we are still wary of the potential of the Fed to hike more than market expectations. For this reason, we are keeping neutral on both commodities and gold in view of the bipolar tensions pulling on these two asset classes.

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.

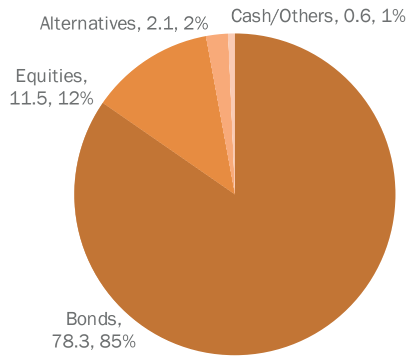
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2017	0.91%	33.95%
As of 30 June 2016	0.95%	32.72%

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 30 JUNE 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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	101,859,760
Purchase of units	5,763,016
Redemption of units	(17,970,605)
Dividend distribution	(981,865)
Gain/(loss) on investments and other income	4,185,817
Management fees and other charges	(303,210)
Value of fund as of 30 June 2017	92,552,913

Units in issue	98,920,471
Net asset value per unit	
- at the beginning of the year	0.908
- as of 30 June 2017	0.936

AIM Now Fund

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	110,668	0.12	336,611	250,187
Options	15,366	0.02	(199,590)	(8,422)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	42.1	45.5
Schroder Asian Investment Grade Credit	11.7	12.6
Schroder ISF Global Corporate Bond	6.9	7.5
Schroder ISF Global Bond	6.8	7.4
Schroder ISF Global Inflation Linked Bond	6.8	7.3
Schroder ISF Global Equity	4.9	5.3
Schroder ISF Asian Opportunities	3.6	3.9
Singapore Equity Fund	3.0	3.3
SPDR Gold Trust	2.1	2.2
Schroder ISF Asian Bond Absolute Return	1.2	1.3

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$303,210.

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 30 JUNE 2017

Launch Date	25 September 2009
Fund Size	S$15.88 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	3.1	19.7	Schroder ISF Asian Opportunities	2.5	18.0
Schroder ISF Asian Opportunities	2.7	17.0	Schroder ISF Global Equity	1.9	13.5
Schroder ISF Global Equity	2.4	15.1	Schroder ISF Global Bond	1.4	10.3
Schroder ISF Global Bond	1.5	9.2	Schroder ISF Global Corporate Bond	1.4	10.2
Schroder ISF Global Corporate Bond	1.4	8.5	Singapore Bond Fund	1.4	10.2
Schroder Asian Investment Grade Credit	1.0	6.5	Schroder Asian Investment Grade Credit	1.2	8.7
Schroder ISF Global Inflation Linked Bond	0.9	5.6	Singapore Equity Fund	0.6	4.7
Singapore Equity Fund	0.8	4.9	Schroder ISF Asia Pacific Property Securities	0.6	4.6
SPDR Gold Trust	0.3	2.0	Schroder ISF Global Inflation Linked Bond	0.6	4.5
Schroder ISF Global Smaller Companies	0.3	1.9	Monetary Authority of Singapore Bills 220716	0.4	3.0

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.

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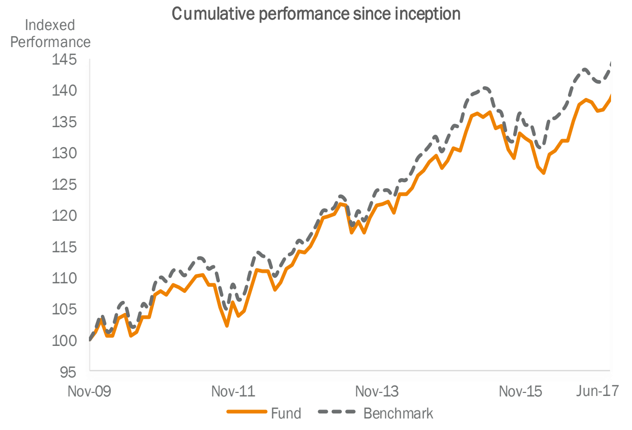
FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2025 Fund	0.36%	3.07%	6.81%	10.84%
Benchmark	0.09%	2.26%	5.84%	8.66%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2025 Fund	4.77%	5.99%	N.A.	5.07%
Benchmark	4.85%	6.04%	N.A.	5.41%



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MARKET REVIEW

The 1st half of 2017 was generally positive for risky assets, supported by a synchronised pickup in growth. In the US, economic data was mixed but the US Federal Reserve (Fed) continued to normalise monetary policy, hiking its key rate by 25 basis points (bps) in March and June to 1.25%. However, uncertainty over the ability of the Trump administration to deliver its pro-growth agenda led the timing and magnitude of expected US fiscal stimulus to be negatively adjusted. US treasury yields and in turn the US Dollar (USD) weakened as a consequence. In Europe, macroeconomic data strengthened and European Central Bank governor Draghi indicated that a continuation of this positive trend could lead economic stimulus to be removed. Emerging Market (EM) assets were beneficiaries of a supportive global backdrop, weaker USD and stable Treasury yields.

The Aim portfolios outperformed their benchmarks over this period due to positive stock selection. The relative gains were led by strong outperformance in Asian and Global equities while Singapore bonds and global credit also support relative performance. While the portfolios were overall underweight in fixed income, the relative gains from the position were more than offset by an underweight in EM equities and cash drag.

Market Outlook

Equities continue to advance with global recovery actively remaining intact while inflation appears to have peaked following the stabilisation in energy costs. While we remain

constructive on equities, we will opportunistically add put options to protect the portfolio from downside while maintaining upside participation. We continue to view EM exposure as a cheap way to access the longer-term pro-cyclical recovery. We increased our exposure to Asian equities on resilient activity and profits in the Chinese economy.

Yields have risen recently but remain within trading range of around 10-20 bps. An uptick to inflation expectations may serve as a catalyst for yields to break through the trading range and we would continue to watch out how the recent hawkish rhetoric will translate into policy action with investors still expecting fewer US rate hikes than policymakers' recent signposts. Meanwhile, we expect Asian bonds to benefit from a resumption in the downward regional inflation trend, a contained USD and the continuation of ample global liquidity.

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The action by OPEC to cut production will support prices at current levels but we do not expect it to be materially higher. Given current high inventory levels, it will take time for markets to be brought back into balance. Gold as a hedge against growth disappointment, inflation shock and political risk scenarios may offer diversification benefits, but we are still wary of the potential of the Fed to hike more than market expectations. For this reason, we are keeping neutral on both commodities and gold in view of the bipolar tensions pulling on these two asset classes.

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.

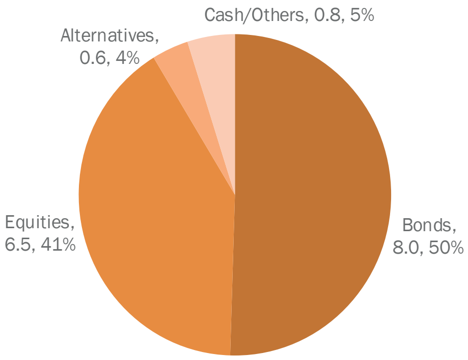
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2017	1.13%	41.91%
As of 30 June 2016	1.13%	31.93%

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 30 JUNE 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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	14,262,821
Purchase of units	1,622,432
Redemption of units	(992,263)
Gain/(loss) on investments and other income	1,049,187
Management fees and other charges	(66,525)
Value of fund as of 30 June 2017	15,875,652

Units in issue	11,250,451
Net asset value per unit	
- at the beginning of the year	1.321
- as of 30 June 2017	1.411

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	29,678	0.19	41,278	67,625
Options	1,707	0.01	(32,736)	(924)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	3.1	19.7
Schroder ISF Asian Opportunities	2.7	17.0
Schroder ISF Global Equity	2.4	15.1
Schroder ISF Global Bond	1.5	9.2
Schroder ISF Global Corporate Bond	1.4	8.5
Schroder Asian Investment Grade Credit	1.0	6.5
Schroder ISF Global Inflation Linked Bond	0.9	5.6
Singapore Equity Fund	0.8	4.9
SPDR Gold Trust	0.3	2.0
Schroder ISF Global Smaller Companies	0.3	1.9
Schroder Alt Solutions Commodity	0.3	1.8
Schroder ISF Emerging Markets	0.3	1.8
Schroder ISF Asian Bond Absolute Return	0.2	1.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$66,525.

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 30 JUNE 2017

Launch Date	25 September 2009
Fund Size	S$20.67 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.4	26.0	Schroder ISF Asian Opportunities	3.8	21.8
Schroder ISF Asian Opportunities	5.3	25.6	Schroder ISF Global Equity	3.5	19.8
Singapore Equity Fund	1.7	8.1	Schroder ISF Global Bond	1.7	10.0
Singapore Bond Fund	1.6	7.8	Schroder ISF Global Corporate Bond	1.4	8.0
Schroder ISF Emerging Markets	1.2	5.8	Singapore Equity Fund	1.2	6.7
Schroder ISF Global Corporate Bond	1.0	4.7	Schroder Asian Investment Grade Credit	1.0	5.8
Schroder ISF Global Smaller Companies	0.8	3.9	Schroder ISF Asia Pacific Property Securities	1.0	5.5
Schroder Asian Investment Grade Credit	0.8	3.9	Monetary Authority of Singapore Bills 220716	0.7	4.0
Schroder ISF Global Inflation Linked Bond	0.8	3.9	Schroder ISF Global Smaller Companies	0.6	3.7
Schroder ISF Global Bond	0.7	3.5	Schroder ISF Global Inflation Linked Bond	0.5	3.0

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 30 June 2017, Income had S$33.05 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.

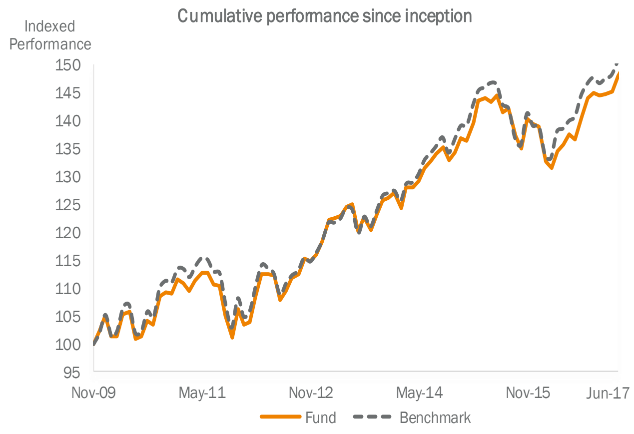
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$543.3 billion (as of 30 June 2017).

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	0.59%	4.35%	9.56%	16.45%
Benchmark	0.27%	3.21%	8.46%	14.15%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2035 Fund	6.27%	7.76%	N.A.	6.24%
Benchmark	6.20%	7.71%	N.A.	6.38%



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

The 1st half of 2017 was generally positive for risky assets, supported by a synchronised pickup in growth. In the US, economic data was mixed but the US Federal Reserve (Fed) continued to normalise monetary policy, hiking its key rate by 25 basis points (bps) in March and June to 1.25%. However, uncertainty over the ability of the Trump administration to deliver its pro-growth agenda led the timing and magnitude of expected US fiscal stimulus to be negatively adjusted. US treasury yields and in turn the US Dollar (USD) weakened as a consequence. In Europe, macroeconomic data strengthened and European Central Bank governor Draghi indicated that a continuation of this positive trend could lead economic stimulus to be removed. Emerging Market (EM) assets were beneficiaries of a supportive global backdrop, weaker USD and stable Treasury yields.

The Aim portfolios outperformed their benchmarks over this period due to positive stock selection. The relative gains were led by strong outperformance in Asian and Global equities while Singapore bonds and global credit also support relative performance. While the portfolios were overall underweight in fixed income, the relative gains from the position were more than offset by an underweight in EM equities and cash drag.

Market Outlook

Equities continue to advance with global recovery actively remaining intact while inflation appears to have peaked following the stabilisation in energy costs. While we remain

constructive on equities, we will opportunistically add put options to protect the portfolio from downside while maintaining upside participation. We continue to view EM exposure as a cheap way to access the longer-term pro-cyclical recovery. We increased our exposure to Asian equities on resilient activity and profits in the Chinese economy.

Yields have risen recently but remain within trading range of around 10-20 bps. An uptick to inflation expectations may serve as a catalyst for yields to break through the trading range and we would continue to watch out how the recent hawkish rhetoric will translate into policy action with investors still expecting fewer US rate hikes than policymakers' recent signposts. Meanwhile, we expect Asian bonds to benefit from a resumption in the downward regional inflation trend, a contained USD and the continuation of ample global liquidity.

Growth revisions and economic data in Europe remain strong which should provide support on the euro. On the other hand, we expect softer economic data and concerns around the effectiveness of Trump's policies to cap the USD strength. As a result, we maintain our overweight on the euro and neutral on the USD.

The action by OPEC to cut production will support prices at current levels but we do not expect it to be materially higher. Given current high inventory levels, it will take time for markets to be brought back into balance. Gold as a hedge against growth disappointment, inflation shock and political risk scenarios may offer diversification benefits, but we are still wary of the potential of the Fed to hike more than market expectations. For this reason, we are keeping neutral on both commodities and gold in view of the bipolar tensions pulling on these two asset classes.

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.

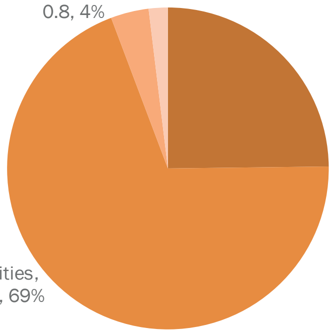
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2017	1.13%	44.09%
As of 30 June 2016	1.13%	31.80%

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 30 JUNE 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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	18,788,332
Purchase of units	1,130,480
Redemption of units	(1,054,956)
Gain/(loss) on investments and other income	1,895,594
Management fees and other charges	(91,922)
Value of fund as of 30 June 2017	20,667,528

Units in issue	13,452,578
Net asset value per unit	
- at the beginning of the year	1.402
- as of 30 June 2017	1.536

AIM 2035 Fund

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	28,293	0.14	29,624	60,385
Options	3,414	0.02	(43,712)	(1,956)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.4	26.0
Schroder ISF Asian Opportunities	5.3	25.6
Singapore Equity Fund	1.7	8.1
Singapore Bond Fund	1.6	7.8
Schroder ISF Emerging Markets	1.2	5.8
Schroder ISF Global Corporate Bond	1.0	4.7
Schroder ISF Global Smaller Companies	0.8	3.9
Schroder Asian Investment Grade Credit	0.8	3.9
Schroder ISF Global Inflation Linked Bond	0.8	3.9
Schroder ISF Global Bond	0.7	3.5
SPDR Gold Trust	0.4	2.0
Schroder Alt Solutions Commodity	0.4	1.9
Schroder ISF Asian Bond Absolute Return	0.2	1.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$91,922.

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 30 JUNE 2017

Launch Date	25 September 2009
Fund Size	S$23.12 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	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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	6.0	26.0	Schroder ISF Asian Opportunities	4.6	25.0
Schroder ISF Asian Opportunities	5.9	25.6	Schroder ISF Global Equity	3.5	19.3
Singapore Equity Fund	2.1	9.0	Singapore Equity Fund	1.4	7.5
Schroder ISF Emerging Markets	1.8	7.9	Schroder ISF Global Corporate Bond	1.3	6.9
Schroder ISF Global Smaller Companies	1.4	6.0	Schroder ISF Asia Pacific Property Securities	1.2	6.4
Singapore Bond Fund	1.1	4.9	Schroder ISF Global Bond	1.1	6.0
Schroder ISF Global Corporate Bond	1.1	4.7	Schroder Asian Investment Grade Credit	1.0	5.5
Schroder Asian Investment Grade Credit	0.9	3.9	Schroder ISF Global Smaller Companies	1.0	5.4
Schroder ISF Global Inflation Linked Bond	0.6	2.8	Monetary Authority of Singapore Bills 220716	0.7	3.9
Schroder ISF Global Bond	0.6	2.7	Schroder ISF Emerging Markets	0.7	3.9

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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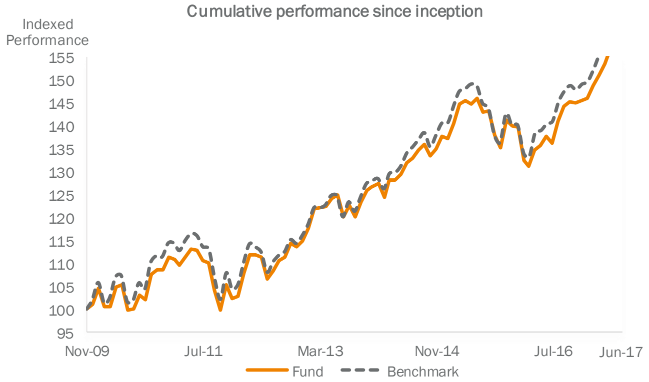
FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2045 Fund	0.65%	4.51%	9.92%	17.84%
Benchmark	0.30%	3.37%	8.93%	15.67%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2045 Fund	6.47%	8.19%	N.A.	6.38%
Benchmark	6.40%	8.15%	N.A.	6.59%



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MARKET REVIEW

The 1^{st} half of 2017 was generally positive for risky assets, supported by a synchronised pickup in growth. In the US, economic data was mixed but the US Federal Reserve (Fed) continued to normalise monetary policy, hiking its key rate by 25 basis points (bps) in March and June to 1.25%. However, uncertainty over the ability of the Trump administration to deliver its pro-growth agenda led the timing and magnitude of expected US fiscal stimulus to be negatively adjusted. US treasury yields and in turn the US Dollar (USD) weakened as a consequence. In Europe, macroeconomic data strengthened and European Central Bank governor Draghi indicated that a continuation of this positive trend could lead economic stimulus to be removed. Emerging Market (EM) assets were beneficiaries of a supportive global backdrop, weaker USD and stable Treasury yields.

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Market Outlook

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constructive on equities, we will opportunistically add put options to protect the portfolio from downside while maintaining upside participation. We continue to view EM exposure as a cheap way to access the longer-term pro-cyclical recovery. We increased our exposure to Asian equities on resilient activity and profits in the Chinese economy.

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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.

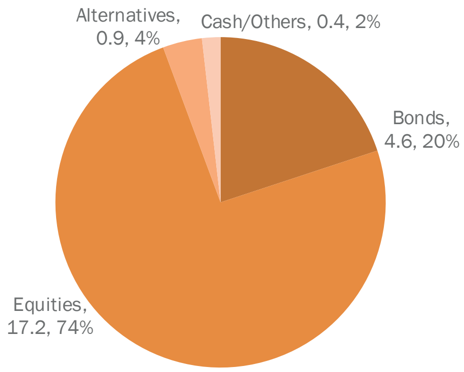
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2017	1.13%	39.01%
As of 30 June 2016	1.13%	32.07%

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 30 JUNE 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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	20,631,539
Purchase of units	2,106,203
Redemption of units	(1,696,808)
Gain/(loss) on investments and other income	2,182,164
Management fees and other charges	(103,498)
Value of fund as of 30 June 2017	23,119,600

Units in issue	14,901,254
Net asset value per unit	
- at the beginning of the year	1.412
- as of 30 June 2017	1.552

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	31,264	0.14	35,000	62,906
Options	3,415	0.01	(48,168)	(1,848)

AIM 2045 Fund

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	6.0	26.0
Schroder ISF Asian Opportunities	5.9	25.6
Singapore Equity Fund	2.1	9.0
Schroder ISF Emerging Markets	1.8	7.9
Schroder ISF Global Smaller Companies	1.4	6.0
Singapore Bond Fund	1.1	4.9
Schroder ISF Global Corporate Bond	1.1	4.7
Schroder Asian Investment Grade Credit	0.9	3.9
Schroder ISF Global Inflation Linked Bond	0.6	2.8
Schroder ISF Global Bond	0.6	2.7
SPDR Gold Trust	0.5	2.0
Schroder Alt Solutions Commodity	0.4	1.9
Schroder ISF Asian Bond Absolute Return	0.2	1.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$103,498.

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 30 JUNE 2017

Launch Date	1 May 2006
Fund Size	S$16.29 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 0.5% 010418	1.7	10.7	Ooredoo International 3.375% 141016	1.4	7.2
Public Utilities Board 3.9% 310818	1.6	9.6	Public Utilities Board 2.42% 151216	1.3	6.7
Monetary Authority of Singapore Bills 210717	1.1	6.7	Hutchison Whampoa Int 3.5% 130117	1.0	5.5
Monetary Authority of Singapore Bills 241017	1.1	6.7	Sun Hung Kai Properties 3.5% 021116	1.0	5.4
SP PowerAssets 4.84% 221018	1.1	6.5	Bk of Communications HK 2.1% 240717	1.0	5.3
Korea Dev Bank 2.65% 031218	1.0	6.2	Malayan Banking 1.85% 100417	1.0	5.3
National University of Singapore 1.708% 130219	1.0	6.2	SMRT Capital Pte Ltd 1.2% 051017	1.0	5.3
Singapore Bus Services 1.8% 120917	1.0	6.2	Singapore Bus Services 1.8% 120917	1.0	5.3
SMRT Capital Pte Ltd 1.2% 051017	1.0	6.2	Singapore Government Bonds 0.5% 010418	1.0	5.3
ICBCAS 2.5% 121117	0.8	5.1	Monetary Authority of Singapore Bills 080716	0.7	4.0

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.

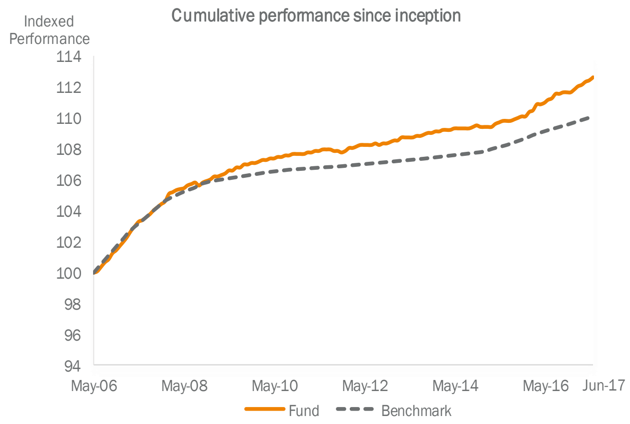
As a social enterprise, Income is committed to making insurance accessible, affordable and sustainable for all.

Money Market Fund

As of 30 June 2017, Income had S$33.05 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	0.17%	0.43%	0.87%	1.31%
Benchmark	0.07%	0.21%	0.43%	0.82%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Money Market Fund	1.00%	0.79%	0.86%	1.08%
Benchmark	0.76%	0.57%	0.63%	0.87%



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's return of 0.87% in the six months to end June 2017 was superior to benchmark return as credit investments were adequately rewarded in a period of low volatility.

The US Federal Reserve's (Fed) hawkish tone continued in the 1st half of 2017 whereby it hiked Fed funds rate twice more despite weaker sentiment as the Trump Administration failed to deliver any major policy initiatives to boost the economy. Despite this backdrop, the 3-month Singapore Interbank Offer Rate for Singapore Dollar was steady in a tight range of 0.94% to 1.00% in the 1st half of 2017 as there was ample liquidity.

European Central Bank's (ECB) President Draghi has indicated that ECB will continue to provide ample liquidity to support Eurozone's recovering economy, which is underpinned by stronger private consumption and ongoing recovery in the labour market. Meanwhile, China's economic growth is expected to be around 6.5% this year as the transition from investment-led to consumption-led growth continues.

Singapore's growth should be in the upper range of the 1%-3% projection from Monetary Authority of Singapore, spurred by stronger external demand. Singapore has emerged from a deflationary environment but inflation pressures are likely to be benign with headline inflation expected to be in the 0.5%-1.5% range. The current monetary policy stance should thus remain appropriate for an extended period.

Given the backdrop of moderate global growth and inflation, major central banks are unlikely to make drastic changes to their policies. Monetary policy and liquidity tightening adjustments will be gradual and measured. With short duration Singapore Government Securities and high quality credits as investments, the Money Market Fund is positioned for steady investment returns guided by short-term rates. We remain constructive on credits in the longer run and central banks' accommodative 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.

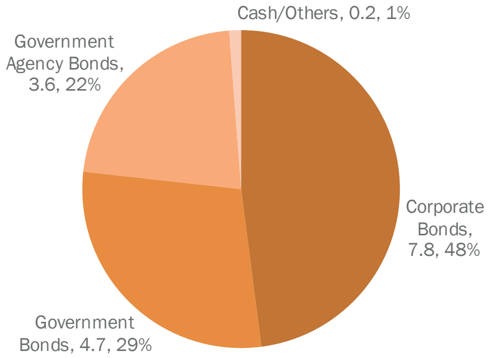
Money Market Fund

EXPENSE AND TURNOVER RATIO

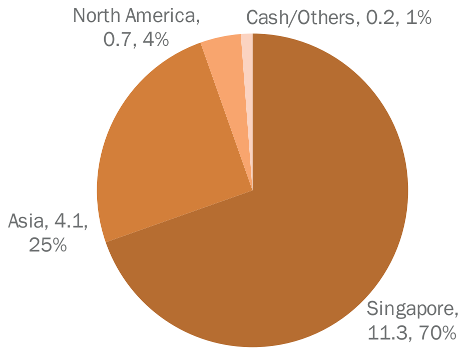
	Expense ratio	Turnover ratio
As of 30 June 2017	0.27%	27.13%
As of 30 June 2016	0.27%	6.71%

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.

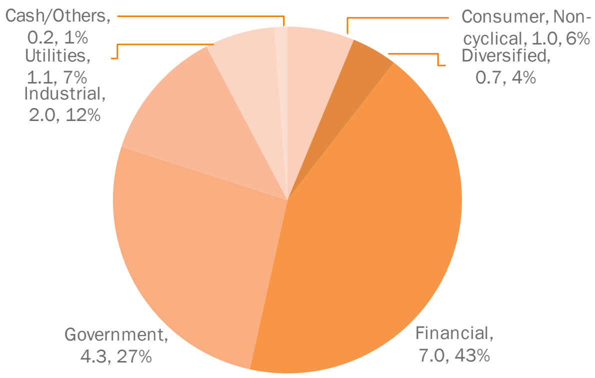
ASSET ALLOCATION AS OF 30 JUNE 2017



COUNTRY ALLOCATION AS OF 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	3.8	23.1
AA	2.1	12.7
A+	1.6	9.8
A-	2.1	13.1
Not rated	6.5	40.1
Total	16.1	98.8

'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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	17,982,678
Purchase of units	29,390,793
Redemption of units	(31,228,715)
Gain/(loss) on investments and other income	167,551
Management fees and other charges	(21,980)
Value of fund as of 30 June 2017	16,290,327

Units in issue	14,033,744
Net asset value per unit	
- at the beginning of the year	1.151
- as of 30 June 2017	1.161

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	52,049	0.32	(16,736)	129,208

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$21,980.

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 30 JUNE 2017

Launch Date	3 May 2016
Fund Size	S$25.60 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
BGF-ASIAN TIGER BOND-A6SHD BGATA6S	25.6	99.9	N.A.	N.A.	N.A.

BlackRock Global Funds – Asian Tiger Bond Fund ^

June 2017	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Rep of India 6.79%150527	0.6	2.3	1Malaysia Development Bhd 5.99% 110522	0.3	1.0
Indonesia Government 8.25% 150536	0.4	1.4	CK Hutchison Int Regs 2.875% 050422	0.3	1.0
Minmetals Bounteous Fin Regs 4.2% 270726	0.3	1.2	CNAC HK SYNBR Regs 5% 050520	0.2	1.0
Proven Glory Capital Ltd 3.25% 210222	0.3	1.1	Hutchison Whampoa Int 3.625% 103124	0.2	1.0
Hesteel Hong Kong Co Ltd 4.25% 070420	0.3	1.1	Sri Lanka Govt Regs 10.75% 150119	0.2	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.

Asian Bond Fund

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.

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 30 June 2017, Income had S$33.05 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.

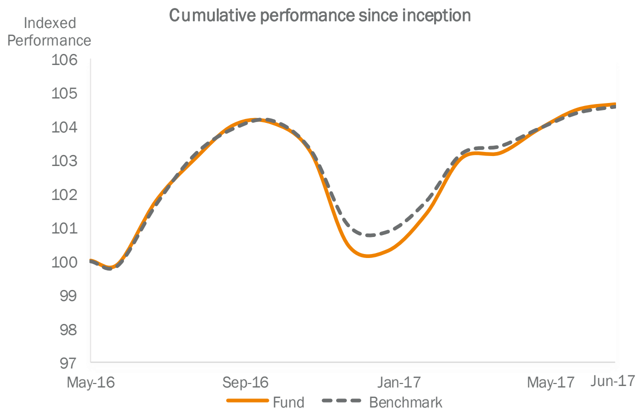
BlackRock (Luxembourg) S.A.

BlackRock is a global leader in investment management, risk management and advisory services for institutional and retail clients. As of 30 June 2017, BlackRock's AUM was US$5.7 trillion. BlackRock helps clients around the world meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, *iShares*® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through *BlackRock Solutions*®. As of 30 June 2017, the firm had approximately 13,000 employees in more than 30 countries and a major presence in global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Asian Bond Fund	0.15%	1.40%	4.37%	2.84%
Benchmark	0.18%	1.13%	3.67%	2.85%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Bond Fund	N.A.	N.A.	N.A.	4.07%
Benchmark	N.A.	N.A.	N.A.	3.99%



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 had a very strong start to the year with returns on the asset class driven by income contributing 2.2% and spread compression. Average yields on Asian credit ended lower, led by lower yields on medium- to long-term treasuries and tighter credit spreads which compensated higher short-term interest rates on the back of the US Federal Reserve (Fed) rate hikes. The strong performance came despite record breaking issuance levels in the primary market as demand for Asian credit remains strong and increasing bond maturities of the existing stock continue to provide a supportive technical backdrop for Asian credit.

While there was some softening in the Purchasing Managers' Indexes (PMIs) earlier in China, PMIs in June surprised on the upside, confirming the consolidation of growth at high levels and ruling out deflation risks. In addition, China's foreign currency reserves rose for four consecutive months, suggesting that policy efforts to contain capital outflows may have had some impact. Further, solid domestic growth momentum could have helped retain capital.

Given that Moody's downgrade of China's sovereign rating to A1 from Aa3 in May had been very well communicated and the sovereign remains comfortably in the investment grade (IG) zone, it had very little impact on the USD Chinese credit market. With that said, it impacted the ratings on a number of the Chinese State Owned Enterprise (SOEs), generally higher-rated ones as they are closely linked to the government and hence have a higher level of rating uplift. We prefer lower-rated SOEs which continue to look attractive on a risk-adjusted basis. USD Chinese credit have been well supported by Chinese investors who are less sensitive to rating changes. Overall, the focus on financial deleveraging continues from the regulators and remains an important focus in near- to medium-term. In addition, MSCI's much awaited decision for the inclusion of Chinese equities came with gradual inclusion in line with market expectations.

In Indonesia, S&P finally upgraded the sovereign to IG, citing reduced risks given the government's increased focus on realistic budgeting and subsidy rationalisation, bringing it in line with both Fitch and Moody's. This decision should give the country access to a wider investor base and was greeted positively by the market. We believe this upgrade is testament to Indonesia's improving macro fundamental. Portfolio inflows could receive a boost from the ratings upgrade, and this also opens up the possibility of potential inclusion in key global indices. The macro environment provides a supportive backdrop for the fund's off-benchmark exposure to local currency bonds and the Indonesian Rupiah.

The weaker than expected gross domestic product and inflation print for the 1st quarter and the dovish stance of the Reserve Bank of India led to lower yields for Indian Rupee bonds. Overall, we continue to favour the local currency bond market given the high real rates and stable policy outlook.

Performance on Mongolian credit was particularly strong post the sovereign's new issuance to refinance government-guaranteed bonds issued by the Development Bank of Mongolia. Mongolia has been attracting the attention of new international investors of late with their success in negotiating financial assistance with the International Monetary Fund.

The fund's overweight in the frontier economies (particularly in Mongolia and Sri Lanka) was the biggest driver and the overweight in USD Indian IG credit continues to generate very strong risk-adjusted returns on account of low volatility in that sector. While the fund invests primarily into USD Asian Credit, diversification into local currency bonds generated alpha. Asian currencies performed well during the 1st half of the year and overweights in the renminbi, Indian Rupee, Malaysian Ringgit and Indonesian Rupiah generated alpha.

Market Outlook

Ageing demographics remain the key long-term theme and driver for the need for income and that continues to provide support for the asset class. In the medium-term, the key market drivers for the asset class are US and Fed policy, China policy and broader geopolitical risks which still have potential to move markets. However, Asia and Asian credit continues to be very well-placed.

While a synchronised move towards tightening across developed market central banks could increase volatility, the muted inflationary backdrop suggests that the normalisation in monetary policy will be gradual. As such, we expect yields to rise only modestly over time and liquidity conditions to be supportive for fixed income. That said, government bonds provide little income cushion in this low rate environment and credits are favourable over government bonds.

In Asia, sovereign and corporate fundamentals remain supportive and valuations remain attractive on a risk-adjusted basis, underpinned by a strong technical backdrop. In China, the authorities have taken advantage of the recent strength in the economy to tighten policy selectively, keeping pace with US, which reduces the pressure on the exchange rate and on capital flows. Increased foreign participation in the onshore capital markets following recent reforms should further support technicals. The balance of deleveraging and growth sustainability remains a priority for the central authorities and the improvements in policy coordination achieved over time increases the likelihood of achieving that balance. Central to this is long-term SOE reforms which is key to improving capital efficiency in the system and key to improving the quality of growth in the midst of a gradual long-term slowdown of the quantity of growth.

The dynamics between the US and China continue to be closely watched by market participants but we do not expect significant negative impact on China. The decision not to label China as a currency manipulator and the favourable meetings between the two leaders is a far cry from the US election rhetoric. On trade policy, China's trade surplus with the US has declined sharply in recent years and protectionist measures are not the only solution to shrink the gap further; we believe that there is scope for the US to increase exports to China, leading to a more benign outcome.

Elsewhere, the major Asian countries are also on a positive trajectory. India remains the region's star with favourable growth-inflation dynamics, a stable currency, a shrinking current account deficit and a resolve for fiscal consolidation supported by a credible government and central bank. The much anticipated S&P upgrade of Indonesia is a testament to progress made with the sovereign now rated IG by all three rating agencies. The fund continues to favour fixed income assets of the three major Asian countries.

We expect demand for Asian credit to remain strong and for returns to be primarily driven by income. Asian credit is predominantly IG with a significant component of government-related credit and leverage has been stable in contrast to rising leverage in the US. High yield default rates are expected to remain low given supportive liquidity and low all-in costs of funding. Furthermore, the structural shift towards an Asian institutional investor base for the asset class has contributed to reduced volatility of the asset class and demand is likely to remain robust.

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.

Asian Bond Fund

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

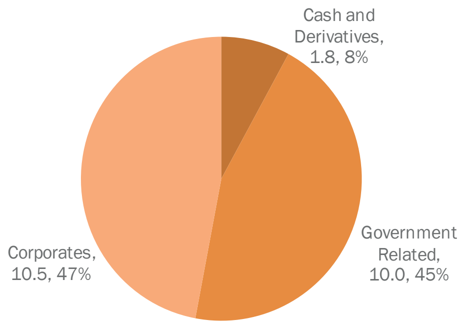
	Expense ratio	Turnover ratio
As of 30 June 2017	1.24%	45.35%

BlackRock Global Funds – Asian Tiger Bond Fund

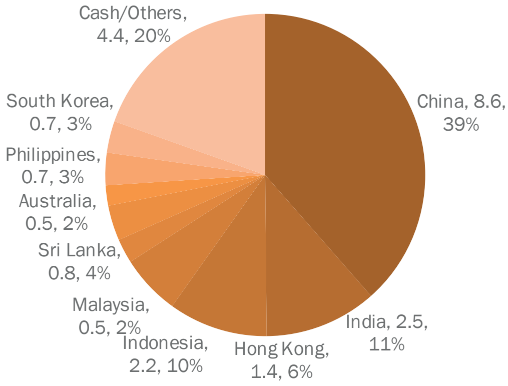
	Expense ratio	Turnover ratio
As of 30 June 2017	1.21%	143.07%

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.

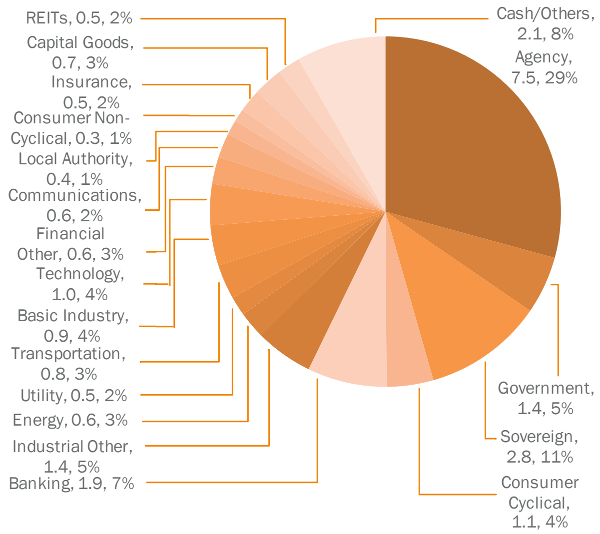
ASSET ALLOCATION^ AS OF 30 JUNE 2017



COUNTRY ALLOCATION^ AS OF 30 JUNE 2017



SECTOR ALLOCATION^ AS OF 30 JUNE 2017



CREDIT RATINGS OF DEBT SECURITIES^

S&P's rating or its equivalent	S$ (mil)	% of NAV
AA	0.5	1.9
A	6.3	24.5
BBB	10.7	41.7
BB	1.9	7.6
B	3.3	13.0
CCC	0.1	0.6
D	0.1	0.4
Not rated	0.6	2.3
Total	23.5	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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	21,906,541
Purchase of units	7,650,720
Redemption of units	(4,408,539)
Dividend distribution	(535,029)
Gain/(loss) on investments and other income	984,412
Value of fund as of 30 June 2017	25,598,105

Units in issue	26,702,888
Net asset value per unit	
- at the beginning of the year	0.939
- as of 30 June 2017	0.959

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
BGF-ASIAN TIGER BOND-A6SHD BGATA6S	25.6	99.9

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 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^

With respect to the underlying fund for which companies within the BlackRock Group 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 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 underlying fund as a whole and may contribute to an improvement in the underlying fund's 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 BlackRock uses its clients' commission dollars to obtain research or execution services, BlackRock Group companies will not have to pay for those products and services themselves. 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 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 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. 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.

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 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 Company has appointed BlackRock Advisors (UK) Limited as securities lending agent which in turn may sub-delegate the provision of securities lending agency services to other BlackRock Group companies. BlackRock Advisors (UK) Limited has the discretion to arrange stock loans with highly rated specialist financial institutions (the "counterparties"). Such counterparties can include associates of BlackRock Advisors (UK) Limited. The Board of Directors will ensure that revenues arising from securities lending transactions are in accordance with usual market practice.

Please refer to the section "Conflicts of Interest and Relationships within the BlackRock Group and with the PNC Group" in Appendix C – Additional Information Conflicts of Interest and Relationships within the BlackRock Group and with the PNC Group to the underlying fund's Luxembourg Prospectus for information.

^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 5% 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 30 JUNE 2017

Launch Date	12 May 2014
Fund Size	S$476.99 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio – Schroder Asian Income	477.0	100.0	Schroder International Opportunities Portfolio – Schroder Asian Income	295.5	100.0

Asian Income Fund

Schroder International Opportunities Portfolio - Schroder Asian Income ^

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Global Multi-Asset Income	13.1	2.7	SISF - Global Multi-Asset Income I Accumulation Share Class	80.3	3.9
HK Electric Investments & HKE	11.8	2.5	Link REIT	46.8	2.3
Fortune REIT	10.4	2.2	HK Electric Investments and HK Electric Investments Ltd Stapled Shares	46.6	2.2
HSBC Holdings Plc	10.4	2.2	Ascendas Real Estate Investment Trust	41.0	2.0
CapitaLand Commercial Trust REIT	9.8	2.1	Telstra Corp Ltd	39.7	1.9
Mapletree Commercial Trust REIT	9.8	2.1	Singapore Telecommunications Ltd	38.9	1.9
Mapletree Greater China Commercial Trust REIT	9.2	1.9	Duet Group	37.9	1.8
CapitaLand Mall Trust REIT	9.0	1.9	Mapletree Greater China Commercial Trust	37.0	1.8
Mapletree Industrial Trust REIT	9.0	1.9	Mapletree Commercial Trust	36.5	1.8
Ascendas REIT	8.9	1.9	Spark New Zealand Ltd	36.4	1.8

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 30 June 2017, Income had S$33.05 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.

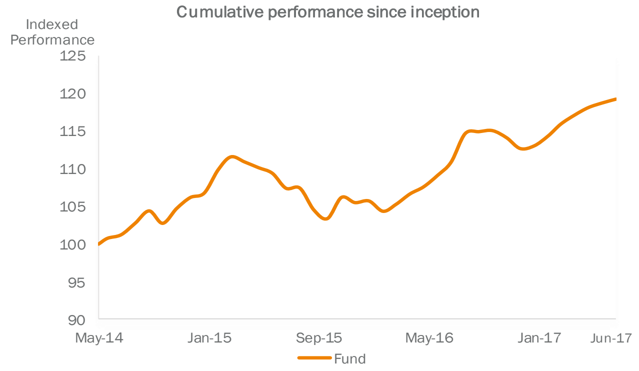
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$543.3 billion (as of 30 June 2017).

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	0.42%	1.78%	5.46%	7.50%
Benchmark	N.A.	N.A.	N.A.	N.A.
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Income Fund	5.58%	N.A.	N.A.	5.74%
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

In the 1st half of 2017, asset allocation added value. The overweight in equities contributed positively given the outperformance of the asset class while global allocation performed largely in line with Asian assets. The equity portfolio gained value but slightly underperformed the broad market. The goldilocks environment with moderating inflation and steady growth was supportive of high dividend stocks amid falling bond yields.

From a country perspective, Hong Kong and Singapore contributed the most. In Hong Kong, both REITs and banks outperformed. The strong US banks stress test results boosted sentiment on global financial stocks, while the south-bound flow from China through stock-connect into the HK equity market also helped. In Singapore, REITs haven been the main contributor. In addition to falling bond yields, the strong economic & manufacturing data and the recent pick-up in high grade office rentals was supportive of the industrial and office REITs sector. On the other hand, the telecom sector was a laggard, as increasing competition and potential increase in capital expenditure for some companies could weigh on earnings and could lead to lower dividends.

On a relative basis, the theme of cyclical recovery continued in the 2nd quarter, with growth-biased stocks such as exporters and technology companies in Korea, Taiwan and China being the outperformers. Given the fund's focus on yield, the low exposure to these sectors detracted value on a relative basis.

The fixed income portfolio finished the period up and outperformed the broader market thanks to the allocation to local currency bonds and Australia. Australian banks credit outperformed on improving capital adequacy which improve their credit profiles, while continuous stability in the Chinese economy and relatively stable industrial metal prices also resulted in steady performance of some commodities-related bonds.

Both our holdings in India and Indonesia local currency bonds and the Macau gaming sector added value, thanks to the appreciation of Indian Rupee and Indonesian Rupiah as well as the recovering gaming revenue in Macau. The upgrade of Indonesia's sovereign rating to investment grade by S&P further boosted performance. Chinese credit continued to deliver positive returns despite the downgrade by Moody's on its sovereign rating. However, the market was up less than other parts of the region, and thus our lower allocation to China performed well.

Market Outlook

Asian ex Japan equities have continued to outperform in the 2nd quarter, and the region remains one of the strongest performing region. Valuation has become less attractive at current levels especially in the technology sector. On the other hand, the more defensive, high dividend yield sectors are trading at fair valuations as they have underperformed in the 1st half despite their strong positive performance.

Economic including global trade and manufacturing activities remain in the expansionary phase for most of the countries in the region. In fact, the World Bank has upgraded global and emerging market gross domestic product growth for the year, confirming the positive view on economic growth. The gradual path of interest rate hike and unwinding of the US Federal Reserve's balance sheet should keep US Dollar relatively weak which would be positive for Asian assets.

Earnings growth remains strong so far, with the financial sector exceeding expectations. This trend should continue given the gradual increase in interest rates as well as steepening of yield curve. On the other hand, as central banks around the world start to tighten monetary conditions, this requires close monitoring in case the tightening is worse than expected. The recent focus on deleveraging in the Chinese economy could result in a slowdown but this is not our central scenario given the importance of 2017 as a political transition year. While the OPEC production cut could offset some of the increase in US oil production, it remains a delicate balance. There, oil prices could still overshoot on the downside resulting in a spill-over effect on other risky assets.

Within fixed income, the valuations of Asian credits are not cheap as spreads are near historical low, although relatively speaking, Asian investment grade credits still offer a reasonable yield pick-up compared to US peers. Therefore we continue to maintain a high quality credit portfolio focusing on investment grade bonds, and remain highly selective in high yield credits which are more stretched in terms of valuations. Fund flows into emerging market and Asian bonds continue to be strong in the hunt for yield.

Asian Income Fund

Demand for Asian credit from local & international investors in Asia remains strong, especially from Chinese institutions.

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 Income Fund

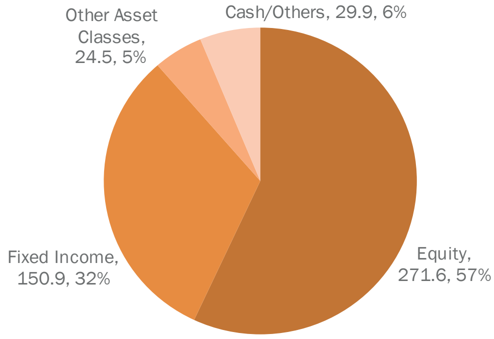
	Expense ratio	Turnover ratio
As of 30 June 2017	1.46%	8.29%
As of 30 June 2016	1.49%	8.22%

Schroder International Opportunities Portfolio - Schroder Asian Income

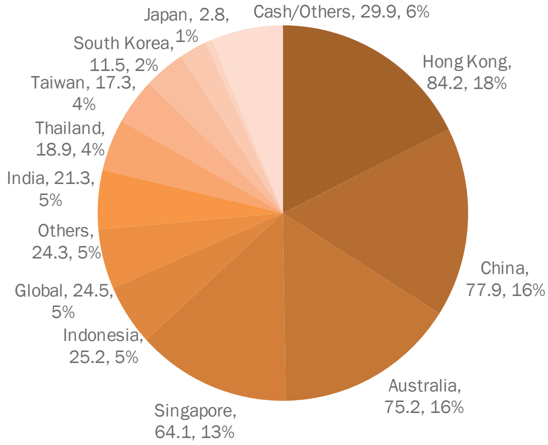
	Expense ratio	Turnover ratio
As of 30 June 2017	1.46%	19.04%
As of 30 June 2016	1.47%	31.24%

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.

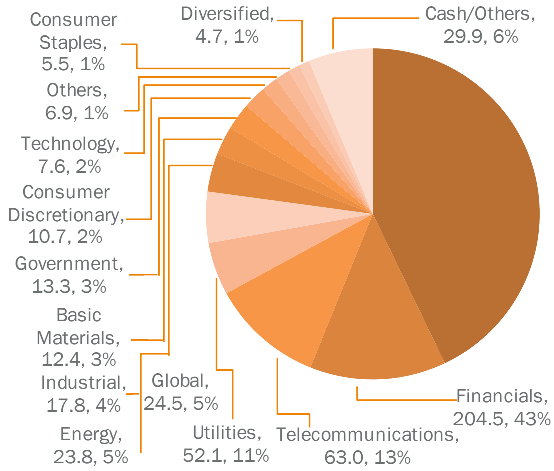
ASSET ALLOCATION^ AS OF 30 JUNE 2017



COUNTRY ALLOCATION^ AS OF 30 JUNE 2017



SECTOR ALLOCATION^ AS OF 30 JUNE 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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	380,264,607
Purchase of units	101,914,820
Redemption of units	(16,596,413)
Dividend distribution	(10,928,005)
Gain/(loss) on investments and other income	22,335,568
Value of fund as of 30 June 2017	476,990,577

Units in issue	488,549,718
Net asset value per unit	
- at the beginning of the year	0.949
- as of 30 June 2017	0.976

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Schroder Asian Income Fund	475.1	99.6

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 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;
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 30 JUNE 2017

Launch Date	26 March 2015
Fund Size	S$75.13 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Schroder International Selection Fund – Global Multi Asset Income	75.1	100.0	Schroder International Selection Fund – Global Multi Asset Income	63.8	100.0

Global Income Fund

Schroder International Selection Fund Global Multi-Asset Income^

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Global Dividend Maximiser I Dis	1.1	1.4	Indonesia Government 6.125% 150528	36.2	0.6
Schroder ISF European Dividend Maximiser I Dis	0.8	1.0	GCP Infrastructure Investments Ltd	30.2	0.5
Nota Do Tesouro Nacional 10% 010123	0.8	1.0	International Public Partnerships Ltd	30.2	0.5
iShares USD High Yield Corp Bond UCITS ETF USD Distribution	0.8	1.0	Italy BTPS 5.5% 010922	30.2	0.5
Indonesia Government 6.125% 150528	0.6	0.7	Nota Do Tesouro Nacional 10% 010123	30.2	0.5
Republic of Turkey 8.5% 140922	0.5	0.7	South Africa (Republic of) 6.25% 310336	30.2	0.5
Schroder ISF Emerging Multi-Asset Income I Dis	0.4	0.6	Starwood European Real Estate Finance Ltd	30.2	0.5
Rep of South Africa 6.25% 310336	0.4	0.5	Thailand Government Bond 3.65% 171221	30.2	0.5
Source Morningstar US Energy	0.4	0.5	Mexican Bonos De Desarrollo 7.75% 290531	24.2	0.4
Mexican Bonos De Desarrollo 7.75% 290531	0.4	0.5	Schroder European Real Estate Investment Trust Plc	24.2	0.4

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 30 June 2017, Income had S$33.05 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.

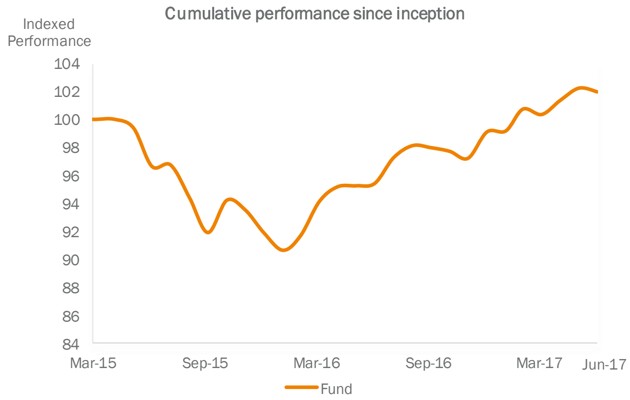
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$543.3 billion (as of 30 June 2017).

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	-0.26%	1.61%	2.89%	6.84%
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.	0.86%
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

The 1st half of 2017 was generally positive for risky assets, supported by a synchronised pickup in growth. In the US, economic data was mixed but the US Federal Reserve continued to normalise monetary policy, hiking its key rate by 25 basis points in March and June to 1.25%. However, uncertainty over the ability of the Trump administration to deliver its pro-growth agenda led the timing and magnitude of expected US fiscal stimulus to be negatively adjusted. US treasury yields and in turn the US Dollar (USD) weakened as a consequence. In Europe, macroeconomic data strengthened and European Central Bank governor Draghi indicated that a continuation of this positive trend could lead economic stimulus to be removed. Emerging Market (EM) assets were beneficiaries of a supportive global backdrop, weaker USD and stable Treasury yields.

From a top down perspective, our preferred markets are Europe, EM and Japan, where the earnings and cyclical trends are strong. The largest contribution to equity returns came from EM equities, which benefited from a supportive global backdrop and weaker dollar, and European equities, thanks to improving economic data and receding political risks. While the overall contribution to return from equities was positive, the fund's high dividend and value bias impacted returns relative to the broader equity market. In terms of stock selection, among defensives we favour health care and telecoms companies. Utilities remain unattractive, despite recent price weakness, and we have limited exposure. In cyclical sectors, we favour technology stocks with our holdings focused on mature companies in the US and overlooked quality companies in Asia.

The fund's fixed income allocation, particularly US high yield debt and EM debt, was the largest contributor to returns against a backdrop of accommodative policy from central banks and global investors' search for yield. While EM bonds sold-off following the US election, the supportive backdrop of improving economic data, a weaker USD and stable US Treasury yields led to positive returns in 2017. While high yield bonds continue to offer attractive yields on an absolute basis, it is starting to look a bit more expensive. We maintain a low exposure to investment grade bonds which offer limited value.

All the alternative asset classes contributed positively over the period, making steady gains and fulfilling their role as diversifiers and the largest contributions came from property. At the end of the period we added an allocation to US REITs. While REITs add interest rate sensitivity to the portfolio, they also offer upside potential and an attractive level of carry against a backdrop of low growth and low inflation.

Market Outlook

We expect economic growth and earnings growth to accelerate in the coming quarters but we are mindful of the recent weakness in some leading economic indicators. For this reason, we currently prefer equity over credit. Nonetheless, the lack of volatility also justifies holding some duration as fiscal promises in the US may take some time to be realised. Finally, monetary conditions remain accommodative thanks to a weak USD and stable real yields. EM assets are benefiting from this environment thanks to their attractive valuations and positive carry, and have an important role in the fund's strategy.

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

Global Income Fund

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

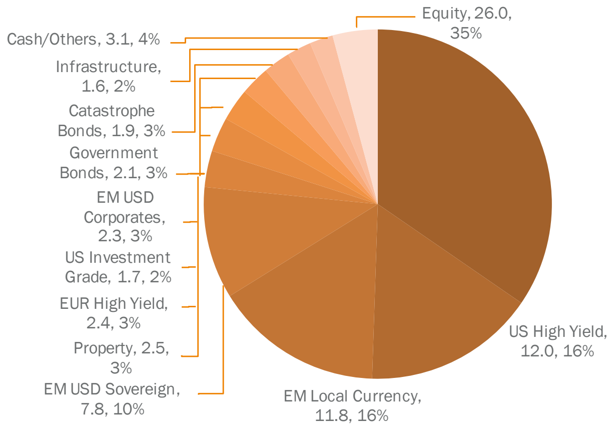
	Expense ratio	Turnover ratio
As of 30 June 2017	1.55%	27.49%
As of 30 June 2016	1.59%	22.33%

Schroder International Selection Fund Global Multi-Asset Income

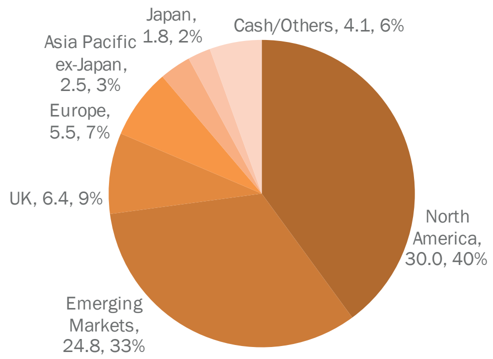
	Expense ratio	Turnover ratio
As of 30 June 2017	1.54%	132.18%
As of 30 June 2016	1.55%	96.47%

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.

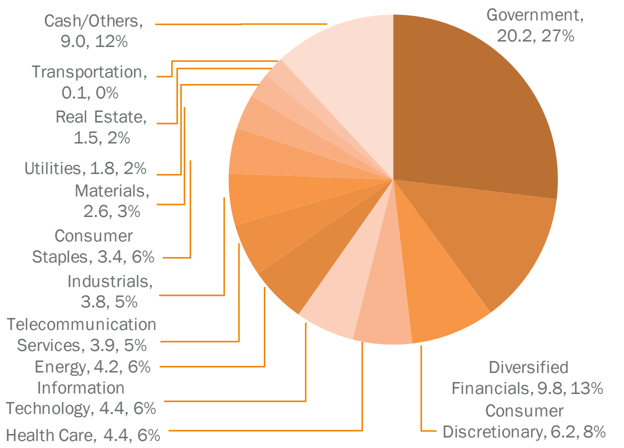
ASSET ALLOCATION^ AS OF 30 JUNE 2017



COUNTRY ALLOCATION^ AS OF 30 JUNE 2017



SECTOR ALLOCATION^ AS OF 30 JUNE 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.

Global Income Fund

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	69,898,820
Purchase of units	16,628,394
Redemption of units	(11,591,059)
Dividend distribution	(1,856,777)
Gain/(loss) on investments and other income	2,050,766
Value of fund as of 30 June 2017	75,130,144

Units in issue	85,365,627
Net asset value per unit	
- at the beginning of the year	0.877
- as of 30 June 2017	0.880

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
SISF-GLB M/A INC-ADSGDH SCHGMAH	75.9	101.1

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 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 30 JUNE 2017

Launch Date	1 August 2000
Fund Size	S$78.23 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Facebook Inc	4.8	6.1	Alphabet Inc Class A	5.8	9.2
Alibaba Group Holdings	3.7	4.7	Amazon.com Inc	3.5	5.5
Apple Inc	3.2	4.1	Facebook Inc	2.7	4.3
Qualcomm Inc	3.1	3.9	Microsoft Corp	2.2	3.5
Global Payments Inc	2.5	3.2	Broadcom Ltd	2.0	3.2
Alliance Data Systems	2.3	3.0	Apple Inc	1.9	2.9
ITRON INC COM NPV	2.2	2.9	Microchip Technology Inc	1.7	2.7
Macom Technology Solutions Holdings Inc	2.1	2.7	Electronic Arts Inc	1.6	2.6
Flex Ltd	2.1	2.7	Global Payments Inc	1.6	2.6
Lumentum Holdings Inc	1.9	2.4	Akamai Technologies Inc	1.6	2.5

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.

Global Technology Fund

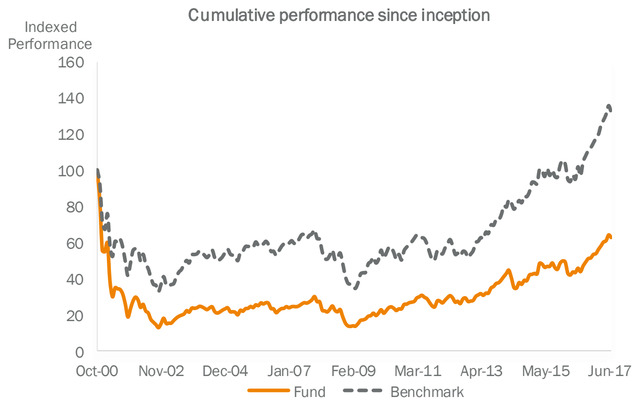
As of 30 June 2017, Income had S$33.05 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1.02 trillion in assets under management, WMC serves as an investment adviser to over 2,150 clients located in more than 55 countries, as of 30 June 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	-2.18%	4.15%	16.51%	43.05%
Benchmark	-2.79%	3.32%	12.18%	36.37%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Technology Fund	18.44%	17.96%	8.93%	-2.74%
Benchmark	16.67%	19.65%	7.49%	1.66%



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

Global equities rallied in the 1st quarter of 2017 as the "animal spirits" dynamic remained intact. Despite escalating European political risk and uncertainty surrounding President Trump's protectionist trade agenda, investors bid up risk assets amid increasing optimism about global economic growth. On the monetary policy front, the market was unfazed by the US Federal Reserve raising rates by 25 basis points, a well-telegraphed move and only the third hike in the last decade. Asia was also a particularly strong performer as investors shrugged off fears of protectionism, trade wars, and a slowdown in China and instead drawing support from the wide range of economic indicators that point toward a pick-up in growth rates.

The rally in global equities continued into the 2nd quarter of 2017, ending the 1st half of the year with a 9.3% gain. Despite heightened geopolitical risk and European political uncertainty, risk assets remained resilient as solid global economic data and strong year-on-year corporate earnings growth bolstered investors' optimism. Market participants breathed a sigh of relief in May after independent centrist Emmanuel Macron won the French presidential election by a large margin, a victory widely seen as supportive for the stability of the European Union. Continued evidence of an upswing in global growth helped to maintain bullish sentiment. European growth indicators signalled strong regional momentum. Chinese manufacturing and services data surprised to the upside. Meanwhile, US fiscal stimulus hopes faded near the end of the quarter after a vote on the healthcare reform bill was delayed due to insufficient support from Senate Republicans.

Market Outlook

The fundamentals and relative valuations for growth technology companies remain attractive. The outperformance of the technology sector in 2017 has been driven by a fundamental pick up in earnings. The fund continues to underweight some of the largest five mega-cap technology stocks (Apple, Alphabet and Microsoft) in favour of more attractive ideas. Longer term, the fund is structured to benefit from the key secular growth opportunities in technology, which include monetising mobility, the continuation of rapid data growth, AI/Machine learning, cloud computing, electrification of automobiles, secular growth in payments and the Internet of Things.

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.

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.

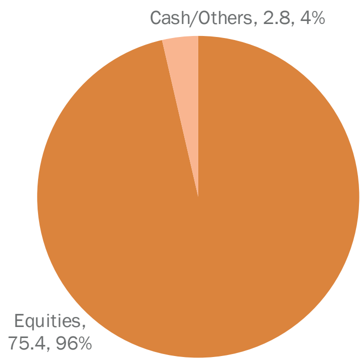
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

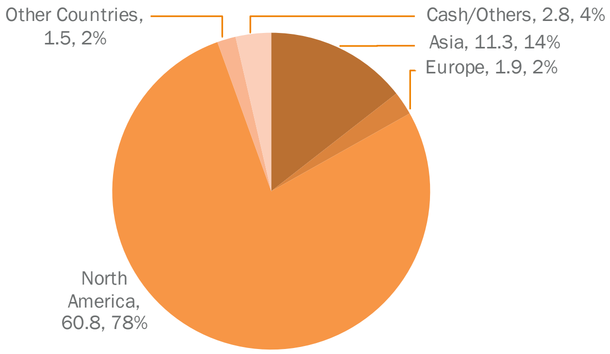
	Expense ratio	Turnover ratio
As of 30 June 2017	1.32%	179.20%
As of 30 June 2016	1.29%	235.61%

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.

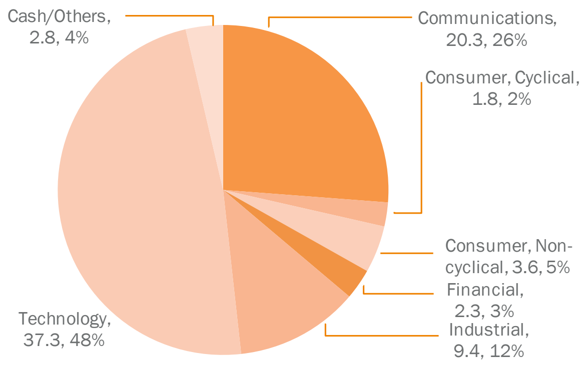
ASSET ALLOCATION AS OF 30 JUNE 2017



COUNTRY ALLOCATION AS OF 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	68,388,840
Purchase of units	7,337,482
Redemption of units	(8,753,781)
Gain/(loss) on investments and other income	11,734,201
Management fees and other charges	(475,976)
Value of fund as of 30 June 2017	78,230,766

Units in issue	124,650,663
Net asset value per unit	
- at the beginning of the year	0.539
- as of 30 June 2017	0.628

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	13,413	(132)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Gty Technology Holdings Inc	0.7	0.8

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$475,976.

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 30 JUNE 2017

Launch Date	2 August 1973
Fund Size	S$227.26 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	83.9	36.9	Singapore Bond Fund^	82.0	38.8
DBS Group Holdings Ltd	12.3	5.4	Singapore Telecommunications Ltd	9.2	4.4
Oversea-Chinese Banking Corp	11.7	5.2	DBS Group Holdings Ltd	9.1	4.3
Tencent Holdings Ltd	9.9	4.4	Oversea-Chinese Banking Corp	7.3	3.4
HSBC Holdings Plc	6.5	2.9	Tencent Holdings Ltd	6.6	3.1
UOL GROUP LIMITED SGD1	5.9	2.6	United Overseas Bank Ltd	4.9	2.3
PING AN Insurance Group Co	5.7	2.5	AIA Group Ltd	4.5	2.1
CapitaLand Ltd	5.5	2.4	China Mobile Ltd	4.4	2.1
AIA Group Ltd	5.4	2.4	Singapore Airlines Ltd	3.1	1.5
Thai Beverage PCL	4.8	2.1	CapitaLand Ltd	2.8	1.3

^ 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.

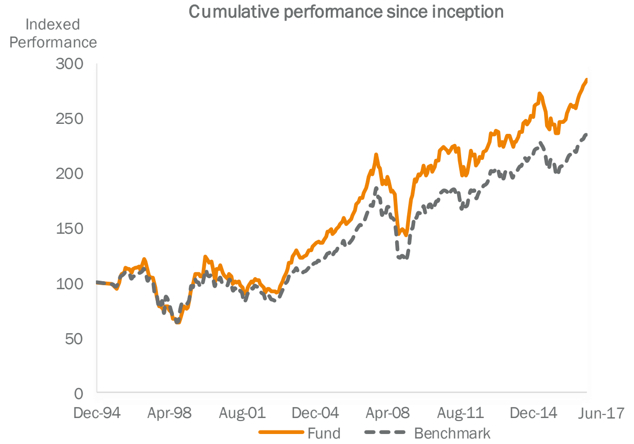
As of 30 June 2017, Income had S$33.05 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Prime Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Prime Fund	0.76%	3.11%	10.01%	14.33%
Benchmark	0.40%	2.29%	7.29%	13.23%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Prime Fund	6.22%	6.28%	3.75%	8.52%
Benchmark	4.41%	5.46%	3.50%	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

The 1st half of 2017 saw a significant divergence between Hong Kong and Singapore markets as compared to the Thai market. Investors were bullish on Singapore and Hong Kong due to supportive valuations coupled with improving macro data such as improving Purchasing Managers' Index (PMI) numbers which in turn drove improving earnings outlook for companies. On the other hand, the Thai market continued to be weighed down due to the weak consumer sentiment from the passing of the revered King.

The FTSE Straits Time Index surged 12% to close at 3226.5 in the 1st half of 2017, the sharpest 1st half-yearly rise since 2009. This was driven primarily by banks as they signalled that the worst of asset quality for the oil and gas sector may have passed, and also net interest margins expansion in a rising interest rate environment. The real estate sector was the top performer, buoyed by a sharp pickup in property transaction volumes after the government's tweaks to housing policies. City Development and UOL, real estate developers with significant exposure to the Singapore residential market, posted returns of 30.6% and 30.2% respectively in this period.

Singapore's gross domestic product (GDP) growth remained stable at 2.5% year-on-year (yoy) in the 2nd quarter of 2017. Growth was led by the manufacturing sector, partly offset by the slower services sector. Industrial production growth accelerated to 13.1% yoy in June as manufacturing recovery broadened out beyond the electronics segment to pharmaceuticals and transport engineering. Non-oil domestic exports (NODX) accelerated in June after being stagnant for the past two months, driven by the recovery in non-electronic exports. Residential property market appears to be stabilising, with the URA private residential price index falling only 0.3% quarter-on-quarter in the 2nd quarter, the smallest decline since property prices started its descent 15 quarters ago. While the labour market continued to shed jobs in the same period, job losses were largely concentrated in the construction sector, which has high reliance on foreign workers and has relatively smaller contribution to GDP.

In the 2nd half of 2017, we expect the economic momentum to continue as property market inflection drives more construction activities and pick up in domestic consumption. Meanwhile, synchronised recovery in the global economy should lead to robust NODX. However, as the world undergoes digital transformation, economic strength may not necessarily translate into broad-based earnings recovery for the Singapore market. The emergence of well-funded new-economy players and the introduction of 4th telecom in Singapore has resulted in heightened competition.

The Hang Seng Index rose 17.1% in the 1st half of 2017, riding on the strong earnings growth enjoyed by both Chinese and Hong Kong companies as business environment improved. Given that this year is the 20th anniversary of Hong Kong handover coupled with the 19th National Congress of the Communist Party of China, government actions continued to be supportive for the market. Measures implemented such as financial deleveraging and property tightening was to stabilise overheated sectors. Externally, earlier concerns over heightened protectionism, stemming from Trump's election victory, and accelerated interest rate hikes were allayed as President Trump has so far been unable to push through his campaign promises. The Technology sector was the best performer, driven primarily by Tencent (+47.5%), while Consumer Discretionary and Financials also did well. Meanwhile, the Energy sector fared poorly as oil price struggled.

On the economic front, both China and Hong Kong's economies continued to benefit from the cyclical recovery which kicked in from the latter half of 2016. China's nominal GDP reflated to 12% yoy in the 1st quarter of 2017 versus 8% in 2016 and 5% in 2015, along with various macroeconomic data picking up such as manufacturing PMI, industrial production and retail sales. Investor concerns regarding capital outflow and depreciation of the Chinese Yuan (CNY) also receded. The property market was particularly buoyant, where limited supply and pent-up demand saw positive transaction momentum spill over from tier 1-2 to lower tier cities. Industrial companies were also boosted by the government's push for public-private partnership infrastructure and One Belt One Road projects. In Hong Kong, 1st quarter GDP growth came in stronger than expected at

4.3% yoy, underpinned by exports, property and retail sales. The latter, in particular, recovered to positive growth in April for the first time since October 2015 as tourism inflow rebounded. It was also helped by a weaker Hong Kong Dollar, stable CNY and appreciation in other regional currencies, which improved Hong Kong's retail cost competitiveness.

Going forward, the Hong Kong market is expected to remain relatively resilient for the latter half of 2017 due to overall global trade momentum and domestic policies geared towards economic stability especially in view of the upcoming 19th National Congress.

Following a strong 2016 which the SET Index had a price return of 19.8%, the 1st half of 2017 saw a more muted return of 2.1%. Following the passing of the King, foreign investors were more cautious on Thailand with foreign fund flows declining to slightly under US$400 million as compared to over US$1 billion for the same period last year. From a sector perspective, the best performing sector was the Telecommunication services. Telco stocks were buoyant with expectations that intense competition among the three big telcos would ease. Total Access Communication (+39.1%) was the best performing stock in this space. On the other hand, the worst performing segment was Health Care. This was driven by weak revenue due to lower international patients during the mourning period in the last quarter of 2016. The worst performing stock in this segment is Bangkok Dusit Medical Service (-16.9%).

Thailand's 1st quarter GDP was better than expected at 3.3% yoy compared to forecast of 3.2%. This was driven by strong export of goods and services coupled with healthy private consumption. Tourist arrival numbers remain strong growing at 4.4% yoy. Bank of Thailand also continued to hold rates at 1.5%, slightly above the historical lows of 1.25%.

Growth for Thailand remains muted albeit slight improvement seen in the economy. GDP growth expectations for this year were revised up to 3.4%. This is driven by continued government spending on infrastructure projects coupled with expectations of a recovery in exports. The government has tendered out several large infrastructure projects such as the dual track railway as well as motorways, and the expectations are for more projects to be handed out in the 2nd half of the year. Recovery of commodity prices coupled with improving farm income has also helped support private consumption.

Amidst increased geopolitical risk coupled with fading belief in Trump administration to roll out fiscal stimulus, we expect the market to remain volatile. Stock selection is key in this environment and the fund continues to be positioned in high quality stocks or market leaders in their respective fields. We are also cautious on interest rate sensitive stocks on the back of 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.

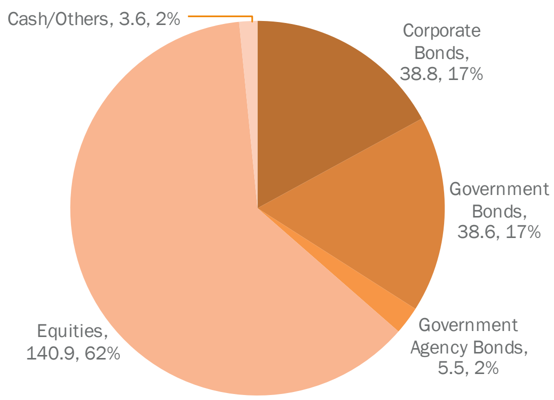
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2017	1.04%	40.15%
As of 30 June 2016	0.84%	26.67%

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

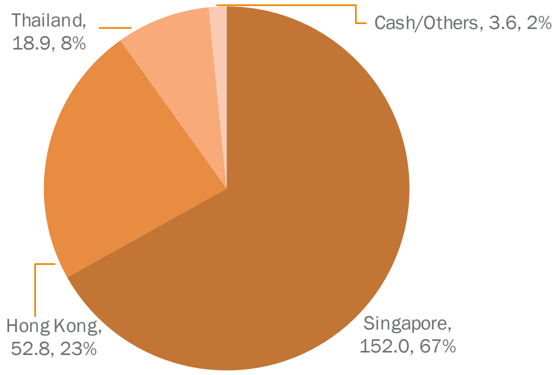
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

ASSET ALLOCATION AS OF 30 JUNE 2017

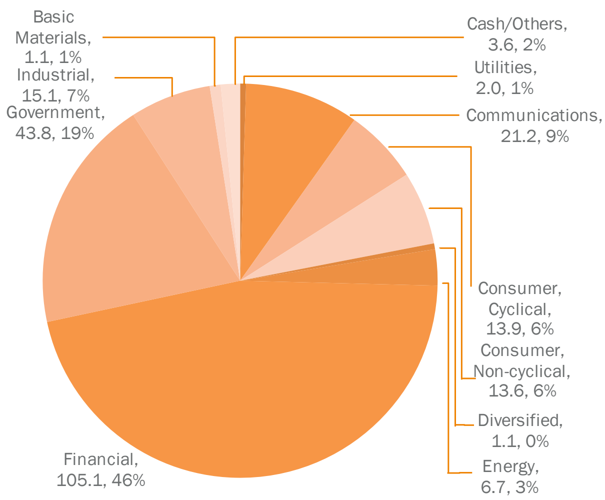


Prime Fund

COUNTRY ALLOCATION AS OF 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 2017



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	42.0	18.5
AA	2.1	0.9
AA-	0.3	0.1
A+	4.7	2.1
A	4.3	1.9
A-	4.0	1.8
BBB+	1.2	0.5
BBB	8.2	3.6
BBB-	2.7	1.2
BB+	0.7	0.3
Not rated	12.6	5.5
Total	82.8	36.4

'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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	212,473,372
Purchase of units	9,404,243
Redemption of units	(15,687,283)
Gain/(loss) on investments and other income	21,972,129
Management fees and other charges	(901,549)
Value of fund as of 30 June 2017	227,260,912

Units in issue	27,602,838
Net asset value per unit	
- at the beginning of the year	7.484
- as of 30 June 2017	8.233

EXPOSURE TO DERIVATIVES

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

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	83.9	36.9
Far East Hospitality Trust NPV	1.4	0.6
Mapletree Commercial Trust REIT NPV	1.4	0.6

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$901,549.

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 30 JUNE 2017

Launch Date	1 September 1995
Fund Size	S$18.96 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

June 2017	S$ (mil)	% of Net Asset Value	June 2016	S$ (mil)	% of Net Asset Value
Apple Inc	0.8	4.1	Alphabet Inc Class A	0.5	3.0
Unilever Plc	0.4	2.3	Bristol-Myers Squibb Co	0.4	2.1
Pepsico Inc	0.4	2.3	Apple Inc	0.4	2.0
Bristol-Myers Squibb Co	0.3	1.8	Exxon Mobil	0.3	1.9
Facebook Inc	0.3	1.8	Mondelez International Inc	0.3	1.8
FedEx Corp	0.3	1.8	Pepsico Inc	0.3	1.6
Alphabet Inc Class A	0.3	1.7	Visa Inc	0.3	1.5
Visa Inc	0.3	1.6	Colgate-Palmolive Co	0.3	1.4
Alibaba Group Holdings	0.3	1.6	Eli Lilly & Co	0.3	1.4
Beiersdorf AG NPV	0.3	1.5	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)

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.

Takaful Fund

As of 30 June 2017, Income had S$33.05 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.

Wellington Management Singapore Pte Ltd (WMS)

WMS is the Investment Manager of the Global Islamic Research Equity Strategy. WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1.02 trillion in assets under management, WMC serves as an investment adviser to over 2,150 clients located in more than 55 countries, as of 30 June 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%	4.53%	9.76%	21.75%
Benchmark	-0.54%	3.56%	8.16%	20.39%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Takaful Fund	11.62%	14.73%	6.00%	2.30%
Benchmark	9.84%	13.41%	5.80%	3.58%

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

Global equities advanced over the 1st quarter of 2017 as the pro-risk bias from the US in the 4th quarter of 2016 spread globally. Pro-growth sound bites out of the US, continued accommodative monetary policy by the European Central Bank and Bank of Japan, and firmer macro data across key economies saw animal spirits come alive at the start of the year where markets had mostly ignored undesirable political outcomes across major elections in France and Germany. In what has been seen as a rejection of Euro-scepticism, the Dutch far-right party failed to establish a majority in the recent Dutch parliamentary elections. Global equities remained resilient and ended the quarter higher as the US Federal Reserve hiked the upper bound of its policy rate by 25 basis points to 1.0%, as expected, in its March meeting. Despite the rate hike, the US Dollar ended the quarter lower relative to most major and emerging currency pairs as the market re-evaluates the speed at which the US can introduce sweeping policy changes.

Global equities rallied for the fifth consecutive quarter; ending the 1st half of the year with a near double digit gains. Despite heightened geopolitical risk and European political uncertainty, risk assets remained resilient as solid global economic data and strong year-on-year corporate earnings growth bolstered investors' optimism. Market participants breathed a sigh of relief in May after independent centrist Emmanuel Macron won the French presidential election by a large margin, a victory widely seen as supportive for the stability of the European Union. Continued evidence of an upswing in global growth helped to maintain bullish sentiment. European growth indicators signalled strong regional momentum. Chinese manufacturing and services data surprised to the upside. Technology continued its momentum from the 1st quarter of 2017 into the 2nd quarter, with software and services companies leading the way followed closely by technology hardware and equipment. Meanwhile, US fiscal stimulus hopes faded near the end of the quarter after a vote on the healthcare reform bill was delayed, due to insufficient support from Senate Republicans.

Market Outlook

Looking ahead, we 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. The fund continues to identify themes and opportunities that will shape future investment decisions. The health care sector has benefited broadly since the US elections last November, but policy uncertainties remain. Regarding drug pricing mechanisms, we believe that meaningful structural reform is unlikely in the foreseeable future and instead, that market forces under the current policy should increasingly restrain pricing for crowded, less-innovative, or off-patent categories of drugs, potentially freeing up money to reward companies that bring innovative products to market. To that end, the fund endeavours to select stocks of companies that offer differentiated innovations and true value propositions, specifically ones that optimise for both quality and affordability which we believe should thrive over the long-term despite regulatory and political changes, and the greater exertion of market forces.

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.

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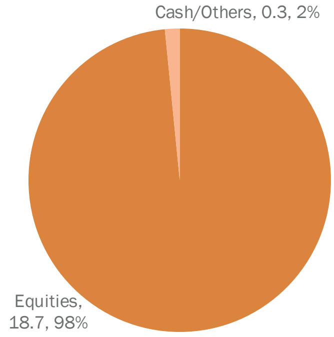
EXPENSE AND TURNOVER RATIO

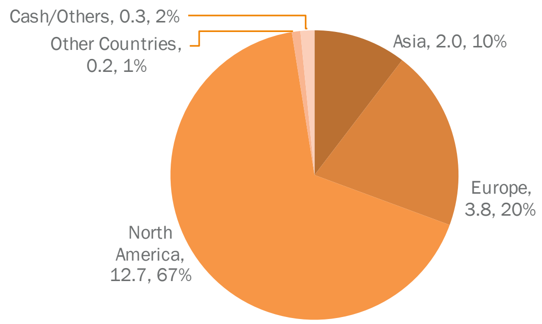
	Expense ratio	Turnover ratio
As of 30 June 2017	1.19%	39.59%
As of 30 June 2016	1.16%	47.39%

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.

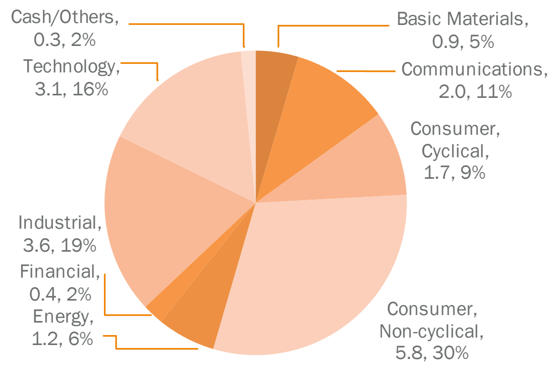
ASSET ALLOCATION AS OF 30 JUNE 2017



COUNTRY ALLOCATION AS OF 30 JUNE 2017



SECTOR ALLOCATION AS OF 30 JUNE 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 30 JUNE 2017

	S$
Value of fund as of 1 January 2017	18,581,922
Purchase of units	253,285
Redemption of units	(1,653,651)
Gain/(loss) on investments and other income	1,886,249
Management fees and other charges	(110,906)
Value of fund as of 30 June 2017	18,956,899

Units in issue	14,171,008
Net asset value per unit	
- at the beginning of the year	1.219
- as of 30 June 2017	1.338

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	2,900	(173)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2017, management fee paid or payable by the sub-fund to the Investment Manager is S$110,906.

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	7,409,754	4,328,440	14,695,275	6,215,500
Redemption of units	(4,336,063)	(17,277,335)	(7,276,277)	(21,297,238)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	1,895,240	25,608,737	13,868,864	21,258,692
Management fees and other charges	(506,950)	(1,548,004)	(714,609)	(513,593)
Value of fund as of 30 June 2017	123,398,426	251,091,179	297,083,197	161,307,915

	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	10,397,881	2,698,188	207,746	5,706,975
Redemption of units	(6,782,330)	(9,448,249)	(592,050)	(13,486,563)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	17,425,616	10,900,594	533,774	19,719,401
Management fees and other charges	(185,403)	(107,134)	(6,272)	(165,197)
Value of fund as of 30 June 2017	118,276,537	173,438,189	11,784,665	251,286,349

	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	3,355,212	5,763,016	1,622,432	1,130,480
Redemption of units	(6,467,441)	(17,970,605)	(992,263)	(1,054,956)
Dividend distribution	-	(981,865)	-	-
Gain/(loss) on investments and other income	8,315,470	4,185,817	1,049,187	1,895,594
Management fees and other charges	(339,104)	(303,210)	(66,525)	(91,922)
Value of fund as of 30 June 2017	84,618,980	92,552,913	15,875,652	20,667,528

Financial Statements

CAPITAL AND INCOME ACCOUNT

	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	2,106,203	29,390,793	101,914,820	7,650,720
Redemption of units	(1,696,808)	(31,228,715)	(16,596,413)	(4,408,539)
Dividend distribution	-	-	(10,928,005)	(535,029)
Gain/(loss) on investments and other income	2,182,164	167,551	22,335,568	984,412
Management fees and other charges	(103,498)	(21,980)	-	-
Value of fund as of 30 June 2017	23,119,600	16,290,327	476,990,577	25,598,105

	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	16,628,394	7,337,482	9,404,243	253,285
Redemption of units	(11,591,059)	(8,753,781)	(15,687,283)	(1,653,651)
Dividend distribution	(1,856,777)	-	-	-
Gain/(loss) on investments and other income	2,050,766	11,734,201	21,972,129	1,886,249
Management fees and other charges	-	(475,976)	(901,549)	(110,906)
Value of fund as of 30 June 2017	75,130,144	78,230,766	227,260,912	18,956,899

Financial Statements

BALANCE SHEET

	Global Bond Fund S$	Global Equity Fund S$	Singapore Bond Fund S$	Singapore Equity Fund S$	Asia Managed Fund S$
ASSETS					
Financial assets					
Equities	-	248,350,072	-	160,448,788	118,204,806
Debt securities	115,615,368	-	293,023,341	-	-
Financial derivatives	1,310,007	97	101,269	-	-
Other receivables and assets	2,954,042	13,760,516	3,590,382	497,677	1,633,007
Cash and cash equivalents	4,562,997	2,969,529	544,957	641,680	1,137,585
Total assets	124,442,414	265,080,214	297,259,949	161,588,145	120,975,398
LIABILITIES					
Financial liabilities					
Financial derivatives	908,826	107	27,285	-	-
Other payables and liabilities	135,162	13,988,928	149,467	280,230	2,698,861
Total liabilities	1,043,988	13,989,035	176,752	280,230	2,698,861
Value of fund	123,398,426	251,091,179	297,083,197	161,307,915	118,276,537
Units in issue	78,439,533	78,053,574	162,838,230	49,859,893	40,488,037
Net asset value per unit					
- at the beginning of the year	1.555	2.920	1.743	2.847	2.486
- as of 30 June 2017	1.573	3.217	1.824	3.235	2.921

	Global Managed Fund (Balanced) S$	Global Managed Fund (Conservative) S$	Global Managed Fund (Growth) S$	Singapore Managed Fund S$	Aim Now S$
ASSETS					
Financial assets					
Equities	173,566,688	11,705,888	251,529,198	84,620,636	89,051,734
Debt securities	-	-	-	-	2,854,397
Financial derivatives	-	-	-	-	249,774
Other receivables and assets	2,375,872	119,037	3,320,871	16,623	130,064
Cash and cash equivalents	(442,030)	115,698	(408,698)	159,837	1,462,397
Total assets	175,500,530	11,940,623	254,441,371	84,797,096	93,748,366
LIABILITIES					
Financial liabilities					
Financial derivatives	-	-	-	-	123,741
Other payables and liabilities	2,062,341	155,958	3,155,022	178,116	1,071,712
Total liabilities	2,062,341	155,958	3,155,022	178,116	1,195,453
Value of fund	173,438,189	11,784,665	251,286,349	84,618,980	92,552,913
Units in issue	79,139,484	6,111,667	104,419,561	29,040,715	98,920,471
Net asset value per unit					
- at the beginning of the year	2.059	1.844	2.223	2.647	0.908
- as of 30 June 2017	2.192	1.928	2.407	2.914	0.936

Financial Statements

BALANCE SHEET

	Aim 2025	Aim 2035	Aim 2045	Money Market Fund	Asian Bond Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	15,092,815	20,267,143	22,698,561	-	25,561,512
Debt securities	-	-	-	16,094,326	-
Financial derivatives	49,431	45,700	46,917	52,049	-
Other receivables and assets	88,624	1,566	11,903	446,371	333,242
Cash and cash equivalents	738,968	444,392	459,479	184,642	185,945
Total assets	15,969,838	20,758,801	23,216,860	16,777,388	26,080,699
LIABILITIES					
Financial liabilities					
Financial derivatives	18,045	13,993	12,239	-	-
Other payables and liabilities	76,141	77,280	85,021	487,061	482,594
Total liabilities	94,186	91,273	97,260	487,061	482,594
Value of fund	15,875,652	20,667,528	23,119,600	16,290,327	25,598,105
Units in issue	11,250,451	13,452,578	14,901,254	14,033,744	26,702,888
Net asset value per unit					
- at the beginning of the year	1.321	1.402	1.412	1.151	0.939
- as of 30 June 2017	1.411	1.536	1.552	1.161	0.959

	Asian Income Fund	Global Income Fund	Global Technology Fund	Prime Fund	Takaful Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	475,128,643	75,948,835	75,406,142	224,838,174	18,659,206
Debt securities	-	-	-	-	-
Financial derivatives	-	-	-	-	-
Other receivables and assets	6,256,830	1,476,824	4,143,004	662,008	675,326
Cash and cash equivalents	4,514,925	99,529	2,869,541	2,082,162	92,117
Total assets	485,900,398	77,525,188	82,418,687	227,582,344	19,426,649
LIABILITIES					
Financial liabilities					
Financial derivatives	-	-	-	-	-
Other payables and liabilities	8,909,821	2,395,044	4,187,921	321,432	469,750
Total liabilities	8,909,821	2,395,044	4,187,921	321,432	469,750
Value of fund	476,990,577	75,130,144	78,230,766	227,260,912	18,956,899
Units in issue	488,549,718	85,365,627	124,650,663	27,602,838	14,171,008
Net asset value per unit					
- at the beginning of the year	0.949	0.877	0.539	7.484	1.219
- as of 30 June 2017	0.976	0.880	0.628	8.233	1.338

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 (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 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, 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, 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 date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date.

Foreign currency differences are recognised in the Capital and Income Account.

Guide to Your Investment-Linked Policy Statement

We provide a policy statement to keep you updated on your investment(s) twice a year. 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 IP1, IP2 and IB1 plans only.
Advisory Charges	The charge covers the commission paid to the adviser.
Closing Balance	The number of units in each fund at the end of the statement period.
Distribution Reinvestment	Amount reinvested into the policy after the distribution payout.
Free Fund Units	Amount of units allocated to offset bid-offer spread for single premium investments.
Fund Switch in	Value of amount switched into the fund.
Fund Switch out	Value of amount switched out of the fund.
Opening Balance	The number of units in each fund at the start of the statement period.
Policy Fees	Covers the cost of issuance and policy administration (both at initial and on-going)
Regular Premium	Amount of regular premium paid based on the premium frequency chosen.
Regular Top-up	Amount of regular top-up premium paid based on the premium frequency chosen.
Rider Premium	Premium deducted via units for rider coverage.
Unit Adjustment	Adjustment made to existing fund units.
Withdrawal	Value of withdrawal of units from each fund.

FREQUENTLY ASKED QUESTIONS

Q1 Where can I check the latest fund prices?

A1 Our Investment-Linked Policy (ILP) funds are valued daily. The latest prices of our ILP funds are available on Income's website at www.income.com.sg/fund/coopprices.asp.

Q2 Where can I get updated financial reports on my fund?

A2 The financial year end of Income's ILP funds is 31 December of each year.

You can find the annual audited financial statements and / or the semi-annual statements in the Semi-annual Report and Relevant Audited Report available on Income's website at www.income.com.sg/fund/coopprices.asp. Alternatively, you can contact us at our Customer Service Hotline at 67881122/ 67881777 or email us at csquery@income.com.sg to request for a hard copy.

Q3 How do I make additional investment(s) to existing or new funds?

A3 You will be required to complete and submit the 'Top-up form for Investment-Linked Policy' at any of our branches or you can fax the form to us at 6338 1500.

Alternatively, you can access me@income via www.income.com.sg or approach your insurance adviser for advice.

The minimum top-up amount is $1,000 or $2,500 per transaction depending on your plan type. For FlexiCash policy, the minimum top-up amount is $500.

Q4 How do I switch to another fund?

A4 You will be required to complete and submit the 'Switching form for Investment-Linked Policy' at any of our branches or you can fax the form to us at 6338 1500.

Alternatively, you can approach your insurance adviser for advice.

The minimum value per switching transaction is $1,000. The number of free switches will depend on the plan you purchased.

Q5 How do I make a withdrawal?

A5 You will be required to complete and submit the 'Application for Withdrawal of Investment-Linked Policy Form' at any of our branches.

Alternatively, you can access me@income via www.income.com.sg or approach your insurance adviser for advice.

The minimum amount to be maintained in the policy is $2,000 or $3,500 depending on your plan type. For FlexiCash policy, the minimum to be maintained in the policy is $5,000.

For withdrawals, the proceeds will be transferred to your agent bank, CPF or SRS account directly. For policies purchased by cash, you will receive the proceeds via cheque. All withdrawals will be processed & completed within 5 working days.