ANNUAL FUND REPORT

FOR THE FINANCIAL YEAR AS OF
31 DECEMBER 2018

an NTUC Social Enterprise

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1st March 2019

Dear Policyholder

After two years of steady growth in asset prices, global financial markets witnessed high volatility and less favourable returns across major asset classes in 2018, posting sharp declines on concerns over global trade and slowing economic growth. Investors' sentiments were markedly depressed due to persistent concerns over the US-China trade conflict and the pace of US interest rate hikes. While China's economy recorded its weakest quarterly growth as policymakers responded with mitigating economic measures in the last quarter of 2018, the Singapore economy also slowed in late 2018 due to softer growth in manufacturing and export demands.

Rising U.S. interest rates, a strong dollar and trade concerns had put a damper on growth in 2018. For 2019, we expect global financial markets to remain highly volatile as interest rates continue to be normalised by central banks and global economic slow-down, amidst rising geo-political tensions. Despite such an economic backdrop, we can still expect corporate earnings to grow, albeit at a slower pace, given that the US economy is basically strong and will likely continue to expand. As such, global investors can still be cautiously optimistic in 2019. For Income, we will continue to stay diversified in this market environment, and focus on delivering long-term investment returns.

I am glad to share that our Investment-Linked Policy (ILP) sub-funds continue to perform well among peers as 90% of our ILP sub- funds were ranked in the first and second quartile of their Morningstar categories in the one year period ended 31 December 2018. Besides that, our ILP sub-funds were also represented in the Lipper Leader categories. This included the Prime Fund, which was the only ILP sub-funds in the CPF Investment Scheme that received a "Lipper Leader" rating across all four metrics namely, "Consistent Return", "Preservation", "Expense" and "Total Return" in the fourth quarter of 2018. Furthermore, the Singapore Bond Fund, Singapore Managed Fund, AIM 2035 Fund and Takaful Fund also achieved "Lipper Leader" in three out of the four categories in the same review.

Last year, we embarked on a strategic partnership with Fullerton Fund Management Company (Fullerton) to appoint Fullerton as the investment manager of a significant portfolio of Income's assets, which include several ILP sub-funds such as Singapore Bond Fund, Singapore Equity Fund, Singapore Managed Fund, Prime Fund and Money Market Fund. Fullerton is an Asian and emerging market specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. We believe that this strategic partnership with Fullerton will leverage economies of scale and tap the established and deep investment expertise of our combined investment capabilities to serve our customers, like you, better.

The latest Annual Fund Report for the financial period ended 31 December 2018 can be downloaded at https://www.income.com.sg/fund/factsheet/2018dec.pdf. You may also access your ILP 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**.

Ken Ng
Chief Executive Officer

Summary of Fund Performance as of 31 December 2018

	Launch Date	Fund Size (S$ million)	Performance (1 year)	Performance (2 years – Cumulative)
Core Funds				
Global Bond Fund	2 Jan 2003	114.14	-0.19%	1.93%
Global Equity Fund	1 Apr 1998	235.64	-5.51%	9.18%
Singapore Bond Fund	1 Mar 2000	306.00	1.73%	8.15%
Singapore Equity Fund	2 Jan 2003	145.35	-7.68%	12.36%
Managed Funds				
Asia Managed Fund	1 Sep 1995	137.55	-8.14%	19.91%
Global Managed Fund (Balanced)	2 Jan 2003	161.35	-2.21%	7.38%
Global Managed Fund (Conservative)	2 Jan 2003	11.83	-1.22%	5.64%
Global Managed Fund (Growth)	2 Jan 2003	235.30	-3.47%	8.73%
Singapore Managed Fund	1 May 1994	83.24	-4.93%	9.90%
Target Maturity Funds				
AIM Now Fund	25 Sep 2009	69.06	-1.53%	5.01%
AIM 2025 Fund	25 Sep 2009	17.38	-4.78%	6.96%
AIM 2035 Fund	25 Sep 2009	21.53	-7.72%	9.06%
AIM 2045 Fund	25 Sep 2009	27.10	-8.63%	8.71%
Specialised Funds				
Money Market Fund	1 May 2006	13.58	1.46%	2.69%
Thematic Funds				
Asian Bond Fund	3 May 2016	31.41	-4.11%	1.74%
Asian Income Fund	12 May 2014	702.70	-4.39%	4.12%
Global Income Fund	26 Mar 2015	86.81	-6.13%	-1.30%
Global Technology Fund	1 Aug 2000	80.51	-2.49%	23.75%
Multi-Asset Premium Fund	27 Apr 2018	3.93	N.A.	N.A.
Prime Fund	2 Aug 1973	248.76	-5.57%	13.27%
Takaful Fund	1 Sep 1995	17.02	-6.72%	10.42%

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. 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.

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.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	2 January 2003
Fund Size	S$114.14 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	0.85% p.a. 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 in time.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Broadly Diversified
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Manager	Amundi Singapore Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars
Structure	Single Fund

TOP 10 HOLDINGS

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Deutschland Rep 0.5% 150228	12.08	10.59	Monetary Authority of Singapore Bills 120118	8.00	6.41
US Treasury Note 2.875% 150828	7.97	6.99	TSY INFL IX N/B 0.125% 150422	7.67	6.15
US Treasury Infl. Index Bond 0.125% 150422	7.82	6.85	BTPS 2.2% 010627	7.01	5.62
US Treasury Note 1.75% 151120	6.40	5.61	Bonos Y Oblig Del Estado 1.5% 300427	4.97	3.98
US Treasury Infl. Index Bond 1% 150248	4.65	4.08	US Treasury Note 2.25% 150227	4.85	3.89
Japan Govt 5-yr 0.2% 200319	4.35	3.81	Mexican Bonos Mbond 7.75% 131142	4.26	3.41
UK Treasury 0.75% 220723	3.80	3.33	Singapore Government Bonds 4% 010918	4.12	3.30
Japan Govt 20-yr 2.1% 201229	3.79	3.32	Japan Govt 20-yr 2.1% 201229	3.65	2.93
US Treasury Infl. Index Bond 0.625% 150126	3.26	2.85	US Treasury Infl. Index Bond 0.625% 150126	3.25	2.61
US Treasury Note 3% 150545	2.70	2.37	Deutschland Rep 2.5% 150846	3.18	2.55

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

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.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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.

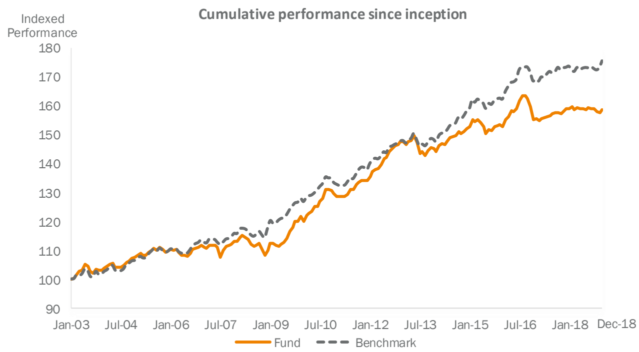
Global Bond Fund

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$4.86 billion in assets under management as of 31 December 2018.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Bond Fund	0.57%	-0.25%	0.00%	-0.19%
Benchmark	1.38%	1.53%	1.33%	1.06%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Bond Fund	1.21%	1.92%	3.48%	2.92%
Benchmark	2.64%	3.53%	3.85%	3.57%



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.

Volatility

	3-year (annualised)
Global Bond Fund	2.88%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

The year began positively for financial markets, with risk assets performing well in January in response to strong growth data and rising inflation on both sides of the Atlantic. Monetary policy became a key theme early in the year in response to this environment, with Ms Yellen continuing the US Federal Reserve (Fed) rate-hiking cycle and the European Central Bank (ECB) rolling back its quantitative easing program. As such, government bond yields rose early in the year, with the 5-year German yield returning to positive territory for the first time since September 2015.

However, this investor appetite diminished as geopolitical concerns, which proved to be a theme throughout the year took hold. The first of these was growth concerns related to the trade between China and the United States, with President Trump's announcement of customs duty on Chinese imports leading to risk aversion, which led to credit spreads widening and government yields falling.

In Europe, political uncertainty in Italy led to a pronounced rise in investor concern as the coalition between anti-EU "League" and populist "5-Star" parties failed to form a government – creating worries that a snap election could be called. This led to the two-year Italian government bond yield rising by 274 bps during the month of May.

The next major idiosyncratic story to shake financial markets was the situation in Turkey, with President Erdogan, following his election success refusing to tighten monetary policy in response to rising inflation. Turkish assets, banks in particular, were under intense pressure during the summer, whilst the currency depreciated by over 25% at one point against the USD. Combined with continuing concerns over Italy, there was a spike in volatility over the summer and a sell-off in risk assets.

Brexit took the lead early in last quarter of 2018, which the difficulty in negotiations and a decline in Euro-area macroeconomic indicators fueling skepticism about the ECB's ability to hike rates in 2019. The decline in oil prices and slowdown in China added fuel to fears over a slowdown in growth. However, a key breakthrough did occur, with the European Commission and the Italian Government moved closer together with regards their positions over the Italian budget.

In the US, under criticism of President Trump, the Fed hiked rates for the fourth time in 2018. This, along with ongoing concerns over the trade war, and a government shutdown crisis caused equity indices to crash in December. In the context of this risk-off environment, corporate bond markets suffered too, whilst a flight to quality led to government bond yields tightening substantially towards the end of the year.

Market Outlook

We are currently overall underweight duration, particularly on the shorter end of the curve. Geographically, we are underweight duration in the Eurozone and Japan whilst being overweight USD-denominated duration. We remain overweight credit, and within FX, we have a preference for the USD, whilst being underweight GBP and EUR.

Our central case scenario remains one of global expansion but we note with less momentum. The economic outlook is still positive but with a synchronised global economic slowdown. Central Banks are removing excess monetary policy accommodation and will do this carefully to avoid market disruption. Inflation risks are tilted to the upside in the US even if current core inflation remains low in advanced economies – it should recover gradually. Geopolitical issues and the turmoil linked to the escalation of trade tensions remain high. The situation in Italy showed recent signs easing with the yield on the Italian government bonds

Global Bond Fund

retreating from the recent highs observed in October 2018 to finish the year 41 bps lower than the previous quarter end. Our positioning reflects the aforementioned outlook by being broadly underweight duration as we expect global growth, inflation and Central Banks normalisation policies to push rates higher. However, we are now long duration in the US to benefit from higher yield, while being underweight core Europe. In currencies, remain long USD and JPY, both safe haven currencies. In addition, we remain allocated to credit and emerging markets amid global expansion. Within credit, we remain overweight financials which exhibit good fundamentals and provide a yield pick-up. We are selectively long emerging markets currencies where fundamentals, valuations, and carry levels are still attractive.

RISKS

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.

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.

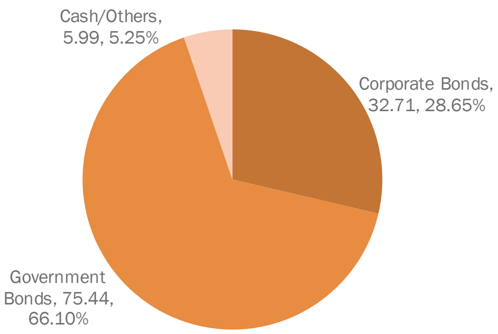
More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

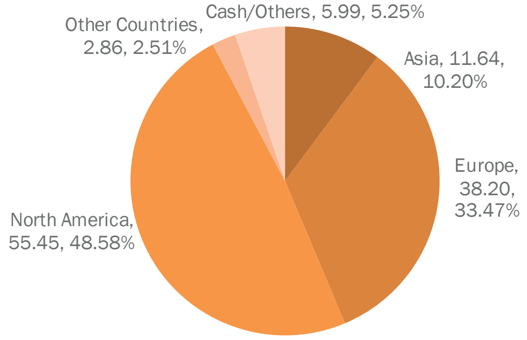
	Expense ratio	Turnover ratio
As of 31 December 2018	0.88%	65.14%
As of 31 December 2017	0.88%	116.18%

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

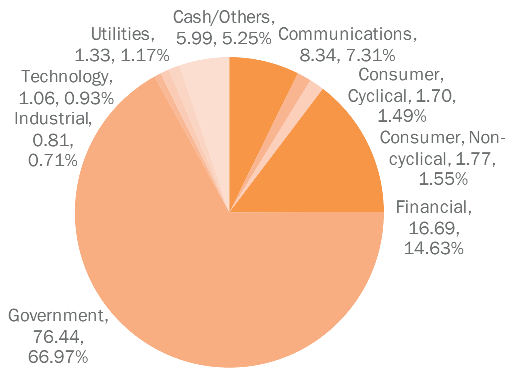
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	57.85	50.68
AA+	1.68	1.48
AA	5.15	4.51
AA-	2.15	1.88
A	13.00	11.39
A-	4.61	4.04
BBB+	7.44	6.52
BBB	9.21	8.07
BBB-	6.58	5.76
BB+	0.48	0.42
Total	108.15	94.75

'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: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

Global Bond Fund

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	124,799,846
Purchase of units	6,665,980
Redemption of units	(17,069,737)
Net investment income/(loss)	775,877
Management fees & other charges	(1,034,003)
Value of fund as of 31 December 2018	114,137,963

Units in issue	72,021,507
Net asset value per unit	
- at the beginning of the year	1.588
- as of 31 December 2018	1.585

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	453,017	0.40	156,604	453,017
Futures	(696,598)	0.61	1,694,578	(1,122,575)

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 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$1,034,003.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Amundi

The Sub-Investment Manager currently does not receive or enter into soft dollar and commission sharing arrangements in their management of the ILP sub-fund. Should the Sub-Manager receive or enter into such soft dollar and commission sharing arrangements, it will comply with the soft dollars standards prescribed by the Investment Management Association of Singapore. The goods and services which the Sub-Investment Manager may receive under the soft dollar and commission sharing arrangements (if any) include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to the investment decision making process. The Sub-Investment Manager will not accept or enter into soft dollar and commission sharing arrangements unless such soft dollar and commission sharing arrangements would, in the opinion of the Sub-Investment Manager, assist the Sub-Investment Manager in the management of the ILP sub-fund. The Sub-Investment Manager shall ensure at all times best execution is carried out for the transactions, and that no unnecessary trades are entered into in order to qualify for such soft dollar and commission sharing arrangements. The Sub-Investment Manager shall not retain for its own account, cash or commission rebates arising out of transactions for the ILP sub-fund executed in or outside Singapore.

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.

Amundi

The Sub-Investment Manager is or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the ILP sub-fund. The Sub-Investment Manager will ensure that the performance of its respective duties will not be impaired by any such involvement. If a conflict of interest does arise, the Sub-Investment Manager will try to ensure that it is resolved fairly and in the interest of the clients.

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

Nil.

REPORTS

The financial year end of the sub-fund is 31 December of each year.

As part of the continuous efforts to update you on the performance of the funds you have invested in, we produce a Fund Report (with summarised financial statements) twice a year.

Global Equity Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	1 April 1998
Fund Size	S$235.64 million
Initial Sales Charge	Please refer to “Fees and Charges” in section 4 of the Product Summary for ILP.
Annual Management Fee	1.25% p.a. 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 in time.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Managers	Morgan Stanley Investment Management Company MFS International Singapore Pte Ltd and Wellington Management Singapore Pte Ltd
Benchmark	MSCI World Index in Singapore Dollars
Structure	Single Fund

TOP 10 HOLDINGS

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Reckitt Benckiser Group	7.90	3.35	Accenture Plc	6.59	2.59
Visa Inc	7.78	3.30	Visa Inc	6.54	2.57
Microsoft Corporation	6.30	2.67	Reckitt Benckiser Group	5.76	2.26
Accenture Plc	6.29	2.67	Thermo Fisher Scientific Inc	5.40	2.12
Abbott Laboratories	5.23	2.22	Pernod Ricard SA	4.66	1.83
Twenty-First Century Fox Inc	4.63	1.97	Bayer AG	4.40	1.73
Pernod Ricard SA	4.58	1.94	Nestle SA	4.36	1.71
Medtronic Plc	4.37	1.85	Honeywell International Inc	4.33	1.70
Thermo Fisher Scientific Inc	4.33	1.84	The Walt Disney Co	4.24	1.67
Nestle SA	3.96	1.68	Microsoft Corp	4.15	1.63

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

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 Income for trusted advice and solutions when making their most important financial decisions. Our wide network of advisers and partners provide life, health and general insurance to serve the protection, savings and investments needs of customers across all segments of society.

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

As of 31 December 2018, Income had S$36.01 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 31 December 2018, MSIM employs 663 investment professionals worldwide in 22 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 31 December 2018, MSIM managed US$463 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$427 billion (as of 31 December 2018). 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)*

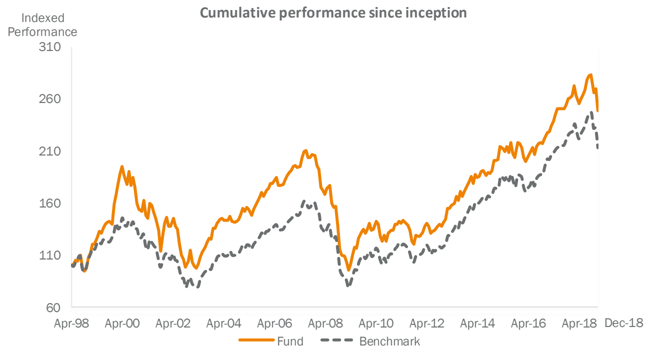
WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in more than 60 countries, as of 31 December 2018. WMC's singular focus is investments — from global 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.

* With effect from 29 April 2016, Wellington Management Singapore Pte Ltd (WMS) has replaced Schroder Investment Management Limited as one of the Sub-Investment Managers of the Global Equity Fund.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Equity Fund	-7.78%	-12.18%	-7.62%	-5.51%
Benchmark	-8.21%	-13.63%	-9.14%	-6.89%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Equity Fund	5.24%	6.04%	8.64%	4.48%
Benchmark	4.90%	6.17%	9.06%	3.70%



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.

Volatility

	3-year (annualised)
Global Equity Fund	9.26%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

Global equities, as measured by the MSCI World Index returned -8.9% in SGD terms in the second half of 2018. Slowing global growth, tighter financial conditions and increasing trade tensions helped undermine equities broadly.

The US S&P 500 Index returned -7.8% in SGD terms for the second half of 2018. While economic and earnings growth remained solid, the second half of 2018 saw another bout of market volatility. US corporate earnings remained buoyant, aided in part by a major US tax reform package passed at the end of 2017, though concerns over potential margin compression emerged late in the year.

European stocks, as measured by the STOXX 50 Index, returned -12.7% in SGD terms in the second half of 2018. Growth continued to slow during the second half of 2018 amid geopolitical uncertainty surrounding Italy's populist government's relationship with the European Union (EU), unrest in France over income inequality and the ongoing Brexit uncertainty.

In Japan, the Nikkei Composite Index returned -8.5% in SGD terms in the second half of 2018. Moderating global industrial production and global trade friction were headwinds in throughout 2018, while a stronger JPY as a result of increased market volatility turned into an additional headwind in late 2018.

Emerging market (EM), as measured by the MSCI EM Index returned -8.3% in SGD terms during the second half of 2018. Tighter financial conditions as a result of somewhat firmer US bond yields and a stronger USD were headwinds for EM, as were growing concerns over protectionism and idiosyncratic events in Turkey, Argentina and Mexico.

Market Outlook

Global Equity Fund

Global growth continued to decelerate in late 2018 though the US maintained a solid growth trajectory though other developed economies grew more slowly. Growth in China was a particular concern amid ongoing trade tensions with the US.

Inflation remains well-contained globally with the US Federal Reserve (Fed) and the European Central Bank (ECB) both meeting their 2% inflation targets in recent months. Policy remains accommodative despite gradual hikes from the Fed as the ECB ended its asset purchase program in December, though it simultaneously issued dovish forward guidance that it does not expect to raise rates until after the summer of 2019. The Bank of Japan (BOJ) remains solidly on the monetary sidelines while the People's Bank of China has been lowering its reserve requirement ratio of several times, as well as deploying modest amounts of targeted fiscal stimulus.

From a valuation perspective, global equities continued to derate during the second half of the year. The trailing 12-month price-to-earnings (P/E) ratio for the MSCI World index has declined to 16x from 19.4x at the start of third quarter.

United States: While most of the rest of the world slowed in early 2018, the US continued to grow solidly, though the pace of growth slowed modestly in late 2018. Unemployment fell to a 17-year low of 3.7% in November, though wage growth remained moderate. The Fed raised rates twice, in September and in December but is expected to pause in March 2019 to reassess how much more tightening is needed as policy approaches neutral and in response to an uptick in volatility in December. Earnings were boosted dramatically by the enactment of broad-based tax reform in late 2017 which helped boost S&P 500 earnings by 25% in third quarter though the pace is expected to slow to low double-digits in the last quarter. Valuations have corrected with stock prices falling and earnings holding firm. A flattening US yield curve remains a cause for concern as curve inversions often precede recessions. The closely watched spread between 2-year and 10-year Treasury yields remains positive though there are inversions at the shorter-end of the yield curve with 2-year yields exceeding the yield on 3-year Treasuries. Uncertainty surrounding US trade policy is particularly acute, with tariffs on billions of dollars in of select Chinese imports in effect since early July with potentially hundreds of billions more to follow if trade talks with China don't yield an agreement by March 1.

Europe: Economic growth continued to downshift throughout 2018. Growth remains slightly above trend levels but slowing international trade has had negative effects on Europe's economy as demand from China grows more slowly. Brexit uncertainty and continued concern over Italy's relationship with the EU are cause for concern, as is unrest in France. Despite the ECB ending its asset purchase program in December, slower growth is putting downward pressure on government bond yields, which remain near record lows. Trailing 12-month earnings multiples have de-rated to 14.4x, below 17x at mid-year and its and its 18.2x, 20-year average. The dividend yield remains generous at nearly 3.4%, a very favorable comparison to Europe's exceptionally low bond yields.

Japan: A series of natural disasters saw economic growth in Japan contract at an annual rate of 2.5 in third quarter though a bounce back in last quarter is expected. Headwinds from slowing global trade and industrial production are hurting Japan's economy, with Asian economies that make up China's supply chain under particular strain amid ongoing tensions between China and the US on trade. A rising labour force participation rate and very low unemployment (2.5%) are not translating into strong wage growth, nor to a significant rise in consumer prices. Consumer Price Index was last reported at 0.9%, well below the BOJ's 2.0% target. The BOJ is expected to maintain its super-loose monetary policy, including quantitative easing. The BOJ is the last of the major central banks to continue asset purchases, though those purchases have raised concerns over the strength of the banking system in the event of an economic downturn due to razor-thin net interest margins limiting industry profitability. Improved corporate governance is an ongoing area of structural reform, a pillar of Abenomics. Earnings per share continue to de-rate. The trailing 12-month multiple has fallen to 11.4x, substantially below year-ago levels of 16.1x. The dividend yield looks attractive, at 2.3%, relative to near-zero bond yields.

Emerging Markets: Tighter global financial conditions from a higher USD, a less-accommodative Fed, widening credit spreads and weaker equities contributed to a year of negative returns, as did the ongoing US–China trade dispute. The combination of higher US rates and slowing global growth is a particularly difficult hurdle. While EM faced a variety of headwinds, its underperformance compared to developed market in 2018 was modest. Slowing global growth undermined commodity prices late in the year, though EM has become less correlated with commodities as many EM economies have moved up the value chain and become more services-oriented than in the past. Should the Fed pause its tightening cycle in coming months, the US and China come to an agreement on trade and oil prices stabilise after a production cut, EM could be a beneficiary. EM currencies would especially benefit from a less-hawkish Fed. Growth in China continues to decelerate, prompting expectations that the government will shift its focus further from needed deleveraging to a greater emphasis on supporting growth. Easier monetary policy and tax and fee cuts are among the measures China announced late in 2018, a shift from the targeted support offered earlier in the year but still well short of the broad stimulus put in place during the 2015 to 2016 downturn.

Trailing 12-month P/E valuations continue to de-rate, falling to 12.0x from 12.5x last quarter. This compares to a 20-year average of 14.8x. Last quarter's market decline boosted the index's dividend yield to 2.9%, somewhat above the 20-year average of 2.5%.

RISKS

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.

Global Equity Fund

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.

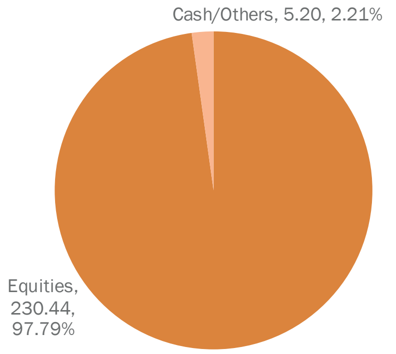
More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

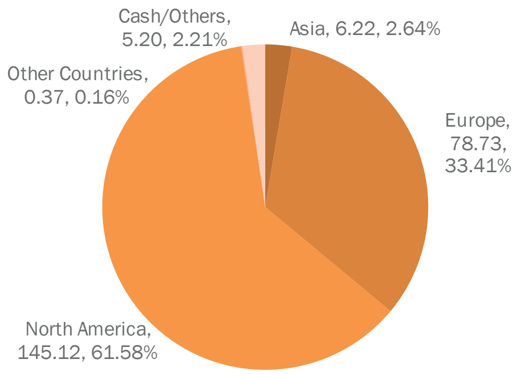
	Expense ratio	Turnover ratio
As of 31 December 2018	1.28%	47.01%
As of 31 December 2017	1.29%	27.81%

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

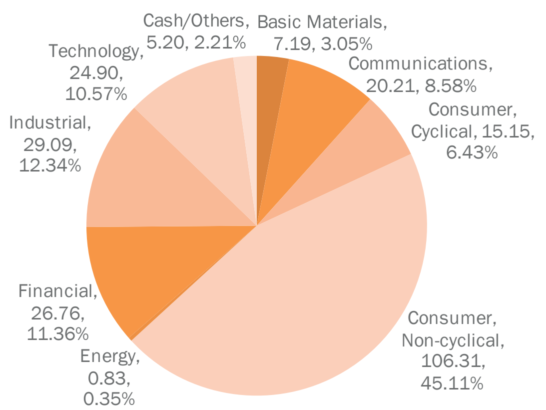
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under Global Equity Fund.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	254,508,619
Purchase of units	23,518,038
Redemption of units	(30,895,543)
Net investment income/(loss)	(8,351,599)
Management fees & other charges	(3,139,930)
Value of fund as of 31 December 2018	235,639,585

Units in issue	73,921,531
Net asset value per unit	
- at the beginning of the year	3.373
- as of 31 December 2018	3.188

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(6,799)	<0.01	(22,550)	(6,799)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
American Tower Corp	0.97	0.41

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$3,139,930.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Morgan Stanley

Research received by MSIM Limited from 3 January 2018 (other than research that qualifies as a minor monetary benefit) will be paid out of its own resources. MSIM must take all sufficient steps to obtain the best possible result for its Clients when placing orders as part of MSIM's portfolio management service in compliance with its contractual or agency obligation to act in accordance with the best interests of the Client taking into account the Relevant Factors (as defined below).

When effecting transactions for its Clients, MSIM takes into consideration a number of factors (together referred to as "Relevant Factors") including, but not limited to:

- price/spread
- cost of execution
- speed and likelihood of execution

- order size
- nature of the order
- broker or counterparty selection
- availability of liquidity
- likelihood of settlement
- market impact of the transaction
- MSIM's operational costs
- any other consideration that MSIM deems relevant to the transaction

Wellington

The 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 has been received/ entered into by the Sub-Investment Manager in respect of the ILP. 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 reasonably, assist the Sub-Investment Manager in the management of the ILP and that the trades were executed on a best execution basis. The Sub-Investment Manager took all reasonable steps to obtain the best possible result of the ILP, 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.

MFS International

MFS will pay for external research for all accounts beginning January 3, 2018. NTUC Income's portfolios which are managed by MFS are under the scope of MiFID where execution only rates are paid for the trades. There are no soft dollars associated with the 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

Nil.

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 capital appreciation by investing mainly in investment grade government/quasi-sovereign bonds, corporate bonds and money market securities denominated in Singapore Dollars.

INVESTMENT SCOPE

The types of securities that this sub-fund may invest in include, but are not limited to fixed income instruments (deemed or rated investment grade), bank deposits, money market securities, currency forwards and futures. The sub-fund may also invest in high quality unsecured or unrated bonds. The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	1 March 2000
Fund Size	S$306 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	0.5% p.a. 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.
Custodian	The Bank of New York Mellon
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
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Manager	Fullerton Fund Management Company Ltd
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.

TOP 10 HOLDINGS

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Singapore Government Bonds 2.875% 010930	53.85	17.60	Singapore Government Bonds 2.875% 010930	53.39	16.61
Singapore Government Bonds 3.375% 010933	26.81	8.76	Singapore Government Bonds 2.25% 010836	16.36	5.09
Singapore Government Bonds 2.75% 010442	22.04	7.20	Singapore Government Bonds 2.75% 010442	14.82	4.61
Singapore Government Bonds 2.375% 010625	17.49	5.72	Singapore Government Bonds 3.5% 010327	13.99	4.35
Singapore Government Bonds 2.75% 010346	10.68	3.49	Singapore Government Bonds 3.375% 010933	13.74	4.27
Export-Import Bk Korea 2.318% 270922	8.99	2.94	Singapore Government Bonds 0.5% 010418	11.98	3.73
CMT MTN Pte Ltd Capita 3.48% 060824	7.45	2.44	Singapore Government Bonds 2.75% 010346	10.74	3.34
Mapletree Trea 2.85% 290825	6.92	2.26	United Overseas Bank 3.5% 270229	7.81	2.43
Abn Amro Bank 4.75% 010426	6.45	2.11	CMT MTN Pte Ltd Capita 3.48% 060824	7.68	2.39
Aust & NZ Bank 3.75% 230327	6.06	1.98	Export-Import Bk Korea 2.318% 270922	7.03	2.19

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. Fullerton Fund Management Company Ltd is the Sub-Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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 Bond Fund

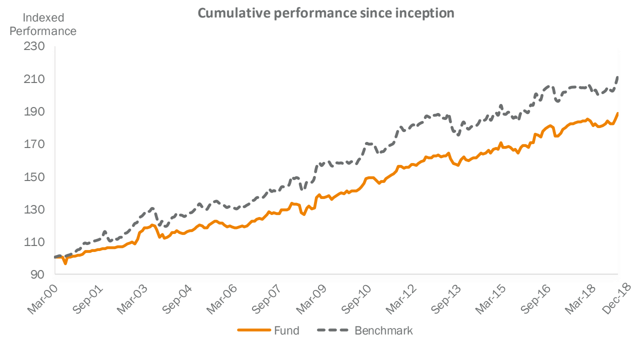
Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Singapore Bond Fund	2.33%	3.40%	4.03%	1.73%
Benchmark	2.88%	4.41%	5.22%	2.65%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Bond Fund	3.97%	3.37%	3.15%	3.42%
Benchmark	3.86%	3.45%	2.97%	4.07%



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

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

Volatility

	3-year (annualised)
Singapore Bond Fund	3.81%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

Bond markets experienced bouts of volatility in 2018, amidst a backdrop of US-China trade tensions, concerns over moderating global growth and monetary tightening by central banks in the US and Europe.

The US Federal Reserve (Fed) delivered its fourth interest rate hike of the year in December, and indicated that the number of rate hikes in 2019 would be scaled back from three rate hikes, to two. Overall, US Treasury yields moved higher in 2018, despite the rally in US Treasuries in 4Q2018. The benchmark 10-year US Treasury yield rose from 2.46% at the start of the year, to end the year higher at 2.68%. In Europe, the European Central Bank (ECB) formally ended its Quantitative Easing scheme in December. The ECB however indicated that it would continue reinvesting cash from maturing bonds for an extended time period, past the date when it starts raising the key ECB interest rates, for as long as necessary.

Advance estimates showed that Singapore's economy grew by 2.2%yoy in 4Q2018, bringing the full year growth for 2018 to 3.3%. Manufacturing remained a key growth driver and expanded 5.5%yoy in 2018. Inflation was largely contained as CPI-All items inflation printed 0.4%yoy in 2018, lower than the 0.6%yoy recorded in 2017. Core Inflation however edged up slightly to 1.7%yoy in 2018, from 1.5%yoy in the previous year.

On the policy front, the Monetary Authority of Singapore (MAS) tightened monetary policy twice in 2018, and the MAS increased slightly the slope of the SGD nominal effective exchange rate (S$NEER) policy band during the April and October meetings. The moves were consistent with a modest and gradual appreciation path of the S$NEER policy band, to ensure medium-term price stability.

Market Outlook

2019 is beginning to look like a year of global growth moderation as suggested by recent weaker Purchasing Managers Index prints, due in part to the US-China trade spat overhang. The International Monetary Fund has also revised down their global growth expectation for 2019 while retaining the consensus view that there is no risk of economic recession in the near term. This stands in contrast to the past two years, which was characterised by growth divergence between the US and the rest of the world (2018), and synchronised global recovery (2017).

Against this backdrop, growth momentum in Singapore is expected to soften as weaker external demand weighs down on manufacturing and trade-related services. The benefits of production relocation towards the ASEAN region would likely be felt in the medium term. On the other hand, construction should improve on public infrastructure spending, while domestic-oriented services remain resilient. Inflationary pressure remains manageable as the greater pass-through from higher import and labour costs should be capped by keen competition in certain sectors such as electricity, telecommunications and the retail sectors.

On portfolio strategy, we are keeping duration at a modest underweight and would take advantage of periods of market weakness to reduce the underweight in duration. Given Singapore government bonds' strong performance in the fourth quarter, we expect some pull-back in the first quarter of 2019. Similarly, we also expect swap spreads to widen from current tight levels. In terms of overall yield curve positioning, we have a bias towards the long end of the yield curve, on relative valuation. Security selection remains a key

Singapore Bond Fund

theme and we continue to favour bonds which are fundamentally sound and where credit spreads are commensurate with the underlying risk profile.

RISKS

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.

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.

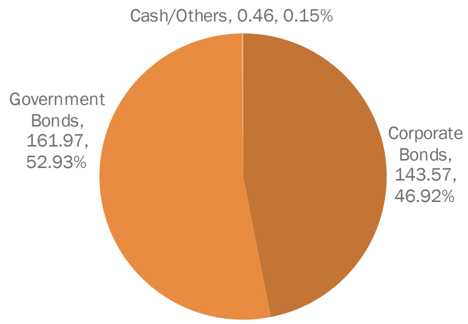
More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

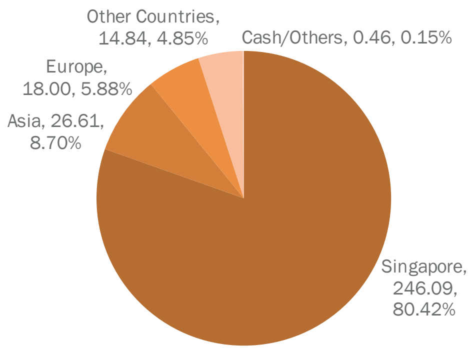
	Expense ratio	Turnover ratio
As of 31 December 2018	0.52%	32.17%
As of 31 December 2017	0.52%	54.10%

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

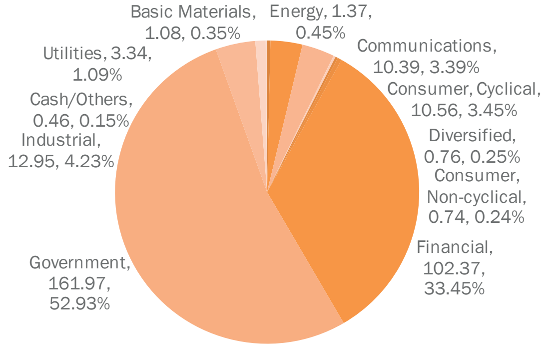
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	152.47	49.83
AA+	2.04	0.67
AA	17.29	5.65
A+	14.45	4.72
A	24.05	7.86
A-	7.65	2.50
BBB+	4.79	1.57
BBB	24.53	8.01
BBB-	7.25	2.37
Not rated	51.02	16.67
Total	305.54	99.85

'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: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	321,427,552
Purchase of units	24,375,725
Redemption of units	(44,745,631)
Net investment income/(loss)	6,513,020
Management fees & other charges	(1,575,052)
Value of fund as of 31 December 2018	305,995,614

Units in issue	162,342,561
Net asset value per unit	
- at the beginning of the year	1.853
- as of 31 December 2018	1.885

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	25,236	-
Swaps	(12,696)	<0.01	-	(30,955)

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 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$1,575,052.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Fullerton

Fullerton may and intend to receive or enter into soft-dollar commissions/arrangements in our management of the portfolio. Fullerton will comply with applicable regulatory and industry standards on soft dollars. Such soft dollar commissions include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis for investments managed for clients.

Soft dollar commissions/arrangements will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

Fullerton will not accept or enter into soft dollar commissions/arrangements unless such soft dollar commissions/arrangements would, in Fullerton's opinion, assist them in their management of the portfolio, providing that Fullerton ensures at all times that best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

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.

Fullerton

Fullerton is of the view that there are no conflicts of interests in managing the portfolio. Under the conditions of its license, Fullerton is required to conduct its business in a manner so as to avoid conflicts of interests, and ensure that any conflicts of interests arising are resolved fairly and equitably. In addition, as a member of the Investment Management Association of Singapore ("IMAS"), Fullerton adopts the principles and standards of investment conduct, which includes ensuring fair allocation, as set out in the IMAS Code of Ethics & Standards of Professional Conduct.

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

Nil.

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 a portfolio of Singapore equities.

INVESTMENT SCOPE

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

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	2 January 2003
Fund Size	S$145.35 million
Initial Sales Charge	Please refer to “Fees and Charges” in section 4 of the Product Summary for ILP.
Annual Management Fee	0.65% p.a. 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.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Narrowly Focused – Country – Singapore
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Managers	Fullerton Fund Management Company Ltd State Street Global Advisors Singapore Limited
Benchmark	FTSE Straits Times Index (FTSE STI)
Structure	Single Fund

TOP 10 HOLDINGS

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
DBS Group Holdings Ltd	23.53	16.19	DBS Group Holdings Ltd	24.99	15.39
Oversea-Chinese Banking Corp	20.64	14.20	Oversea-Chinese Banking Corp	22.75	14.01
United Overseas Bank Ltd	15.59	10.73	United Overseas Bank Ltd	15.30	9.42
Singapore Telecommunications Ltd	9.75	6.71	Singapore Telecommunications Ltd	12.42	7.65
Jardine Strategic Holdings Ltd	6.54	4.50	Thai Beverage PCL	7.22	4.44
Jardine Matheson Holdings	6.52	4.49	Jardine Matheson Holdings	5.49	3.38
Keppel Corp Ltd	5.43	3.73	Jardine Strategic Holdings Ltd	5.34	3.29
Singapore Technologies Engineering Ltd	4.79	3.29	Hongkong Land Holdings Ltd	4.59	2.83
Wilmar International Ltd	4.46	3.07	UOL GROUP LIMITED SGD1	4.48	2.76
Genting Singapore Ltd	4.15	2.85	Keppel Corp Ltd	4.35	2.68

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. Fullerton Fund Management Company Ltd and State Street Global Advisors Singapore Limited 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 Income for trusted advice and solutions when making their most important financial decisions. Our wide network of advisers and partners provide life, health and general insurance to serve the protection, savings and investments needs of customers across all segments of society.

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

As of 31 December 2018, Income had S$36.01 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

Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

State Street Global Advisors Singapore Limited (SSGA)

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

We 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, our scale and global reach offer clients unrivalled access to markets, geographies and asset classes, and allow us to deliver thoughtful insights and innovative solutions.

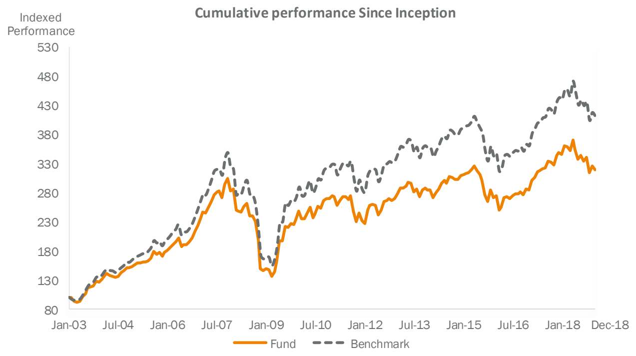
SSGA has also attained ETF industry leadership with its SPDR® family, including first-to-market launches with gold, international real estate, fixed-income and sector-specific ETFs.

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

**Assets under management were US$2.51 trillion as of 31 December 2018. AUM reflects approx. US$32.45 billion (as of 31 December 2018) 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.*

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Singapore Equity Fund	-1.72%	-6.13%	-5.38%	-7.68%
Benchmark	-1.35%	-5.49%	-4.29%	-6.45%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Equity Fund	5.27%	2.34%	7.85%	7.54%
Benchmark	5.84%	2.91%	9.26%	9.24%



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.

Volatility

	3-year (annualised)
Singapore Equity Fund	11.69%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

After a stellar 2017 which saw equity markets in Asia ex Japan generate some 37% in returns (USD terms), 2018 saw Asian equities fall, on the back of concerns pertaining to US rate normalisation, the US-China trade war, geopolitical uncertainties, fluctuating commodity prices with a sustained weakness in oil prices being a particular worry, as well as a strong USD.

Investors remained cautious even towards the end of the year, despite a 90-day trade truce negotiated between US and China. Moreover, the US Federal Reserve (Fed) increased its target for the benchmark Fed funds rate for the fourth time in December, amid expectations for two more hikes in 2019, and this further dampened sentiment.

On the growth front, Asian economies were however relatively resilient, albeit decelerating into 3Q18. Specifically for Singapore, the economy saw slower growth in 4Q18 at 2.2%yoy, a modest drop from a previous 2.3%yoy figure in 3Q18 but also the lowest year-on-year growth since 3Q16. Notably, the slowdown in the fourth quarter was broad-based, supported mainly by a fairly resilient manufacturing performance. Singapore's manufacturing growth started strong in 1H18 (1Q18: 10.8%yoy and 2Q18: 10.7%yoy versus 2017 full-year growth of 10.1%). The manufacturing Purchasing Managers Index peaked at 53 in March 2018, but eased later in the second half of the year, to finally register at 51.5 in November 2018. Meanwhile, the construction sector remained a laggard, having been on a contracting trend since 3Q16, with the latest 4Q18 print at -2.2%yoy amid weakness in public sector construction activities. Overall, Singapore registered a 3.3%yoy gross domestic product growth in 2018, down from 3.6% in 2017 but within the government's 3-3.5%yoy forecast range.

Singapore Equity Fund

Turning to policy, the Monetary Authority of Singapore (MAS) normalised the SGD Nominal Effective Exchange Rate (S$NEER) by twice steepening the gradient in 2018, as local rates continued to play catch-up to USD rates. The first tightening took place in April, when the MAS increased slightly the slope of the S$NEER, following two years of a neutral policy stance. Then in October, the MAS again increased the slope and stated that the move was consistent with a modest and gradual appreciation path of the policy band, to ensure medium-term price stability. The MAS Survey of Professional Forecasters tipped the 3-month Singapore Interbank Offered Rate to climb higher to 2.31% by end-2019.

Market Outlook

Ongoing US-China trade tensions, political uncertainty (upcoming elections in Asia and the UK's exit from the European Union) and US interest rate directions are likely to result in another rollercoaster year for equities. Specifically in Asia, the export cycle is stalling as the lagged impact of trade tensions and slower growth in the developed markets take its toll. Nevertheless, policy support in China is likely to buttress the largest economy in Asia, and thus provide some buffer to regional growth.

Overall, the region's economic growth is resilient and alongside fewer Fed rate hikes as well as limited USD strength, these should all provide support to Asian equities. In Singapore, we are cognisant of risks coming in the forms of further earning downgrades, macro headwinds as well as policy overhang on the Singapore property market, all of which are likely to cap market performance in 1H2019. To this end, we note that earnings forecasts have been cut across all sectors, following disappointing quarterly numbers for the first nine months of 2018. Weakening macro data points suggest downside risks to consensus numbers.

With the above in mind, we have positioned our portfolio focusing on stocks with limited downside earnings risks as well as stocks trading at attractive valuations. We intend to maintain overweight exposures in the Consumer and Industrials sectors, on the back of positive retail spending and attractive valuations, respectively. We have a neutral view on the Financials sector, in view of decelerating loan growth on the back of the ongoing US-China trade tensions and property cooling measures, coupled with slow net interest margin expansion given a more dovish Fed. Elsewhere, we are underweight Real Estate, Technology and Telecoms, given property cooling measures, a slowing global growth cycle which has seen a decline in Singapore's Non-Oil Domestic Exports, and intensifying competition, respectively.

RISKS

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.

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.

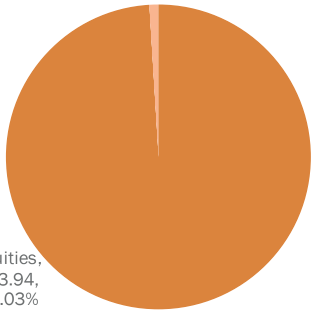
More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

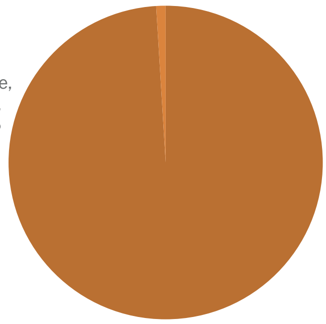
	Expense ratio	Turnover ratio
As of 31 December 2018	0.74%	20.51%
As of 31 December 2017	0.70%	17.21%

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

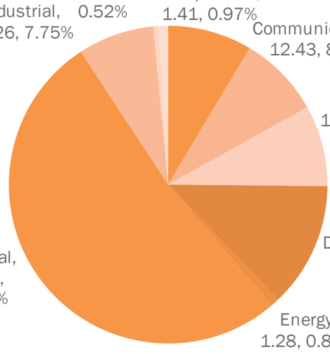
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under Singapore Equity Fund.

Singapore Equity Fund

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	162,395,417
Purchase of units	18,809,135
Redemption of units	(23,874,180)
Net investment income/(loss)	(10,963,538)
Management fees & other charges	(1,017,747)
Value of fund as of 31 December 2018	145,349,087

Units in issue	45,434,620
Net asset value per unit	
- at the beginning of the year	3.465
- as of 31 December 2018	3.199

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	326	-
Futures	2,144	<0.01	(157,543)	(16)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Ascendas Real Estate Investment Trust	2.12	1.46
CapitaLand Mall Trust	1.77	1.21
CapitaLand Commercial Trust REIT	1.39	0.96
Mapletree Commercial Trust	0.92	0.63
Hutchison Port Holdings Trust	0.56	0.38
Far East Hospitality Trust	0.54	0.37

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$1,017,747.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Fullerton

Fullerton may and intend to receive or enter into soft-dollar commissions/arrangements in our management of the portfolio. Fullerton will comply with applicable regulatory and industry standards on soft dollars. Such soft dollar commissions include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis for investments managed for clients.

Soft dollar commissions/arrangements will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

Fullerton will not accept or enter into soft dollar commissions/arrangements unless such soft dollar commissions/arrangements would, in Fullerton's opinion, assist them in their management of the portfolio, providing that Fullerton ensures at all times that best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

State Street

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

CONFLICTS OF INTEREST

Income

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

Fullerton

Fullerton is of the view that there are no conflicts of interests in managing the portfolio. Under the conditions of its license, Fullerton is required to conduct its business in a manner so as to avoid conflicts of interests, and ensure that any conflicts of interests arising are resolved fairly and equitably. In addition, as a member of the Investment Management Association of Singapore ("IMAS"), Fullerton adopts the principles and standards of investment conduct, which includes ensuring fair allocation, as set out in the IMAS Code of Ethics & Standards of Professional Conduct.

State Street

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

OTHER PARTIES

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

MATERIAL INFORMATION

Nil.

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.

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 in Singapore Bond Fund (managed by NTUC Income and sub-managed by Fullerton) in relation to the fixed income portion (30%). Prior to 22 October 2010, the investment scope was Singapore (39%), Hong Kong (18%) and Thailand (13%) stocks and Singapore Bonds (30%). The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	1 September 1995
Fund Size	S$137.55 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.0% p.a. 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.
Custodian	The Bank of New York Mellon
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
Fund 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.

TOP 10 HOLDINGS

Asia Managed Fund^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	95.99	69.79	Schroder Asian Growth Fund	100.52	70.22
Singapore Bond Fund	41.45	30.13	Singapore Bond Fund	42.60	29.76

^Please refer to Singapore Bond Fund for the top 10 holdings.

Schroder Asian Growth Fund^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Taiwan Semiconductor Manufacturing	91.33	6.67	Samsung Electronics	88.70	7.40
Samsung Electronics	86.92	6.35	Tencent Holdings	76.20	6.40
Tencent Holdings	78.19	5.71	Alibaba Group Holding	70.10	5.90
Alibaba Group Holding	64.82	4.74	Taiwan Semiconductor Manufacturing	69.20	5.80
AIA Group	56.49	4.13	AIA Group	48.50	4.10
HDFC Bank	49.50	3.62	HDFC Bank	43.40	3.60
Techtronic Industries	34.10	2.49	China Lodging Group	34.40	2.90
China Pacific Insurance Group	32.34	2.36	China Pacific Insurance Group	33.90	2.80
ICICI Bank	31.33	2.29	Techtronic Industries	32.90	2.80
Oversea-Chinese Banking	30.99	2.26	New Oriental Education & Technology Group	31.00	2.60

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.
^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. The sub-fund invests significantly in the Schroder Asian Growth Fund which is managed by Schroder Investment Management (Singapore) Ltd. The sub-fund also invests in the Singapore Bond Fund which is managed by NTUC Income Insurance Co-operative Limited and sub-managed by Fullerton Fund Management Company Ltd.

Further information on the Singapore Bond Fund can be found is the Product Highlights Sheet and Fund Summary on our website www.income.com.sg/fund/coopprices.asp.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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.

Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

Schroder Investment Management (Singapore) Ltd

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

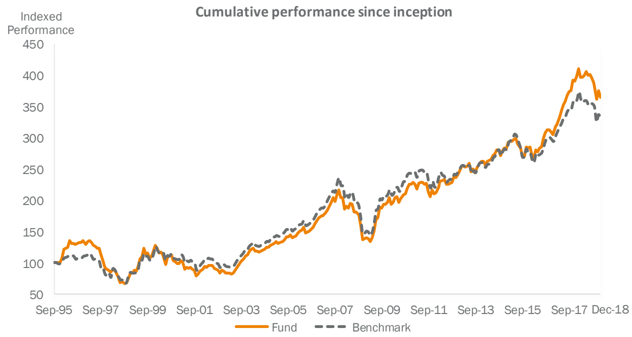
Schroders is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$518.7 billion (as of 31 December 2018).

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	-2.74%	-5.75%	-8.50%	-8.14%
Benchmark	-1.48%	-4.94%	-5.63%	-8.11%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asia Managed Fund	8.70%	6.91%	10.03%	5.71%
Benchmark	6.30%	5.12%	8.26%	5.27%



Changes to benchmarks during the life of the sub-fund: Since Oct 2010 to 31 May 2017 - 70% MSCI AC Asia ex-Japan Index in Singapore Dollars, 30% UOB Long Bond Index; Since 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.

Volatility

	3-year (annualised)
Asia Managed Fund	9.38%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

Since the middle of 2018 Asian equity markets have corrected sharply due to a deterioration in the outlook for growth at a time when the cost of capital in many markets was increasing due to upward pressure on US interest rates.

The weaker growth outlook stems from (a) the slowdown in China growth due to the lagged impact of slower credit growth in the last 18 months, as authorities have moved to rein in the shadow banking industry; (b) the impact of higher oil prices, which acts as a tax on consumption and pressures corporate profit margins; (c) upward pressure on interest rates in emerging markets like India, Indonesia and the

Philippines as Central Banks have been forced to react to the higher USD rates and deteriorating trade balances to support local currencies; (d) the deterioration in the trade war between the US and China, which has impacted corporate confidence and is starting to exert a drag on capital investment decisions. Meanwhile, despite these local headwinds in Asia, the US economy has performed very strongly as the recent tax cuts have flowed through the corporate sector and unemployment has continued to fall to new cyclical lows – all of which, until very recently, increased the US Federal Reserve's confidence in raising rates and pushed US long bond yields to a 7 year high in November. In a world where the USD remains the most important reserve currency, these higher borrowing costs and generally tighter USD liquidity conditions have put pressure on capital flows to emerging markets and tightened local liquidity in Asia as well, which has been a further headwind for markets.

Although earnings growth in 2018 still looks set for 10%+, at the margin revisions have turned negative in recent months and markets have moved very quickly to price in the more difficult outlook, with valuations for regional benchmarks correcting sharply in the last 6 months as a result. Price-to-earnings multiples have dropped from above average levels in January to c.1 SD below longer term averages today, while many of the more highly rated growth stocks have seen an even sharper pull-back.

Market Outlook

In the near term, market performance is likely to remain dominated by the interplay of these same factors. On the positive front, expectations for Asian growth have now adjusted a long way and Chinese authorities have moved at the margin to a slightly more pro-growth stance, with recent cuts in reserve requirements and encouragement for the banking sector to lend to private enterprises, while expectations are increasing for further cuts in taxes and also a pick-up in infrastructure spending. The headline growth still expected to slow in coming months, but the change in signalling from the authorities to support growth is still important for markets. Oil prices have also corrected sharply from their recent highs, which alleviates much of the current account pressure on the more fragile emerging economies and will reduce the drag on consumption more widely.

Much harder to read is the outlook on the trade front. We now have a three month standstill until early March-19, after the recent meeting of the two countries' Presidents at the G20 meeting, and there is some renewed optimism that an outline framework for a longer lasting trade agreement can be agreed in this period which will avoid any further escalation in tariffs – this would clearly be positive for markets near term. However, there is far less confidence that this will really be the end of the trade frictions given the longer term concerns held by many in the US over China's threat to US national security on different fronts and the Chinese administration's reluctance to really alter its model of state sponsored economic development and its desire to build its own expertise in key technology sectors.

Lower valuation multiples for Asian markets today should raise the potential for longer term stock market returns, but investors are likely to remain cautious near term given the likelihood of further cuts in earnings forecasts, as analysts adjust to the weaker macro backdrop into 2019 and the continued uncertainty on the trade front, and continued increases in US interest rates in the next few months. Given this difficult backdrop, we continue to tread carefully in equity markets and have not moved to significantly increase risk recently despite the correction. As bottom up investors our focus remains on those businesses best equipped to survive the current slowdown and also exploit the favourable longer term trends we continue to see in the region – be it the continued growth in domestic consumption and growth of service sector industries in countries like India, Indonesia and China, or the technological leadership of Chinese players in the on-line space or the growth potential for industry leaders in the Korean and Taiwanese tech hardware sectors.

RISKS

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.

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

Asia Managed Fund

	Expense ratio	Turnover ratio
As of 31 December 2018	1.29%	7.88%
As of 31 December 2017	1.50%	5.45%

Singapore Bond Fund

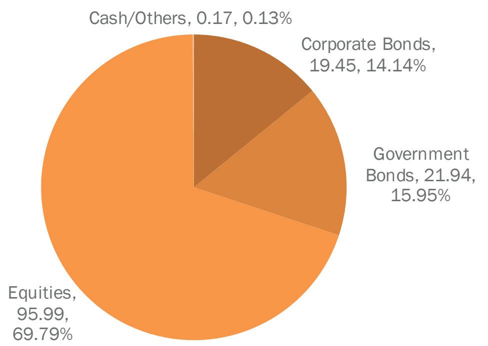
	Expense ratio	Turnover ratio
As of 31 December 2018	0.52%	32.17%
As of 31 December 2017	0.52%	54.10%

Schroder Asian Growth Fund

	Expense ratio	Turnover ratio
As of 31 December 2018	1.35%	12.92%
As of 31 December 2017	1.35%	14.25%

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.

ASSET ALLOCATION AS OF 31 DECEMBER 2018



Asia Managed Fund

Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	143,154,219
Purchase of units	25,128,633
Redemption of units	(18,734,759)
Net investment income/(loss)	(11,818,878)
Management fees & other charges	(176,535)
Value of fund as of 31 December 2018	137,552,680

Units in issue	46,147,048
Net asset value per unit	
- at the beginning of the year	3.245
- as of 31 December 2018	2.981

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	95.99	69.79
Singapore Bond Fund	41.45	30.13

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$176,535.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

The Manager does not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore. The Manager also does not receive soft dollars for the sub-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 and price information;
ii. Performance measurement;
iii. Portfolio valuations; and
iv. Analysis and 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.

Fullerton

Fullerton may and intend to receive or enter into soft-dollar commissions/arrangements in our management of the portfolio. Fullerton will comply with applicable regulatory and industry standards on soft dollars. Such soft dollar commissions include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis for investments managed for clients.

Soft dollar commissions/arrangements will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

Fullerton will not accept or enter into soft dollar commissions/arrangements unless such soft dollar commissions/arrangements would, in Fullerton's opinion, assist them in their management of the portfolio, providing that Fullerton ensures at all times that best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

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

Scrhoder may from time to time have to deal with competing or conflicting interests between the other unit trusts which are managed by Schroder and the Schroder Asian Growth Fund. For example, Schroder 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 Schrder Asian Growth Fund, as a decision whether or not to make the same investment or sale for the Schroder Asian Growth Fund depends on factors such as the cash availability and portfolio balance of the Schroder Asian Growth Fund. However Schroder will use reasonable endeavours at all times to act fairly and in the interests of the Schroder Asian Growth Fund. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other unit trusts managed by Schroder and the Schroder Asian Growth Fund, Schroder will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the Schroder Asian Groth Fund and the other unit trusts managed by Schroder.

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

Associates of the trustee for the Schroder Asian Growth Fund may be engaged to provide financial, banking or brokerage services to the Schroder Asian Growth Fund 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 Schroder Asian Growth Fund, where provided, and such activities with the trustee, where entered into, will be on an arm's length basis.

Fullerton

Fullerton is of the view that there are no conflicts of interests in managing the portfolio. Under the conditions of its license, Fullerton is required to conduct its business in a manner so as to avoid conflicts of interests, and ensure that any conflicts of interests arising are resolved fairly and equitably. In addition, as a member of the Investment Management Association of Singapore ("IMAS"), Fullerton adopts the principles and standards of investment conduct, which includes ensuring fair allocation, as set out in the IMAS Code of Ethics & Standards of Professional Conduct.

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

Nil.

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

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	2 January 2003
Fund Size	S$161.35 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	0.9375% per annum at sub-fund level. 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. Prior to 15 June 2016, the management fees were charged at core sub-fund levels.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Fund 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 Index (SGD Hedged)
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.

TOP 10 HOLDINGS^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Global Equity Fund	64.98	40.27	Global Equity Fund	69.37	39.93
Global Bond Fund	56.00	34.70	Global Bond Fund	60.96	35.09
Singapore Bond Fund	24.18	14.99	Singapore Bond Fund	26.13	15.04
Singapore Equity Fund	16.06	9.95	Singapore Equity Fund	17.50	10.07

^ Please refer to Global Equity Fund and Global Bond Fund for the top 10 holdings.
Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

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

The sub-fund invests in the Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund. The Investment Manager for these sub-funds is NTUC Income Insurance Co-operative Limited. The Sub-Investment Managers of the Singapore Equity Fund are Fullerton Fund Management Company Ltd and State Street Global Advisors Singapore Limited. The Sub-Investment Managers of the Global Bond Fund and Singapore Bond Fund is Amundi Singapore Limited and Fullerton Fund Management Company Ltd respectively. The Sub-Investment Managers of the Global Equity Fund are Morgan Stanley Investment Management Company, MFS International Singapore Pte Ltd, and Wellington Management Singapore Pte Ltd.

Further information on the underlying core sub-funds, Singapore Equity, Singapore Bond, Global Equity, and Global Bond, can be found in the respective Product Highlights Sheets and Fund Summaries on our website www.income.com.sg/fund/coopprices.asp.

Global Managed Fund (Balanced)

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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$4.86 billion in assets under management as of 31 December 2018.

Morgan Stanley Investment Management Company (MSIM)

MSIM was established in 1975 as a subsidiary of Morgan Stanley Group Inc. As of 31 December 2018, MSIM employs 663 investment professionals worldwide in 22 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 31 December 2018, MSIM managed US$463 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$427 billion (as of 31 December 2018). 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 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in more than 60 countries, as of 31 December 2018. 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.

*With effect from 29 April 2016, Wellington Management Singapore Pte Ltd (WMS) has replaced Schroder Investment Management Limited as one of the Sub-Investment Managers of the Global Equity Fund.

State Street Global Advisors Singapore Limited (SSGA)

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

We 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, our scale and global reach offer clients unrivalled access to markets, geographies and asset classes, and allow us 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$2.51 trillion as of 31 December 2018. AUM reflects approx. US$32.45 billion (as of 31 December 2018) 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.

Fullerton Fund Management Company Ltd (Fullerton)

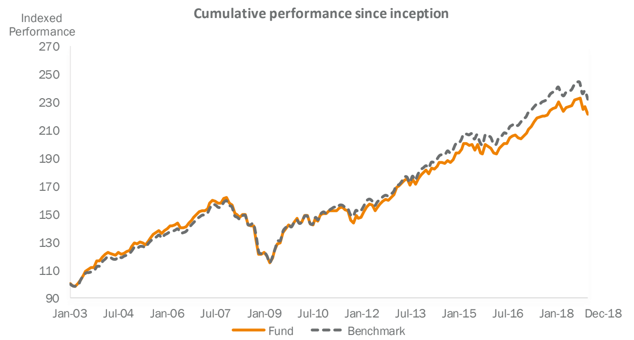
Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

Global Managed Fund (Balanced)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Balanced)	-2.60%	-4.98%	-2.77%	-2.21%
Benchmark	-2.50%	-4.94%	-2.81%	-2.44%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Balanced)	3.92%	4.06%	6.07%	5.08%
Benchmark	4.24%	4.69%	6.57%	5.40%



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.

Volatility

	3-year (annualised)
Global Managed Fund (Balanced)	4.33%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Global Bond

Market Review

The year began positively for financial markets, with risk assets performing well in January in response to strong growth data and rising inflation on both sides of the Atlantic. Monetary policy became a key theme early in the year in response to this environment, with Ms Yellen continuing the US Federal Reserve (Fed) rate-hiking cycle and the European Central Bank (ECB) rolling back its quantitative easing (QE) program. As such, government bond yields rose early in the year, with the 5-year German yield returning to positive territory for the first time since September 2015.

However, this investor appetite diminished as geopolitical concerns, which proved to be a theme throughout the year took hold. The first of these was growth concerns related to the trade between China and the United States, with President Trump's announcement of customs duty on Chinese imports leading to risk aversion, which led to credit spreads widening and government yields falling.

In Europe, political uncertainty in Italy led to a pronounced rise in investor concern as the coalition between anti-EU "League" and populist "5-Star" parties failed to form a government – creating worries that a snap election could be called. This led to the two-year Italian government bond yield rising by 274 bps during the month of May.

The next major idiosyncratic story to shake financial markets was the situation in Turkey, with President Erdogan, following his election success refusing to tighten monetary policy in response to rising inflation. Turkish assets, banks in particular, were under intense pressure during the summer, whilst the currency depreciated by over 25% at one point against the USD. Combined with continuing concerns over Italy, there was a spike in volatility over the summer and a sell-off in risk assets.

Brexit took the lead early in last quarter of 2018, which the difficulty in negotiations and a decline in Euro-area macroeconomic indicators fueling skepticism about the ECB's ability to hike rates in 2019. The decline in oil prices and slowdown in China added fuel to fears over a slowdown in growth. However, a key breakthrough did occur, with the European Commission and the Italian Government moved closer together with regards their positions over the Italian budget.

In the US, under criticism of President Trump, the Fed hiked rates for the fourth time in 2018. This, along with ongoing concerns over the trade war, and a government shutdown crisis caused equity indices to crash in December. In the context of this risk-off environment, corporate bond markets suffered too, whilst a flight to quality led to government bond yields tightening substantially towards the end of the year.

Market Outlook

We are currently overall underweight duration, particularly on the shorter end of the curve. Geographically, we are underweight duration in the Eurozone and Japan whilst being overweight USD-denominated duration. We remain overweight credit, and within FX, we have a preference for the USD, whilst being underweight GBP and EUR.

Our central case scenario remains one of global expansion but we note with less momentum. The economic outlook is still positive but with a synchronised global economic slowdown. Central banks are removing excess monetary policy accommodation and will do this carefully to avoid market disruption. Inflation risks are tilted to the upside in the US even if current core inflation remains low in advanced economies – it should recover gradually. Geopolitical issues and the turmoil linked to the escalation of trade tensions remain high. The situation in Italy showed recent signs easing with the yield on the Italian government bonds retreating from the recent highs observed in October 2018 to finish the year 41 bps lower than the previous quarter end. Our positioning reflects the aforementioned outlook by being broadly underweight duration as we expect global growth, inflation and Central banks normalisation policies to push rates higher. However, we are now long duration in the US to benefit from higher yield, while being underweight core Europe. In currencies, remain long USD and JPY, both safe haven currencies. In addition, we remain allocated to credit and emerging market (EM) amid global expansion. Within credit, we remain overweight financials which exhibit good fundamentals and provide a yield pick-up. We are selectively long EM currencies where fundamentals, valuations, and carry levels are still attractive.

Singapore Bond

Market Review

Bond markets experienced bouts of volatility in 2018, amidst a backdrop of US-China trade tensions, concerns over moderating global growth and monetary tightening by central banks in the US and Europe.

The Fed delivered its fourth interest rate hike of the year in December, and indicated that the number of rate hikes in 2019 would be scaled back from three rate hikes, to two. Overall, US Treasury yields moved higher in 2018, despite the rally in US Treasuries in 4Q2018. The benchmark 10-year US Treasury yield rose from 2.46% at the start of the year, to end the year higher at 2.68%. In Europe, the ECB formally ended its QE scheme in December. The ECB however indicated that it would continue reinvesting cash from maturing bonds for an extended time period, past the date when it starts raising the key ECB interest rates, for as long as necessary.

Advance estimates showed that Singapore's economy grew by 2.2%yoy in 4Q2018, bringing the full year growth for 2018 to 3.3%. Manufacturing remained a key growth driver and expanded 5.5%yoy in 2018. Inflation was largely contained as CPI-All items inflation printed 0.4%yoy in 2018, lower than the 0.6%yoy recorded in 2017. Core Inflation however edged up slightly to 1.7%yoy in 2018, from 1.5%yoy in the previous year.

On the policy front, the Monetary Authority of Singapore (MAS) tightened monetary policy twice in 2018, and the MAS increased slightly the slope of the SGD nominal effective exchange rate (S$NEER) policy band during the April and October meetings. The moves were consistent with a modest and gradual appreciation path of the S$NEER policy band, to ensure medium-term price stability.

Market Outlook

2019 is beginning to look like a year of global growth moderation as suggested by recent weaker Purchasing Managers Index (PMI) prints, due in part to the US-China trade spat overhang. The International Monetary Fund has also revised down their global growth expectation for 2019 while retaining the consensus view that there is no risk of economic recession in the near term. This stands in contrast to the past two years, which was characterised by growth divergence between the US and the rest of the world (2018), and synchronised global recovery (2017).

Against this backdrop, growth momentum in Singapore is expected to soften as weaker external demand weighs down on manufacturing and trade-related services. The benefits of production relocation towards the ASEAN region would likely be felt in the medium term. On the other hand, construction should improve on public infrastructure spending, while domestic-oriented services remain resilient. Inflationary pressure remains manageable as the greater pass-through from higher import and labour costs should be capped by keen competition in certain sectors such as electricity, telecommunications and the retail sectors.

On portfolio strategy, we are keeping duration at a modest underweight and would take advantage of periods of market weakness to reduce the underweight in duration. Given Singapore government bonds' strong performance in the fourth quarter, we expect some pull-back in the first quarter of 2019. Similarly, we also expect swap spreads to widen from current tight levels. In terms of overall yield curve positioning, we have a bias towards the long end of the yield curve, on relative valuation. Security selection remains a key theme and we continue to favour bonds which are fundamentally sound and where credit spreads are commensurate with the underlying risk profile.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned -8.9% in SGD terms in the second half of 2018. Slowing global growth, tighter financial conditions and increasing trade tensions helped undermine equities broadly.

The US S&P 500 Index returned -7.8% in SGD terms for the second half of 2018. While economic and earnings growth remained solid, the second half of 2018 saw another bout of market volatility. US corporate earnings remained buoyant, aided in part by a major US tax reform package passed at the end of 2017, though concerns over potential margin compression emerged late in the year.

European stocks, as measured by the STOXX 50 Index, returned -12.7% in SGD terms in the second half of 2018. Growth continued to slow during the second half of 2018 amid geopolitical uncertainty surrounding Italy's populist government's relationship with the European Union (EU), unrest in France over income inequality and the ongoing Brexit uncertainty.

In Japan, the Nikkei Composite Index returned -8.5% in SGD terms in the second half of 2018. Moderating global industrial production and global trade friction were headwinds in throughout 2018, while a stronger JPY as a result of increased market volatility turned into an additional headwind in late 2018.

EM, as measured by the MSCI EM Index returned -8.3% in SGD terms during the second half of 2018. Tighter financial conditions as a result of somewhat firmer US bond yields and a stronger USD were headwinds for EM, as were growing concerns over protectionism and idiosyncratic events in Turkey, Argentina and Mexico.

Market Outlook

Global growth continued to decelerate in late 2018 though the US maintained a solid growth trajectory though other developed economies grew more slowly. Growth in China was a particular concern amid ongoing trade tensions with the US.

Inflation remains well-contained globally with the Fed and the ECB both meeting their 2% inflation targets in recent months. Policy remains accommodative despite gradual hikes from the Fed as the ECB ended its asset purchase program in December, though it simultaneously issued dovish forward guidance that it does not expect to raise rates until after the summer of 2019. The Bank of Japan (BOJ) remains solidly on the monetary sidelines while the People's Bank of China has been lowering its reserve requirement ratio of several times, as well as deploying modest amounts of targeted fiscal stimulus.

From a valuation perspective, global equities continued to derate during the second half of the year. The trailing 12-month price-to-earnings (P/E) ratio for the MSCI World index has declined to 16x from 19.4x at the start of third quarter.

Singapore Equity

Market Review

After a stellar 2017 which saw equity markets in Asia ex Japan generate some 37% in returns (USD terms), 2018 saw Asian equities fall, on the back of concerns pertaining to US rate normalisation, the US-China trade war, geopolitical uncertainties, fluctuating commodity prices with a sustained weakness in oil prices being a particular worry, as well as a strong USD.

Investors remained cautious even towards the end of the year, despite a 90-day trade truce negotiated between US and China. Moreover, the Fed increased its target for the benchmark Fed funds rate for the fourth time in December, amid expectations for two more hikes in 2019, and this further dampened sentiment.

On the growth front, Asian economies were however relatively resilient, albeit decelerating into 3Q18. Specifically for Singapore, the economy saw slower growth in 4Q18 at 2.2%yoy, a modest drop from a previous 2.3%yoy figure in 3Q18 but also the lowest year-on-year growth since 3Q16. Notably, the slowdown in the fourth quarter was broad-based, supported mainly by a fairly resilient manufacturing performance. Singapore's manufacturing growth started strong in 1H18 (1Q18: 10.8%yoy and 2Q18: 10.7%yoy versus 2017 full-year growth of 10.1%). The manufacturing PMI peaked at 53 in March 2018, but eased later in the second half of the year, to finally register at 51.5 in November 2018. Meanwhile, the construction sector remained a laggard, having been on a contracting trend since 3Q16, with the latest 4Q18 print at -2.2%yoy amid weakness in public sector construction activities. Overall, Singapore registered a 3.3%yoy gross domestic product growth in 2018, down from 3.6% in 2017 but within the government's 3-3.5%yoy forecast range.

Turning to policy, the MAS normalised the S$NEER by twice steepening the gradient in 2018, as local rates continued to play catch-up to USD rates. The first tightening took place in April, when the MAS increased slightly the slope of the S$NEER, following two years of a neutral policy stance. Then in October, the MAS again increased the slope and stated that the move was consistent with a modest and gradual appreciation path of the policy band, to ensure medium-term price stability. The MAS Survey of Professional Forecasters tipped the 3-month Singapore Interbank Offered Rate to climb higher to 2.31% by end-2019.

Market Outlook

Ongoing US-China trade tensions, political uncertainty (upcoming elections in Asia and the UK's exit from the EU) and US interest rate directions are likely to result in another rollercoaster year for equities. Specifically in Asia, the export cycle is stalling as the lagged impact of trade tensions and slower growth in the developed markets take its toll. Nevertheless, policy support in China is likely to buttress the largest economy in Asia, and thus provide some buffer to regional growth.

Overall, the region's economic growth is resilient and alongside fewer Fed rate hikes as well as limited USD strength, these should all provide support to Asian equities. In Singapore, we are cognisant of risks coming in the forms of further earning downgrades, macro headwinds as well as policy overhang on the Singapore property market, all of which are likely to cap market performance in 1H2019. To this end, we note that earnings forecasts have been cut across all sectors, following disappointing quarterly numbers for the first nine months of 2018. Weakening macro data points suggest downside risks to consensus numbers.

With the above in mind, we have positioned our portfolio focusing on stocks with limited downside earnings risks as well as stocks trading at attractive valuations. We intend to maintain overweight exposures in the Consumer and Industrials sectors, on the back of positive retail spending and attractive valuations, respectively. We have a neutral view on the Financials sector, in view of decelerating loan growth on the back of the ongoing US-China trade tensions and property cooling measures, coupled with slow net interest margin expansion given a more dovish Fed. Elsewhere, we are underweight Real Estate, Technology and Telecoms, given property cooling measures, a slowing global growth cycle which has seen a decline in Singapore's Non-Oil Domestic Exports, and intensifying competition, respectively.

RISKS

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.

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

Global Managed Fund (Balanced)

EXPENSE AND TURNOVER RATIO

Global Managed Fund (Balanced)

	Expense ratio	Turnover ratio
As of 31 December 2018	1.08%	7.27%
As of 31 December 2017	1.21%	3.18%

Global Equity Fund

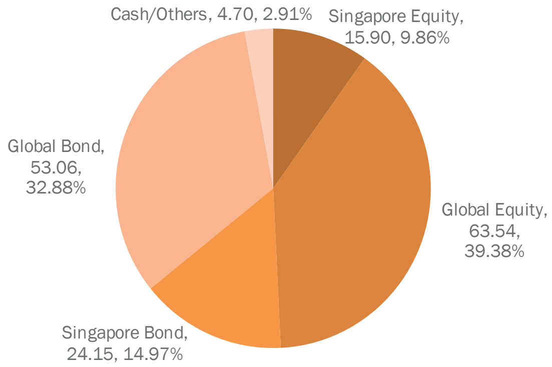
	Expense ratio	Turnover ratio
As of 31 December 2018	1.28%	47.01%
As of 31 December 2017	1.29%	27.81%

Global Bond Fund

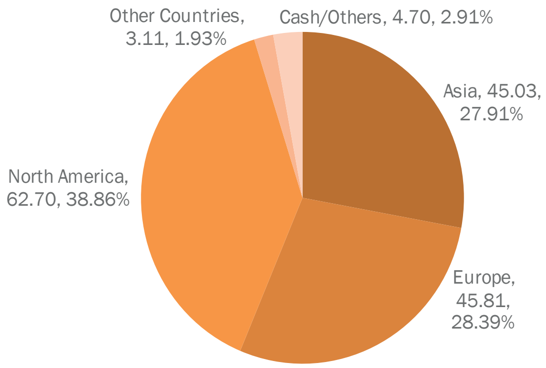
	Expense ratio	Turnover ratio
As of 31 December 2018	0.88%	65.14%
As of 31 December 2017	0.88%	116.18%

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

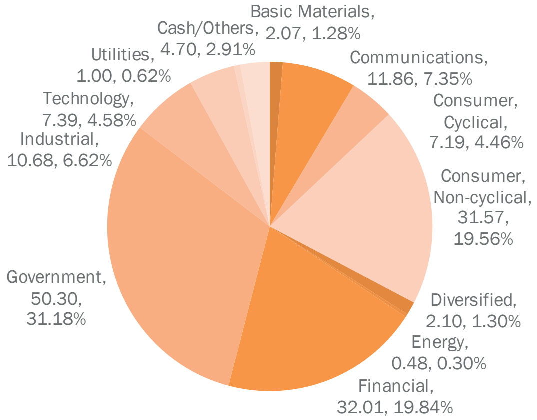
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	40.43	25.06
AA+	0.99	0.61
AA	3.89	2.41
AA-	1.05	0.65
A+	1.14	0.71
A	8.28	5.13
A-	2.87	1.78
BBB+	4.03	2.50
BBB	6.46	4.00
BBB-	3.80	2.35
BB+	0.24	0.15
Not rated	4.03	2.50
Total	77.21	47.85

'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: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	173,729,150
Purchase of units	6,952,199
Redemption of units	(15,737,633)
Net investment income/(loss)	(3,593,773)
Management fees & other charges	(513)
Value of fund as of 31 December 2018	161,349,430

Units in issue	72,968,584
Net asset value per unit	
- at the beginning of the year	2.261
- as of 31 December 2018	2.211

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 (Balanced)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Global Equity Fund	64.98	40.27
Global Bond Fund	56.00	34.70
Singapore Bond Fund	24.18	14.99
Singapore Equity Fund	16.06	9.95

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$513.

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 withcompeting 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

Nil.

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

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	2 January 2003
Fund Size	S$11.83 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	0.87% per annum at sub-fund level. 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. Prior to 15 June 2016, the management fees were charged at core sub-fund levels.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Fund 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 Index (SGD Hedged)
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.

TOP 10 HOLDINGS^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Global Bond Fund	5.80	48.99	Global Bond Fund	6.12	49.48
Global Equity Fund	2.94	24.87	Global Equity Fund	3.05	24.64
Singapore Bond Fund	2.34	19.75	Singapore Bond Fund	2.45	19.80
Singapore Equity Fund	0.58	4.92	Singapore Equity Fund	0.62	4.97

^ Please refer to Global Bond Fund for the top 10 holdings.
Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

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

The sub-fund invests in the Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund. The Investment Manager for these sub-funds is NTUC Income Insurance Co-operative Limited. The Sub-Investment Managers of the Singapore Equity Fund are Fullerton Fund Management Company Ltd and State Street Global Advisors Singapore Limited. The Sub-Investment Managers of the Global Bond Fund and Singapore Bond Fund is Amundi Singapore Limited and Fullerton Fund Management Company Ltd respectively. The Sub-Investment Managers of the Global Equity Fund are Morgan Stanley Investment Management Company, MFS International Singapore Pte Ltd, and Wellington Management Singapore Pte Ltd.

Further information on the underlying core sub-funds, Singapore Equity, Singapore Bond, Global Equity, and Global Bond, can be found in the respective Product Highlights Sheets and Fund Summaries on our website www.income.com.sg/fund/coopprices.asp.

Global Managed Fund (Conservative)

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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$4.86 billion in assets under management as of 31 December 2018.

Morgan Stanley Investment Management Company (MSIM)

MSIM was established in 1975 as a subsidiary of Morgan Stanley Group Inc. As of 31 December 2018, MSIM employs 663 investment professionals worldwide in 22 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 31 December 2018, MSIM managed US$463 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$427 billion (as of 31 December 2018). 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 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in more than 60 countries, as of 31 December 2018. 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.

*With effect from 29 April 2016, Wellington Management Singapore Pte Ltd (WMS) has replaced Schroder Investment Management Limited as one of the Sub-Investment Managers of the Global Equity Fund.

State Street Global Advisors Singapore Limited (SSGA)

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

We 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, our scale and global reach offer clients unrivalled access to markets, geographies and asset classes, and allow us 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$2.51 trillion as of 31 December 2018. AUM reflects approx. US$32.45 billion (as of 31 December 2018) 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.

Fullerton Fund Management Company Ltd (Fullerton)

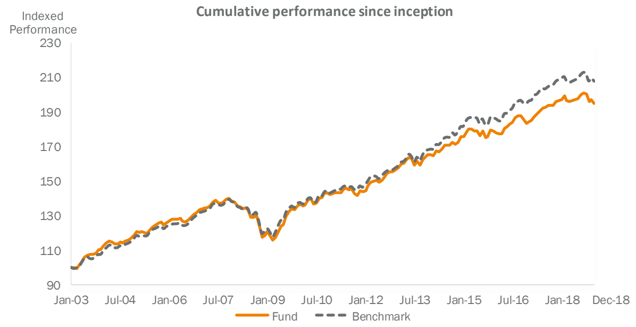
Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

Global Managed Fund (Conservative)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Conservative)	-1.22%	-2.84%	-1.32%	-1.22%
Benchmark	-0.85%	-2.16%	-0.78%	-0.83%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Conservative)	3.09%	3.33%	4.93%	4.25%
Benchmark	3.76%	4.28%	5.42%	4.67%



Changes to benchmarks during the life of the sub-fund: Since inception to 31 May 2017 – 5% FTSE Straits Times Index (FTSE STI), 25% MSCI World Index in Singapore Dollars, 20% UOB Singapore Government Bond Index Long, 50% 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.

Volatility

	3-year (annualised)
Global Managed Fund (Conservative)	3.05%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Global Bond

Market Review

The year began positively for financial markets, with risk assets performing well in January in response to strong growth data and rising inflation on both sides of the Atlantic. Monetary policy became a key theme early in the year in response to this environment, with Ms Yellen continuing the US Federal Reserve (Fed) rate-hiking cycle and the European Central Bank (ECB) rolling back its quantitative easing (QE) program. As such, government bond yields rose early in the year, with the 5-year German yield returning to positive territory for the first time since September 2015.

However, this investor appetite diminished as geopolitical concerns, which proved to be a theme throughout the year took hold. The first of these was growth concerns related to the trade between China and the United States, with President Trump's announcement of customs duty on Chinese imports leading to risk aversion, which led to credit spreads widening and government yields falling.

In Europe, political uncertainty in Italy led to a pronounced rise in investor concern as the coalition between anti-EU "League" and populist "5-Star" parties failed to form a government – creating worries that a snap election could be called. This led to the two-year Italian government bond yield rising by 274 bps during the month of May.

The next major idiosyncratic story to shake financial markets was the situation in Turkey, with President Erdogan, following his election success refusing to tighten monetary policy in response to rising inflation. Turkish assets, banks in particular, were under intense pressure during the summer, whilst the currency depreciated by over 25% at one point against the USD. Combined with continuing concerns over Italy, there was a spike in volatility over the summer and a sell-off in risk assets.

Brexit took the lead early in last quarter of 2018, which the difficulty in negotiations and a decline in Euro-area macroeconomic indicators fueling skepticism about the ECB's ability to hike rates in 2019. The decline in oil prices and slowdown in China added fuel to fears over a slowdown in growth. However, a key breakthrough did occur, with the European Commission and the Italian Government moved closer together with regards their positions over the Italian budget.

In the US, under criticism of President Trump, the Fed hiked rates for the fourth time in 2018. This, along with ongoing concerns over the trade war, and a government shutdown crisis caused equity indices to crash in December. In the context of this risk-off environment, corporate bond markets suffered too, whilst a flight to quality led to government bond yields tightening substantially towards the end of the year.

Market Outlook

We are currently overall underweight duration, particularly on the shorter end of the curve. Geographically, we are underweight duration in the Eurozone and Japan whilst being overweight USD-denominated duration. We remain overweight credit, and within FX, we have a preference for the USD, whilst being underweight GBP and EUR.

Our central case scenario remains one of global expansion but we note with less momentum. The economic outlook is still positive but with a synchronised global economic slowdown. Central banks are removing excess monetary policy accommodation and will do this carefully to avoid market disruption. Inflation risks are tilted to the upside in the US even if current core inflation remains low in advanced economies – it should recover gradually. Geopolitical issues and the turmoil linked to the escalation of trade tensions remain high. The situation in Italy showed recent signs easing with the yield on the Italian government bonds retreating from the recent highs observed in October 2018 to finish the year 41 bps lower than the previous quarter end. Our positioning reflects the aforementioned outlook by being broadly underweight duration as we expect global growth, inflation and Central banks normalisation policies to push rates higher. However, we are now long duration in the US to benefit from higher yield, while being underweight core Europe. In currencies, remain long USD and JPY, both safe haven currencies. In addition, we remain allocated to credit and emerging market (EM) amid global expansion. Within credit, we remain overweight financials which exhibit good fundamentals and provide a yield pick-up. We are selectively long EM currencies where fundamentals, valuations, and carry levels are still attractive.

Singapore Bond

Market Review

Bond markets experienced bouts of volatility in 2018, amidst a backdrop of US-China trade tensions, concerns over moderating global growth and monetary tightening by central banks in the US and Europe.

The Fed delivered its fourth interest rate hike of the year in December, and indicated that the number of rate hikes in 2019 would be scaled back from three rate hikes, to two. Overall, US Treasury yields moved higher in 2018, despite the rally in US Treasuries in 4Q2018. The benchmark 10-year US Treasury yield rose from 2.46% at the start of the year, to end the year higher at 2.68%. In Europe, the ECB formally ended its QE scheme in December. The ECB however indicated that it would continue reinvesting cash from maturing bonds for an extended time period, past the date when it starts raising the key ECB interest rates, for as long as necessary.

Advance estimates showed that Singapore's economy grew by 2.2%yoy in 4Q2018, bringing the full year growth for 2018 to 3.3%. Manufacturing remained a key growth driver and expanded 5.5%yoy in 2018. Inflation was largely contained as CPI-All items inflation printed 0.4%yoy in 2018, lower than the 0.6%yoy recorded in 2017. Core Inflation however edged up slightly to 1.7%yoy in 2018, from 1.5%yoy in the previous year.

On the policy front, the Monetary Authority of Singapore (MAS) tightened monetary policy twice in 2018, and the MAS increased slightly the slope of the SGD nominal effective exchange rate (S$NEER) policy band during the April and October meetings. The moves were consistent with a modest and gradual appreciation path of the S$NEER policy band, to ensure medium-term price stability.

Market Outlook

2019 is beginning to look like a year of global growth moderation as suggested by recent weaker Purchasing Managers Index (PMI) prints, due in part to the US-China trade spat overhang. The International Monetary Fund has also revised down their global growth expectation for 2019 while retaining the consensus view that there is no risk of economic recession in the near term. This stands in contrast to the past two years, which was characterised by growth divergence between the US and the rest of the world (2018), and synchronised global recovery (2017).

Against this backdrop, growth momentum in Singapore is expected to soften as weaker external demand weighs down on manufacturing and trade-related services. The benefits of production relocation towards the ASEAN region would likely be felt in the medium term. On the other hand, construction should improve on public infrastructure spending, while domestic-oriented services remain resilient. Inflationary pressure remains manageable as the greater pass-through from higher import and labour costs should be capped by keen competition in certain sectors such as electricity, telecommunications and the retail sectors.

On portfolio strategy, we are keeping duration at a modest underweight and would take advantage of periods of market weakness to reduce the underweight in duration. Given Singapore government bonds' strong performance in the fourth quarter, we expect some pull-back in the first quarter of 2019. Similarly, we also expect swap spreads to widen from current tight levels. In terms of overall yield curve positioning, we have a bias towards the long end of the yield curve, on relative valuation. Security selection remains a key theme and we continue to favour bonds which are fundamentally sound and where credit spreads are commensurate with the underlying risk profile.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned -8.9% in SGD terms in the second half of 2018. Slowing global growth, tighter financial conditions and increasing trade tensions helped undermine equities broadly.

The US S&P 500 Index returned -7.8% in SGD terms for the second half of 2018. While economic and earnings growth remained solid, the second half of 2018 saw another bout of market volatility. US corporate earnings remained buoyant, aided in part by a major US tax reform package passed at the end of 2017, though concerns over potential margin compression emerged late in the year.

European stocks, as measured by the STOXX 50 Index, returned -12.7% in SGD terms in the second half of 2018. Growth continued to slow during the second half of 2018 amid geopolitical uncertainty surrounding Italy's populist government's relationship with the European Union (EU), unrest in France over income inequality and the ongoing Brexit uncertainty.

In Japan, the Nikkei Composite Index returned -8.5% in SGD terms in the second half of 2018. Moderating global industrial production and global trade friction were headwinds in throughout 2018, while a stronger JPY as a result of increased market volatility turned into an additional headwind in late 2018.

EM, as measured by the MSCI EM Index returned -8.3% in SGD terms during the second half of 2018. Tighter financial conditions as a result of somewhat firmer US bond yields and a stronger USD were headwinds for EM, as were growing concerns over protectionism and idiosyncratic events in Turkey, Argentina and Mexico.

Market Outlook

Global growth continued to decelerate in late 2018 though the US maintained a solid growth trajectory though other developed economies grew more slowly. Growth in China was a particular concern amid ongoing trade tensions with the US.

Global Managed Fund (Conservative)

Inflation remains well-contained globally with the Fed and the ECB both meeting their 2% inflation targets in recent months. Policy remains accommodative despite gradual hikes from the Fed as the ECB ended its asset purchase program in December, though it simultaneously issued dovish forward guidance that it does not expect to raise rates until after the summer of 2019. The Bank of Japan (BOJ) remains solidly on the monetary sidelines while the People's Bank of China has been lowering its reserve requirement ratio of several times, as well as deploying modest amounts of targeted fiscal stimulus.

From a valuation perspective, global equities continued to derate during the second half of the year. The trailing 12-month price-to-earnings (P/E) ratio for the MSCI World index has declined to 16x from 19.4x at the start of third quarter.

Singapore Equity

Market Review

After a stellar 2017 which saw equity markets in Asia ex Japan generate some 37% in returns (USD terms), 2018 saw Asian equities fall, on the back of concerns pertaining to US rate normalisation, the US-China trade war, geopolitical uncertainties, fluctuating commodity prices with a sustained weakness in oil prices being a particular worry, as well as a strong USD.

Investors remained cautious even towards the end of the year, despite a 90-day trade truce negotiated between US and China. Moreover, the Fed increased its target for the benchmark Fed funds rate for the fourth time in December, amid expectations for two more hikes in 2019, and this further dampened sentiment.

On the growth front, Asian economies were however relatively resilient, albeit decelerating into 3Q18. Specifically for Singapore, the economy saw slower growth in 4Q18 at 2.2%yoy, a modest drop from a previous 2.3%yoy figure in 3Q18 but also the lowest year-on-year growth since 3Q16. Notably, the slowdown in the fourth quarter was broad-based, supported mainly by a fairly resilient manufacturing performance. Singapore's manufacturing growth started strong in 1H18 (1Q18: 10.8%yoy and 2Q18: 10.7%yoy versus 2017 full-year growth of 10.1%). The manufacturing PMI peaked at 53 in March 2018, but eased later in the second half of the year, to finally register at 51.5 in November 2018. Meanwhile, the construction sector remained a laggard, having been on a contracting trend since 3Q16, with the latest 4Q18 print at -2.2%yoy amid weakness in public sector construction activities. Overall, Singapore registered a 3.3%yoy gross domestic product growth in 2018, down from 3.6% in 2017 but within the government's 3-3.5%yoy forecast range.

Turning to policy, the MAS normalised the S$NEER by twice steepening the gradient in 2018, as local rates continued to play catch-up to USD rates. The first tightening took place in April, when the MAS increased slightly the slope of the S$NEER, following two years of a neutral policy stance. Then in October, the MAS again increased the slope and stated that the move was consistent with a modest and gradual appreciation path of the policy band, to ensure medium-term price stability. The MAS Survey of Professional Forecasters tipped the 3-month Singapore Interbank Offered Rate to climb higher to 2.31% by end-2019.

Market Outlook

Ongoing US-China trade tensions, political uncertainty (upcoming elections in Asia and the UK's exit from the EU) and US interest rate directions are likely to result in another rollercoaster year for equities. Specifically in Asia, the export cycle is stalling as the lagged impact of trade tensions and slower growth in the developed markets take its toll. Nevertheless, policy support in China is likely to buttress the largest economy in Asia, and thus provide some buffer to regional growth.

Overall, the region's economic growth is resilient and alongside fewer Fed rate hikes as well as limited USD strength, these should all provide support to Asian equities. In Singapore, we are cognisant of risks coming in the forms of further earning downgrades, macro headwinds as well as policy overhang on the Singapore property market, all of which are likely to cap market performance in 1H2019. To this end, we note that earnings forecasts have been cut across all sectors, following disappointing quarterly numbers for the first nine months of 2018. Weakening macro data points suggest downside risks to consensus numbers.

With the above in mind, we have positioned our portfolio focusing on stocks with limited downside earnings risks as well as stocks trading at attractive valuations. We intend to maintain overweight exposures in the Consumer and Industrials sectors, on the back of positive retail spending and attractive valuations, respectively. We have a neutral view on the Financials sector, in view of decelerating loan growth on the back of the ongoing US-China trade tensions and property cooling measures, coupled with slow net interest margin expansion given a more dovish Fed. Elsewhere, we are underweight Real Estate, Technology and Telecoms, given property cooling measures, a slowing global growth cycle which has seen a decline in Singapore's Non-Oil Domestic Exports, and intensifying competition, respectively.

RISKS

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.

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

Global Managed Fund (Conservative)

EXPENSE AND TURNOVER RATIO

Global Managed Fund (Conservative)

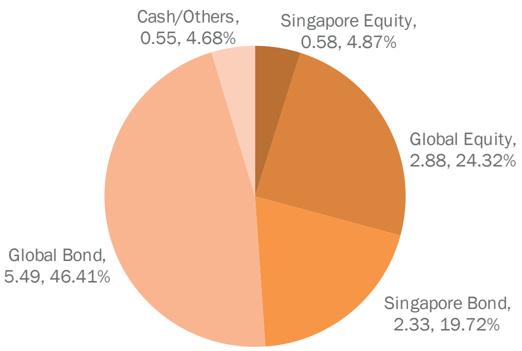
	Expense ratio	Turnover ratio
As of 31 December 2018	1.00%	4.50%
As of 31 December 2017	1.10%	6.06%

Global Bond Fund

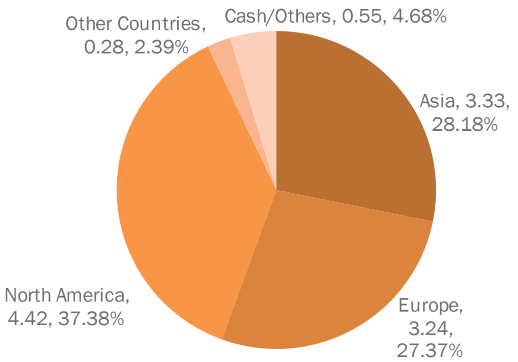
	Expense ratio	Turnover ratio
As of 31 December 2018	0.88%	65.14%
As of 31 December 2017	0.88%	116.18%

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

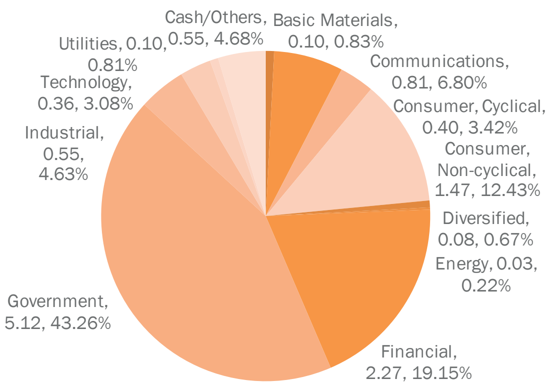
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	4.10	34.67
AA+	0.10	0.85
AA	0.39	3.33
AA-	0.11	0.92
A+	0.11	0.93
A	0.85	7.13
A-	0.29	2.47
BBB+	0.42	3.50
BBB	0.66	5.54
BBB-	0.39	3.29
BB+	0.02	0.21
Not rated	0.39	3.29
Total	7.83	66.13

'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: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	12,370,357
Purchase of units	540,557
Redemption of units	(935,147)
Net investment income/(loss)	(141,373)
Management fees & other charges	(1,201)
Value of fund as of 31 December 2018	11,833,193

Units in issue	6,073,248
Net asset value per unit	
- at the beginning of the year	1.972
- as of 31 December 2018	1.948

EXPOSURE TO DERIVATIVES

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

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Global Bond Fund	5.80	48.99
Global Equity Fund	2.94	24.87
Singapore Bond Fund	2.34	19.75
Singapore Equity Fund	0.58	4.92

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$1,201.

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

Nil.

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

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	2 January 2003
Fund Size	S$235.30 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.005% per annum at sub-fund level. 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. Prior to 15 June 2016, the management fees were charged at core sub-fund levels.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Fund 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 Index (SGD Hedged)
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.

TOP 10 HOLDINGS^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Global Equity Fund	130.03	55.26	Global Equity Fund	139.67	54.87
Global Bond Fund	46.57	19.79	Global Bond Fund	51.00	20.04
Singapore Equity Fund	35.06	14.90	Singapore Equity Fund	38.44	15.10
Singapore Bond Fund	23.47	9.97	Singapore Bond Fund	25.51	10.02

^ Please refer to Global Equity Fund for the top 10 holdings.

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

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

The sub-fund invests in the Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund. The Investment Manager for these sub-funds is NTUC Income Insurance Co-operative Limited. The Sub-Investment Managers of the Singapore Equity Fund are Fullerton Fund Management Company Ltd and State Street Global Advisors Singapore Limited. The Sub-Investment Managers of the Global Bond Fund and Singapore Bond Fund is Amundi Singapore Limited and Fullerton Fund Management Company Ltd respectively. The Sub-Investment Managers of the Global Equity Fund are Morgan Stanley Investment Management Company, MFS International Singapore Pte Ltd, and Wellington Management Singapore Pte Ltd.

Further information on the underlying core sub-funds, Singapore Equity, Singapore Bond, Global Equity, and Global Bond, can be found in the respective Product Highlights Sheets and Fund Summaries on our website www.income.com.sg/fund/coopprices.asp.

Global Managed Fund (Growth)

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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$4.86 billion in assets under management as of 31 December 2018.

Morgan Stanley Investment Management Company (MSIM)

MSIM was established in 1975 as a subsidiary of Morgan Stanley Group Inc. As of 31 December 2018, MSIM employs 663 investment professionals worldwide in 22 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 31 December 2018, MSIM managed US$463 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$427 billion (as of 31 December 2018). 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 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in more than 60 countries, as of 31 December 2018. 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.

*With effect from 29 April 2016, Wellington Management Singapore Pte Ltd (WMS) has replaced Schroder Investment Management Limited as one of the Sub-Investment Managers of the Global Equity Fund.

State Street Global Advisors Singapore Limited (SSGA Singapore)

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

We 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, our scale and global reach offer clients unrivalled access to markets, geographies and asset classes, and allow us 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$2.51 trillion as of 31 December 2018. AUM reflects approx. US$32.45 billion (as of 31 December 2018) 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.

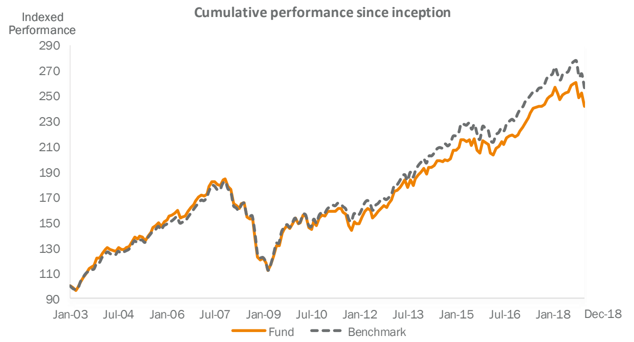
Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

Global Managed Fund (Growth)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Growth)	-4.05%	-7.25%	-4.39%	-3.47%
Benchmark	-4.15%	-7.69%	-4.85%	-4.08%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Growth)	4.60%	4.64%	7.09%	5.67%
Benchmark	4.68%	5.06%	7.67%	6.06%



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

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

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

Volatility

	3-year (annualised)
Global Managed Fund (Growth)	5.97%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Global Bond

Market Review

The year began positively for financial markets, with risk assets performing well in January in response to strong growth data and rising inflation on both sides of the Atlantic. Monetary policy became a key theme early in the year in response to this environment, with Ms Yellen continuing the US Federal Reserve (Fed) rate-hiking cycle and the European Central Bank (ECB) rolling back its quantitative easing (QE) program. As such, government bond yields rose early in the year, with the 5-year German yield returning to positive territory for the first time since September 2015.

However, this investor appetite diminished as geopolitical concerns, which proved to be a theme throughout the year took hold. The first of these was growth concerns related to the trade between China and the United States, with President Trump's announcement of customs duty on Chinese imports leading to risk aversion, which led to credit spreads widening and government yields falling.

In Europe, political uncertainty in Italy led to a pronounced rise in investor concern as the coalition between anti-EU "League" and populist "5-Star" parties failed to form a government – creating worries that a snap election could be called. This led to the two-year Italian government bond yield rising by 274 bps during the month of May.

The next major idiosyncratic story to shake financial markets was the situation in Turkey, with President Erdogan, following his election success refusing to tighten monetary policy in response to rising inflation. Turkish assets, banks in particular, were under intense pressure during the summer, whilst the currency depreciated by over 25% at one point against the USD. Combined with continuing concerns over Italy, there was a spike in volatility over the summer and a sell-off in risk assets.

Brexit took the lead early in last quarter of 2018, which the difficulty in negotiations and a decline in Euro-area macroeconomic indicators fueling skepticism about the ECB's ability to hike rates in 2019. The decline in oil prices and slowdown in China added fuel to fears over a slowdown in growth. However, a key breakthrough did occur, with the European Commission and the Italian Government moved closer together with regards their positions over the Italian budget.

In the US, under criticism of President Trump, the Fed hiked rates for the fourth time in 2018. This, along with ongoing concerns over the trade war, and a government shutdown crisis caused equity indices to crash in December. In the context of this risk-off environment, corporate bond markets suffered too, whilst a flight to quality led to government bond yields tightening substantially towards the end of the year.

Market Outlook

We are currently overall underweight duration, particularly on the shorter end of the curve. Geographically, we are underweight duration in the Eurozone and Japan whilst being overweight USD-denominated duration. We remain overweight credit, and within FX, we have a preference for the USD, whilst being underweight GBP and EUR.

Our central case scenario remains one of global expansion but we note with less momentum. The economic outlook is still positive but with a synchronised global economic slowdown. Central banks are removing excess monetary policy accommodation and will do this carefully to avoid market disruption. Inflation risks are tilted to the upside in the US even if current core inflation remains low in advanced economies – it should recover gradually. Geopolitical issues and the turmoil linked to the escalation of trade tensions remain high. The situation in Italy showed recent signs easing with the yield on the Italian government bonds retreating from the recent highs observed in October 2018 to finish the year 41 bps lower than the previous quarter end. Our positioning reflects the aforementioned outlook by being broadly underweight duration as we expect global growth, inflation and Central banks normalisation policies to push rates higher. However, we are now long duration in the US to benefit from higher yield, while being underweight core Europe. In currencies, remain long USD and JPY, both safe haven currencies. In addition, we remain allocated to credit and emerging market (EM) amid global expansion. Within credit, we remain overweight financials which exhibit good fundamentals and provide a yield pick-up. We are selectively long EM currencies where fundamentals, valuations, and carry levels are still attractive.

Singapore Bond

Market Review

Bond markets experienced bouts of volatility in 2018, amidst a backdrop of US-China trade tensions, concerns over moderating global growth and monetary tightening by central banks in the US and Europe.

The Fed delivered its fourth interest rate hike of the year in December, and indicated that the number of rate hikes in 2019 would be scaled back from three rate hikes, to two. Overall, US Treasury yields moved higher in 2018, despite the rally in US Treasuries in 4Q2018. The benchmark 10-year US Treasury yield rose from 2.46% at the start of the year, to end the year higher at 2.68%. In Europe, the ECB formally ended its QE scheme in December. The ECB however indicated that it would continue reinvesting cash from maturing bonds for an extended time period, past the date when it starts raising the key ECB interest rates, for as long as necessary.

Advance estimates showed that Singapore's economy grew by 2.2%yoy in 4Q2018, bringing the full year growth for 2018 to 3.3%. Manufacturing remained a key growth driver and expanded 5.5%yoy in 2018. Inflation was largely contained as CPI-All items inflation printed 0.4%yoy in 2018, lower than the 0.6%yoy recorded in 2017. Core Inflation however edged up slightly to 1.7%yoy in 2018, from 1.5%yoy in the previous year.

On the policy front, the Monetary Authority of Singapore (MAS) tightened monetary policy twice in 2018, and the MAS increased slightly the slope of the SGD nominal effective exchange rate (S$NEER) policy band during the April and October meetings. The moves were consistent with a modest and gradual appreciation path of the S$NEER policy band, to ensure medium-term price stability.

Market Outlook

2019 is beginning to look like a year of global growth moderation as suggested by recent weaker Purchasing Managers Index (PMI) prints, due in part to the US-China trade spat overhang. The International Monetary Fund has also revised down their global growth expectation for 2019 while retaining the consensus view that there is no risk of economic recession in the near term. This stands in contrast to the past two years, which was characterised by growth divergence between the US and the rest of the world (2018), and synchronised global recovery (2017).

Against this backdrop, growth momentum in Singapore is expected to soften as weaker external demand weighs down on manufacturing and trade-related services. The benefits of production relocation towards the ASEAN region would likely be felt in the medium term. On the other hand, construction should improve on public infrastructure spending, while domestic-oriented services remain resilient. Inflationary pressure remains manageable as the greater pass-through from higher import and labour costs should be capped by keen competition in certain sectors such as electricity, telecommunications and the retail sectors.

On portfolio strategy, we are keeping duration at a modest underweight and would take advantage of periods of market weakness to reduce the underweight in duration. Given Singapore government bonds' strong performance in the fourth quarter, we expect some pull-back in the first quarter of 2019. Similarly, we also expect swap spreads to widen from current tight levels. In terms of overall yield curve positioning, we have a bias towards the long end of the yield curve, on relative valuation. Security selection remains a key theme and we continue to favour bonds which are fundamentally sound and where credit spreads are commensurate with the underlying risk profile.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned -8.9% in SGD terms in the second half of 2018. Slowing global growth, tighter financial conditions and increasing trade tensions helped undermine equities broadly.

The US S&P 500 Index returned -7.8% in SGD terms for the second half of 2018. While economic and earnings growth remained solid, the second half of 2018 saw another bout of market volatility. US corporate earnings remained buoyant, aided in part by a major US tax reform package passed at the end of 2017, though concerns over potential margin compression emerged late in the year.

European stocks, as measured by the STOXX 50 Index, returned -12.7% in SGD terms in the second half of 2018. Growth continued to slow during the second half of 2018 amid geopolitical uncertainty surrounding Italy's populist government's relationship with the European Union (EU), unrest in France over income inequality and the ongoing Brexit uncertainty.

In Japan, the Nikkei Composite Index returned -8.5% in SGD terms in the second half of 2018. Moderating global industrial production and global trade friction were headwinds in throughout 2018, while a stronger JPY as a result of increased market volatility turned into an additional headwind in late 2018.

EM, as measured by the MSCI EM Index returned -8.3% in SGD terms during the second half of 2018. Tighter financial conditions as a result of somewhat firmer US bond yields and a stronger USD were headwinds for EM, as were growing concerns over protectionism and idiosyncratic events in Turkey, Argentina and Mexico.

Market Outlook

Global growth continued to decelerate in late 2018 though the US maintained a solid growth trajectory though other developed economies grew more slowly. Growth in China was a particular concern amid ongoing trade tensions with the US.

Inflation remains well-contained globally with the Fed and the ECB both meeting their 2% inflation targets in recent months. Policy remains accommodative despite gradual hikes from the Fed as the ECB ended its asset purchase program in December, though it simultaneously issued dovish forward guidance that it does not expect to raise rates until after the summer of 2019. The Bank of Japan (BOJ) remains solidly on the monetary sidelines while the People's Bank of China has been lowering its reserve requirement ratio of several times, as well as deploying modest amounts of targeted fiscal stimulus.

From a valuation perspective, global equities continued to derate during the second half of the year. The trailing 12-month price-to-earnings (P/E) ratio for the MSCI World index has declined to 16x from 19.4x at the start of third quarter.

Singapore Equity

Market Review

After a stellar 2017 which saw equity markets in Asia ex Japan generate some 37% in returns (USD terms), 2018 saw Asian equities fall, on the back of concerns pertaining to US rate normalisation, the US-China trade war, geopolitical uncertainties, fluctuating commodity prices with a sustained weakness in oil prices being a particular worry, as well as a strong USD.

Investors remained cautious even towards the end of the year, despite a 90-day trade truce negotiated between US and China. Moreover, the Fed increased its target for the benchmark Fed funds rate for the fourth time in December, amid expectations for two more hikes in 2019, and this further dampened sentiment.

On the growth front, Asian economies were however relatively resilient, albeit decelerating into 3Q18. Specifically for Singapore, the economy saw slower growth in 4Q18 at 2.2%yoy, a modest drop from a previous 2.3%yoy figure in 3Q18 but also the lowest year-on-year growth since 3Q16. Notably, the slowdown in the fourth quarter was broad-based, supported mainly by a fairly resilient manufacturing performance. Singapore's manufacturing growth started strong in 1H18 (1Q18: 10.8%yoy and 2Q18: 10.7%yoy versus 2017 full-year growth of 10.1%). The manufacturing PMI peaked at 53 in March 2018, but eased later in the second half of the year, to finally register at 51.5 in November 2018. Meanwhile, the construction sector remained a laggard, having been on a contracting trend since 3Q16, with the latest 4Q18 print at -2.2%yoy amid weakness in public sector construction activities. Overall, Singapore registered a 3.3%yoy gross domestic product growth in 2018, down from 3.6% in 2017 but within the government's 3-3.5%yoy forecast range.

Turning to policy, the MAS normalised the S$NEER by twice steepening the gradient in 2018, as local rates continued to play catch-up to USD rates. The first tightening took place in April, when the MAS increased slightly the slope of the S$NEER, following two years of a neutral policy stance. Then in October, the MAS again increased the slope and stated that the move was consistent with a modest and gradual appreciation path of the policy band, to ensure medium-term price stability. The MAS Survey of Professional Forecasters tipped the 3-month Singapore Interbank Offered Rate to climb higher to 2.31% by end-2019.

Market Outlook

Ongoing US-China trade tensions, political uncertainty (upcoming elections in Asia and the UK's exit from the EU) and US interest rate directions are likely to result in another rollercoaster year for equities. Specifically in Asia, the export cycle is stalling as the lagged impact of trade tensions and slower growth in the developed markets take its toll. Nevertheless, policy support in China is likely to buttress the largest economy in Asia, and thus provide some buffer to regional growth.

Overall, the region's economic growth is resilient and alongside fewer Fed rate hikes as well as limited USD strength, these should all provide support to Asian equities. In Singapore, we are cognisant of risks coming in the forms of further earning downgrades, macro headwinds as well as policy overhang on the Singapore property market, all of which are likely to cap market performance in 1H2019. To this end, we note that earnings forecasts have been cut across all sectors, following disappointing quarterly numbers for the first nine months of 2018. Weakening macro data points suggest downside risks to consensus numbers.

With the above in mind, we have positioned our portfolio focusing on stocks with limited downside earnings risks as well as stocks trading at attractive valuations. We intend to maintain overweight exposures in the Consumer and Industrials sectors, on the back of positive retail spending and attractive valuations, respectively. We have a neutral view on the Financials sector, in view of decelerating loan growth on the back of the ongoing US-China trade tensions and property cooling measures, coupled with slow net interest margin expansion given a more dovish Fed. Elsewhere, we are underweight Real Estate, Technology and Telecoms, given property cooling measures, a slowing global growth cycle which has seen a decline in Singapore's Non-Oil Domestic Exports, and intensifying competition, respectively.

RISKS

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.

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

Global Managed Fund (Growth)

EXPENSE AND TURNOVER RATIO

Global Managed Fund (Growth)

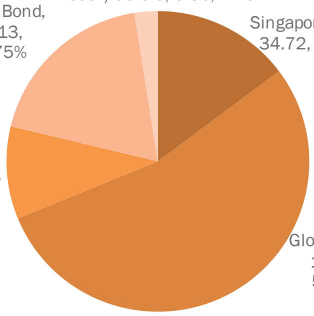
	Expense ratio	Turnover ratio
As of 31 December 2018	1.10%	8.73%
As of 31 December 2017	1.24%	3.91%

Global Equity Fund

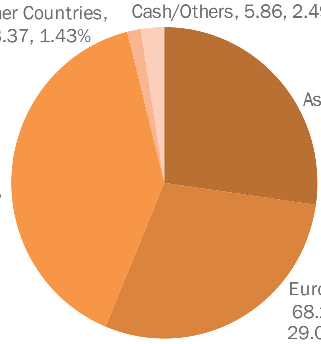
	Expense ratio	Turnover ratio
As of 31 December 2018	1.28%	47.01%
As of 31 December 2017	1.29%	27.81%

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

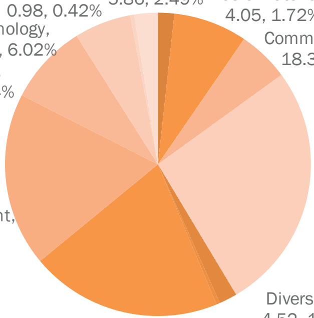
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	35.29	15.00
AA+	0.84	0.36
AA	3.43	1.46
AA-	0.88	0.37
A+	1.11	0.47
A	7.15	3.04
A-	2.47	1.05
BBB+	3.40	1.45
BBB	5.64	2.40
BBB-	3.24	1.37
BB+	0.20	0.08
Not rated	3.91	1.66
Total	67.56	28.71

'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: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	254,549,135
Purchase of units	12,093,141
Redemption of units	(23,041,484)
Net investment income/(loss)	(8,302,122)
Management fees & other charges	13
Value of fund as of 31 December 2018	235,298,683

Units in issue	97,341,528
Net asset value per unit	
- at the beginning of the year	2.504
- as of 31 December 2018	2.417

EXPOSURE TO DERIVATIVES

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

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Global Equity Fund	130.03	55.26
Global Bond Fund	46.57	19.79
Singapore Equity Fund	35.06	14.90
Singapore Bond Fund	23.47	9.97

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee received or receivable by the sub-fund to the Investment Manager is S$13.

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.

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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

Nil.

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

The objective of this sub-fund is to achieve long-term capital appreciation by investing in equities and bonds in Singapore.

INVESTMENT SCOPE

The sub-fund invests primarily 60% of its assets in Singapore equities and 40% in the Singapore Bond Fund. The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	1 May 1994
Fund Size	S$83.24 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.0% p.a. 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 in time.
Custodian	The Bank of New York Mellon
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
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Manager	Fullerton Fund Management Company Ltd
Benchmark	60% FTSE Straits Times Index (FTSE STI) 40% 3-month SIBOR
Structure	Single Fund

TOP 10 HOLDINGS^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Singapore Bond Fund	32.98	39.62	Singapore Bond Fund	35.28	39.06
DBS Group Holdings Ltd	8.79	10.56	DBS Group Holdings Ltd	9.05	10.02
Oversea-Chinese Banking Corp	7.77	9.34	Oversea-Chinese Banking Corp	8.23	9.11
United Overseas Bank Ltd	4.91	5.90	Thai Beverage PCL	3.70	4.09
Jardine Strategic Holdings Ltd	3.32	3.99	United Overseas Bank Ltd	3.68	4.08
Singapore Technologies Engineering Ltd	2.84	3.42	Singapore Telecommunications Ltd	3.24	3.59
Keppel Corp Ltd	2.46	2.96	UOL GROUP LIMITED SGD1	2.63	2.91
Singapore Telecommunications Ltd	2.34	2.81	Singapore Technologies Engineering Ltd	2.35	2.60
Wilmar International Ltd	2.30	2.76	City Developments Ltd	1.94	2.15
Genting Singapore Ltd	2.13	2.56	Jardine Strategic Holdings Ltd	1.91	2.11

^ Please refer to Singapore Bond Fund for the top 10 holdings.
Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. Fullerton Fund Management Company Ltd is the Sub-Investment Manager of the sub-fund. The sub-fund invests significantly in Singapore Bond Fund which is managed by NTUC Income Insurance Co-operative Limited and is sub-managed by Fullerton Fund Management Company Ltd.

Further information on the Singapore Bond Fund can be found is the Product Highlights Sheet and Fund Summary on our website www.income.com.sg/fund/coopprices.asp.

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.

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Singapore Managed Fund

As of 31 December 2018, Income had S$36.01 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.

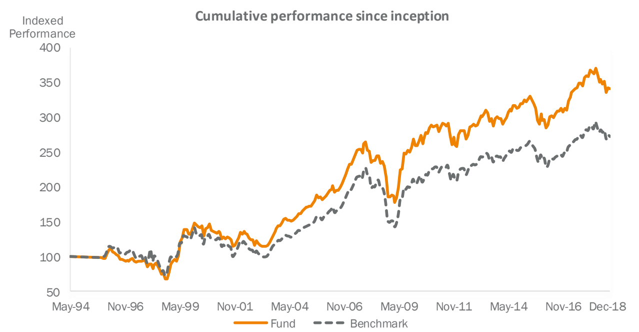
Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Singapore Managed Fund	-0.51%	-3.10%	-2.74%	-4.93%
Benchmark	-0.75%	-3.08%	-2.17%	-3.11%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Managed Fund	4.72%	2.77%	6.14%	5.39%
Benchmark	4.14%	2.31%	6.06%	3.80%



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.

Volatility

	3-year (annualised)
Singapore Managed Fund	7.19%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

After a stellar 2017 which saw equity markets in Asia ex Japan generate some 37% in returns (USD terms), 2018 saw Asian equities fall, on the back of concerns pertaining to US rate normalisation, the US-China trade war, geopolitical uncertainties, fluctuating commodity prices with a sustained weakness in oil prices being a particular worry, as well as a strong USD.

Investors remained cautious even towards the end of the year, despite a 90-day trade truce negotiated between US and China. Moreover, the US Federal Reserve (Fed) increased its target for the benchmark Fed funds rate for the fourth time in December, amid expectations for two more hikes in 2019, and this further dampened sentiment.

On the growth front, Asian economies were however relatively resilient, albeit decelerating into 3Q18. Specifically for Singapore, the economy saw slower growth in 4Q18 at 2.2%yoy, a modest drop from a previous 2.3%yoy figure in 3Q18 but also the lowest year-on-year growth since 3Q16. Notably, the slowdown in the fourth quarter was broad-based, supported mainly by a fairly resilient manufacturing performance. Singapore's manufacturing growth started strong in 1H18 (1Q18: 10.8%yoy and 2Q18: 10.7%yoy versus 2017 full-year growth of 10.1%). The manufacturing Purchasing Managers Index peaked at 53 in March 2018, but eased later in the second half of the year, to finally register at 51.5 in November 2018. Meanwhile, the construction sector remained a laggard, having been on a contracting trend since 3Q16, with the latest 4Q18 print at -2.2%yoy amid weakness in public sector construction activities. Overall, Singapore registered a 3.3%yoy gross domestic product growth in 2018, down from 3.6% in 2017 but within the government's 3-3.5%yoy forecast range.

Turning to policy, the Monetary Authority of Singapore (MAS) normalised the SGD Nominal Effective Exchange Rate (S$NEER) by twice steepening the gradient in 2018, as local rates continued to play catch-up to USD rates. The first tightening took place in April, when the MAS increased slightly the slope of the S$NEER, following two years of a neutral policy stance. Then in October, the MAS again increased the slope and stated that the move was consistent with a modest and gradual appreciation path of the policy band, to ensure medium-term price stability. The MAS Survey of Professional Forecasters tipped the 3-month Singapore Interbank Offered Rate to climb higher to 2.31% by end-2019.

Market Outlook

Ongoing US-China trade tensions, political uncertainty (upcoming elections in Asia and the UK's exit from the European Union) and US interest rate directions are likely to result in another rollercoaster year for equities. Specifically in Asia, the export cycle is stalling as the lagged impact of trade tensions and slower growth in the developed markets take its toll. Nevertheless, policy support in China is likely to buttress the largest economy in Asia, and thus provide some buffer to regional growth.

Overall, the region's economic growth is resilient and alongside fewer Fed rate hikes as well as limited USD strength, these should all provide support to Asian equities. In Singapore, we are cognisant of risks coming in the forms of further earning downgrades, macro headwinds as well as policy overhang on the Singapore property market, all of which are likely to cap market performance in 1H2019. To this end, we note that earnings forecasts have been cut

Singapore Managed Fund

across all sectors, following disappointing quarterly numbers for the first nine months of 2018. Weakening macro data points suggest downside risks to consensus numbers.

With the above in mind, we have positioned our portfolio focusing on stocks with limited downside earnings risks as well as stocks trading at attractive valuations. We intend to maintain overweight exposures in the Consumer and Industrials sectors, on the back of positive retail spending and attractive valuations, respectively. We have a neutral view on the Financials sector, in view of decelerating loan growth on the back of the ongoing US-China trade tensions and property cooling measures, coupled with slow net interest margin expansion given a more dovish Fed. Elsewhere, we are underweight Real Estate, Technology and Telecoms, given property cooling measures, a slowing global growth cycle which has seen a decline in Singapore's Non-Oil Domestic Exports, and intensifying competition, respectively.

RISKS

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.

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

Singapore Managed Fund

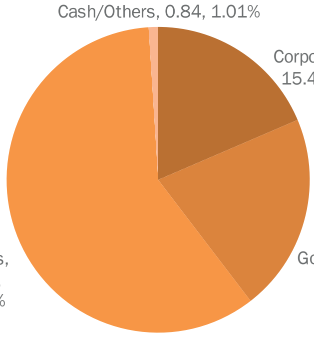
	Expense ratio	Turnover ratio
As of 31 December 2018	1.08%	26.87%
As of 31 December 2017	1.06%	26.28%

Singapore Bond Fund

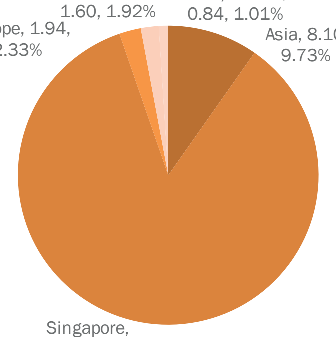
	Expense ratio	Turnover ratio
As of 31 December 2018	0.52%	32.17%
As of 31 December 2017	0.52%	54.10%

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

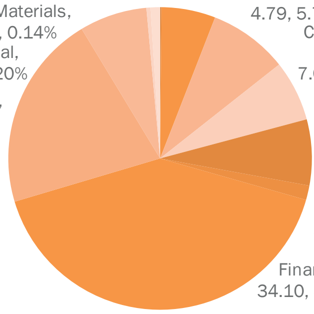
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	16.43	19.74
AA+	0.22	0.26
AA	1.87	2.24
A+	1.56	1.87
A	2.59	3.11
A-	0.82	0.99
BBB+	0.52	0.62
BBB	2.64	3.18
BBB-	0.78	0.94
Not rated	5.50	6.61
Total	32.93	39.56

'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: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

Singapore Managed Fund

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	90,313,673
Purchase of units	7,221,985
Redemption of units	(10,047,361)
Net investment income/(loss)	(3,550,770)
Management fees & other charges	(701,272)
Value of fund as of 31 December 2018	83,236,255

Units in issue	28,608,989
Net asset value per unit	
- at the beginning of the year	3.060
- as of 31 December 2018	2.909

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Singapore Bond Fund	32.98	39.62
Mapletree Commercial Trust	0.81	0.98
Far East Hospitality Trust	0.48	0.58

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$701,272.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Fullerton

Fullerton may and intend to receive or enter into soft-dollar commissions/arrangements in our management of the portfolio. Fullerton will comply with applicable regulatory and industry standards on soft dollars. Such soft dollar commissions include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis for investments managed for clients.

Soft dollar commissions/arrangements will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

Fullerton will not accept or enter into soft dollar commissions/arrangements unless such soft dollar commissions/arrangements would, in Fullerton's opinion, assist them in their management of the portfolio, providing that Fullerton ensures at all times that best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

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.

Fullerton

Fullerton is of the view that there are no conflicts of interests in managing the portfolio. Under the conditions of its license, Fullerton is required to conduct its business in a manner so as to avoid conflicts of interests, and ensure that any conflicts of interests arising are resolved fairly and equitably. In addition, as a member of the Investment Management Association of Singapore ("IMAS"), Fullerton adopts the principles and standards of investment conduct, which includes ensuring fair allocation, as set out in the IMAS Code of Ethics & Standards of Professional Conduct.

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

Nil.

REPORTS

The financial year end of the sub-fund is 31 December of each year.

As part of the continuous efforts to update you on the performance of the funds you have invested in, we produce a Fund Report (with summarised financial statements) twice a year.

AIM Now Fund

INVESTMENT OBJECTIVE

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

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

INVESTMENT SCOPE

The sub-fund intends to achieve this objective by investing in a diversified portfolio of asset classes including fixed income, equities and alternatives. The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	25 September 2009
Fund Size	S$69.06 million
Initial Sales Charge	Please refer to “Fees and Charges” in section 4 of the Product Summary for ILP.
Annual Management Fee	0.85% p.a. 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.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Broadly Diversified
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Manager	Schroder Investment Management (Singapore) Ltd
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.

TOP 10 HOLDINGS^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Singapore Bond Fund	31.56	45.70	Singapore Bond Fund	37.97	44.61
Schroder Asian Investment Grade Credit	7.69	11.13	Schroder Asian Investment Grade Credit	10.32	12.13
Schroder ISF Global Bond	6.94	10.05	Schroder ISF Global Inflation Linked Bond	7.04	8.27
Schroder ISF Global Inflation Linked Bond	6.62	9.59	Schroder ISF Global Corporate Bond	6.34	7.44
Schroder ISF Global Corporate Bond	5.06	7.33	Schroder ISF Global Bond	6.28	7.38
Schroder ISF Asian Opportunities	3.59	5.20	Schroder ISF Global Equity	5.43	6.38
SPDR Gold Shares	2.24	3.24	Schroder ISF Asian Opportunities	4.41	5.19
Singapore Equity Fund	2.09	3.03	Singapore Equity Fund	3.55	4.17
Schroder ISF Global Equity	1.36	1.97	SPDR Gold Trust	1.67	1.96
N.A	N.A	N.A	Monetary Authority of Singapore Bills 020318	1.10	1.29

^ Please refer to Singapore Bond Fund for the top 10 holdings.
Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

The sub-fund is managed by NTUC Income Insurance Co-operative Limited and sub-managed by Schroder Investment Management (Singapore) Ltd.

AIM Now Fund

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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) Ltd

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

Schroders 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$518.7 billion (as of 31 December 2018).

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.

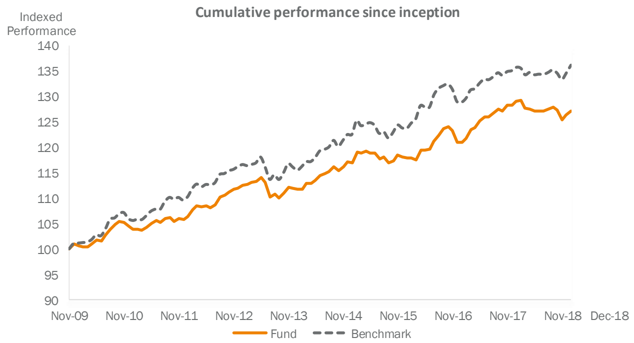
This sub-fund invests into the Singapore Bond Fund which is managed by Income and the sub-managed by Fullerton. Further information on Singapore Bond Fund is available on our website www.income.com.sg/fund/coopprices.asp.

Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM Now Fund	0.56%	-0.09%	0.02%	-1.53%
Benchmark	1.15%	1.18%	1.37%	0.32%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM Now Fund	2.53%	2.60%	N.A.	2.64%
Benchmark	3.26%	3.35%	N.A.	3.42%



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.

Volatility

	3-year (annualised)
AIM Now Fund	2.61%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

Risk assets started the year strongly in January, taking lead from 2017 which benefitted from synchronised global growth and accommodative financial conditions. The optimistic mood soon gave way to uncertainty over US-China trade war, slowing growth and tighter global liquidity. All risk assets ended the year in negative territory. Global equities lost -7.6% (as measured by MSCI All Country World Index in SGD terms) with US equities (-2.5%) outperforming Europe (-13.1%) and emerging market (EM) (-12.9%) in particular. Turning to government bonds, the US yield curve shifted upwards and flattened significantly as the US Federal Reserve (Fed) rose interest rates four times. US 10-year yield rose almost 0.8% until November before falling 0.6% sharply into year-end as growth fears resurfaced. Singapore government bonds fared

AIM Now Fund

better, with 10 year yields ending the year just 0.05% higher. Within credit, investment grade corporate bonds and high yield both delivered negative returns, although the losses in Asian bonds were more limited. On currencies, the USD index ended the year up over 4% while the SGD held up relatively well, appreciating against most major currencies except the USD and JPY. Gold had a poor year as rising real interest rates sapped demand.

Market outlook

Valuations have improved for equities after a significant correction in Q4. While earnings growth remains supportive of equities, earnings guidance of corporates has turned more cautious. We prefer to maintain neutral in overall equities although a stabilisation in earnings revisions would be a potential trigger for a more optimistic view on risk assets. That said we believe that tactical opportunities still remain. Within equities, we are more constructive on EM/Asia given that a lot of negative sentiment has been priced into EM/Asia since the sell-off last year. In addition, with the Fed signalling a more flexible stance as growth eases, the USD is likely to stabilise or weaken. This should result in a more positive environment for EM/Asia equities. On the other hand, we are negative on European equities. The backdrop for European banks remains challenging and the prospect of a stronger euro may become a headwind for European equities. Meanwhile, US equities remain competitive due to solid earnings driven by resilience of domestic economy but it is subject to negative earnings revision so we prefer to maintain neutral on that front. On the fixed income side, government bonds have been an effective hedge with the 10-year US Treasury yields at above 3% three months ago. We have added to duration over second half of 2018 and expect to take some profit tactically. On a 6-12 month view, we expect to be more positive on bonds given our expectation of slower growth in 2019/2020. We remain negative on investment grade credit given unattractive valuations and poor fundamentals. We prefer Asia credit which has stronger fundamentals and offers higher carry relative to their global counterparts. Elsewhere, we are neutral on broad commodities and continue to hold gold as it benefits from further cyclical weakness, given its potential hedging characteristics, and would also benefit from USD weakness. Whilst some of our positions are predicated on a weaker USD (EM equities, gold), we are being careful not to build up too much risk on the short US axis, as the dollar tends to rally in a risk-off environment given its safe-haven status.

RISKS

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.

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

AIM Now Fund

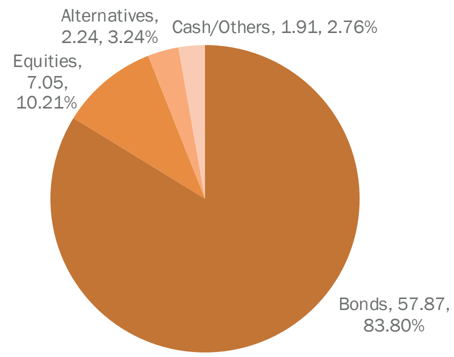
	Expense ratio	Turnover ratio
As of 31 December 2018	0.91%	11.32%
As of 31 December 2017	0.95%	15.49%

Singapore Bond Fund

	Expense ratio	Turnover ratio
As of 31 December 2018	0.52%	32.17%
As of 31 December 2017	0.52%	54.10%

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

ASSET ALLOCATION AS OF 31 DECEMBER 2018



Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	85,115,743
Purchase of units	12,733,175
Redemption of units	(25,867,795)
Dividend distribution	(1,623,506)
Net investment income/(loss)	(872,437)
Management fees & other charges	(423,299)
Value of fund as of 31 December 2018	69,061,881

Units in issue	75,493,320
Net asset value per unit	
- at the beginning of the year	0.949
- as of 31 December 2018	0.915

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	200,882	0.29	74,353	200,882
Options	-	-	(43,278)	-

AIM Now Fund

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Singapore Bond Fund	31.56	45.70
Schroder Asian Investment Grade Credit	7.69	11.13
Schroder ISF Global Bond	6.94	10.05
Schroder ISF Global Inflation Linked Bond	6.62	9.59
Schroder ISF Global Corporate Bond	5.06	7.33
Schroder ISF Asian Opportunities	3.59	5.20
SPDR Gold Shares	2.24	3.24
Singapore Equity Fund	2.09	3.03
Schroder ISF Global Equity	1.36	1.97

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$423,299.

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.

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

Nil.

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 sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	25 September 2009
Fund Size	S$17.38 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.0% p.a. 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.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Manager	Schroder Investment Management (Singapore) Ltd
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) 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.

TOP 10 HOLDINGS

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Singapore Bond Fund	4.17	23.97	Singapore Bond Fund	3.50	20.88
Schroder ISF Global Bond	2.12	12.20	Schroder ISF Asian Opportunities	2.82	16.84
Schroder ISF Global Equity	2.10	12.10	Schroder ISF Global Equity	2.18	13.03
Schroder ISF Asian Opportunities	1.93	11.09	Schroder ISF Global Bond	1.45	8.67
Schroder ISF Global Corporate Bond	1.45	8.35	Schroder ISF Global Corporate Bond	1.27	7.57
Schroder Asian Investment Grade Credit	1.21	6.94	Singapore Equity Fund	1.14	6.80
Schroder ISF Global Inflation Linked Bond	1.03	5.94	Schroder Asian Investment Grade Credit	1.04	6.24
Singapore Equity Fund	0.86	4.96	Schroder ISF Global Inflation Linked Bond	0.92	5.52
SPDR Gold Shares	0.69	3.95	Schroder ISF Global Smaller Companies	0.69	4.09
Schroder ISF Emerging Markets	0.63	3.64	Schroder ISF Emerging Markets	0.52	3.13

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

The sub-fund is managed by NTUC Income Insurance Co-operative Limited and sub-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.

AIM 2025 Fund

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

As of 31 December 2018, Income had S$36.01 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) Ltd

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

Schroders 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$518.7 billion (as of 31 December 2018).

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.

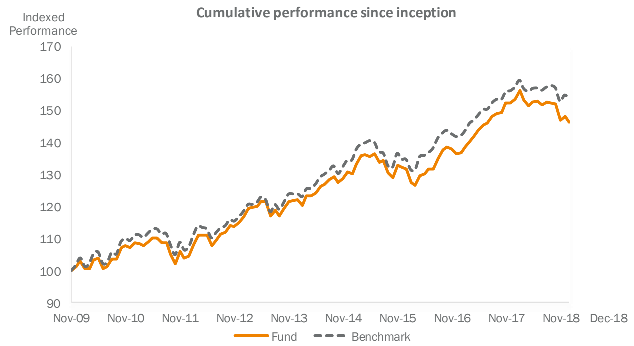
This sub-fund invests into the Singapore Bond Fund which is managed by Income and the sub-managed by Fullerton. Further information on Singapore Bond Fund is available on our website www.income.com.sg/fund/coopprices.asp.

Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2025 Fund	-1.26%	-3.68%	-3.62%	-4.78%
Benchmark	-0.63%	-2.07%	-1.60%	-2.18%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2025 Fund	3.57%	3.67%	N.A.	4.23%
Benchmark	4.51%	4.40%	N.A.	4.80%



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, 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.

Volatility

	3-year (annualised)
AIM 2025 Fund	4.61%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

Risk assets started the year strongly in January, taking lead from 2017 which benefitted from synchronised global growth and accommodative financial conditions. The optimistic mood soon gave way to uncertainty over US-China trade war, slowing growth and tighter global liquidity. All risk assets ended the year in negative territory. Global equities lost -7.6% (as measured by MSCI All Country World Index in SGD terms) with US equities (-2.5%) outperforming Europe (-13.1%) and emerging market (EM) (-12.9%) in particular. Turning to government bonds, the US yield curve shifted upwards and flattened significantly as the US Federal Reserve (Fed) rose interest rates four times. US 10-year yield rose almost 0.8% until November before falling 0.6% sharply into year-end as growth fears resurfaced. Singapore government bonds fared better, with 10 year yields ending the year just 0.05% higher. Within credit, investment grade corporate bonds and high yield both delivered negative returns, although the losses in Asian bonds were more limited. On currencies, the USD index ended the year up over 4% while the SGD held up relatively well, appreciating against most major currencies except the USD and JPY. Gold had a poor year as rising real interest rates sapped demand.

Market outlook

Valuations have improved for equities after a significant correction in Q4. While earnings growth remains supportive

AIM 2025 Fund

of equities, earnings guidance of corporates has turned more cautious. We prefer to maintain neutral in overall equities although a stabilisation in earnings revisions would be a potential trigger for a more optimistic view on risk assets. That said we believe that tactical opportunities still remain. Within equities, we are more constructive on EM/Asia given that a lot of negative sentiment has been priced into EM/Asia since the sell-off last year. In addition, with the Fed signalling a more flexible stance as growth eases, the USD is likely to stabilise or weaken. This should result in a more positive environment for EM/Asia equities. On the other hand, we are negative on European equities. The backdrop for European banks remains challenging and the prospect of a stronger euro may become a headwind for European equities. Meanwhile, US equities remain competitive due to solid earnings driven by resilience of domestic economy but it is subject to negative earnings revision so we prefer to maintain neutral on that front. On the fixed income side, government bonds have been an effective hedge with the 10-year US Treasury yields at above 3% three months ago. We have added to duration over second half of 2018 and expect to take some profit tactically. On a 6-12 month view, we expect to be more positive on bonds given our expectation of slower growth in 2019/2020. We remain negative on investment grade credit given unattractive valuations and poor fundamentals. We prefer Asia credit which has stronger fundamentals and offers higher carry relative to their global counterparts. Elsewhere, we are neutral on broad commodities and continue to hold gold as it benefits from further cyclical weakness, given its potential hedging characteristics, and would also benefit from USD weakness. Whilst some of our positions are predicated on a weaker USD (EM equities, gold), we are being careful not to build up too much risk on the short US axis, as the dollar tends to rally in a risk-off environment given its safe-haven status.

RISKS

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.

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.

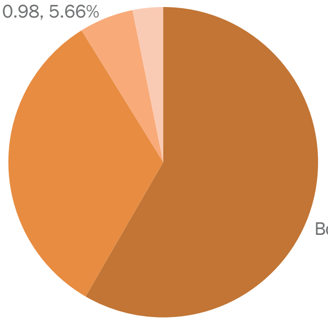
More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2018	1.21%	28.31%
As of 31 December 2017	1.13%	20.89%

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

ASSET ALLOCATION AS OF 31 DECEMBER 2018



Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	16,743,975
Purchase of units	3,263,202
Redemption of units	(1,771,777)
Net investment income/(loss)	(709,401)
Management fees & other charges	(147,675)
Value of fund as of 31 December 2018	17,378,324

Units in issue	12,301,938
Net asset value per unit	
- at the beginning of the year	1.484
- as of 31 December 2018	1.413

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	55,760	0.32	(67,532)	55,760
Options	-	-	(11,803)	-

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Singapore Bond Fund	4.17	23.97
Schroder ISF Global Bond	2.12	12.20
Schroder ISF Global Equity	2.10	12.10
Schroder ISF Asian Opportunities	1.93	11.09
Schroder ISF Global Corporate Bond	1.45	8.35
Schroder Asian Investment Grade Credit	1.21	6.94
Schroder ISF Global Inflation Linked Bond	1.03	5.94
Singapore Equity Fund	0.86	4.96
SPDR Gold Shares	0.69	3.95
Schroder ISF Emerging Markets	0.63	3.64
Schroder Alt Solutions Commodity	0.30	1.71
Schroder ISF Global Smaller Companies	0.18	1.01

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$147,675.

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

Nil.

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 sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	25 September 2009
Fund Size	S$21.53 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.0% p.a. 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.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Manager	Schroder Investment Management (Singapore) Ltd
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) 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.

TOP 10 HOLDINGS

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Schroder ISF Asian Opportunities	4.66	21.62	Schroder ISF Global Equity	5.52	24.21
Schroder ISF Global Equity	4.34	20.15	Schroder ISF Asian Opportunities	5.47	24.00
Singapore Equity Fund	2.03	9.45	Singapore Equity Fund	2.24	9.81
Singapore Bond Fund	1.85	8.61	Schroder ISF Emerging Markets	1.85	8.09
Schroder ISF Emerging Markets	1.72	7.97	Singapore Bond Fund	1.35	5.94
Schroder ISF Global Corporate Bond	1.20	5.55	Schroder ISF Global Smaller Companies	1.34	5.89
Schroder Asian Investment Grade Credit	1.12	5.18	Schroder ISF Global Corporate Bond	1.19	5.21
Schroder ISF Global Inflation Linked Bond	1.11	5.14	Schroder Asian Investment Grade Credit	1.13	4.94
Schroder ISF Global Bond	0.95	4.39	Schroder ISF Global Inflation Linked Bond	0.83	3.63
SPDR Gold Shares	0.88	4.08	Schroder ISF Global Bond	0.72	3.17

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

The sub-fund is managed by NTUC Income Insurance Co-operative Limited and sub-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.

AIM 2035 Fund

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

As of 31 December 2018, Income had S$36.01 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) Ltd

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

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$518.7 billion (as of 31 December 2018).

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.

This sub-fund invests into the Singapore Bond Fund which is managed by Income and the sub-managed by Fullerton. Further information on Singapore Bond Fund is available on our website www.income.com.sg/fund/coopprices.asp.

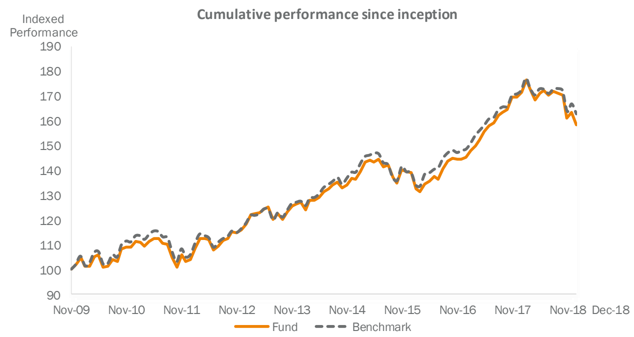
Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2035 Fund	-3.11%	-7.16%	-7.11%	-7.72%
Benchmark	-2.42%	-5.50%	-4.82%	-5.56%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2035 Fund	4.44%	4.50%	N.A.	5.14%
Benchmark	5.34%	5.02%	N.A.	5.46%



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.

Volatility

	3-year (annualised)
AIM 2035 Fund	6.95%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

Risk assets started the year strongly in January, taking lead from 2017 which benefitted from synchronised global growth and accommodative financial conditions. The optimistic mood soon gave way to uncertainty over US-China trade war, slowing growth and tighter global liquidity. All risk assets ended the year in negative territory. Global equities lost -7.6% (as measured by MSCI All Country World Index in SGD terms) with US equities (-2.5%) outperforming Europe (-13.1%) and emerging market (EM) (-12.9%) in particular. Turning to government bonds, the US yield curve shifted upwards and flattened significantly as the US Federal Reserve (Fed) rose interest rates four times. US 10-year yield rose almost 0.8% until November before falling 0.6% sharply into year-end as growth fears resurfaced. Singapore government bonds fared better, with 10 year yields ending the year just 0.05% higher. Within credit, investment grade corporate bonds and high yield both delivered negative returns, although the losses in Asian bonds were more limited. On currencies, the USD index ended the year up over 4% while the SGD held up relatively well, appreciating against most major currencies except the USD and JPY. Gold had a poor year as rising real interest rates sapped demand.

Market outlook

Valuations have improved for equities after a significant correction in Q4. While earnings growth remains supportive of equities, earnings guidance of corporates has turned more cautious. We prefer to maintain neutral in overall equities although a stabilisation in earnings revisions would be a potential trigger for a more optimistic view on risk assets. That said we believe that tactical opportunities still remain. Within equities, we are more constructive on EM/Asia given that a lot of negative sentiment has been priced into EM/Asia since the sell-off last year. In addition, with the Fed signalling a more flexible stance as growth eases, the USD is likely to stabilise or weaken. This should result in a more positive environment for EM/Asia equities. On the other hand, we are negative on European equities. The backdrop for European banks remains challenging and the prospect of a stronger euro may become a headwind for European equities. Meanwhile, US equities remain competitive due to solid earnings driven by resilience of domestic economy but it is subject to negative earnings revision so we prefer to maintain neutral on that front. On the fixed income side, government bonds have been an effective hedge with the 10-year US Treasury yields at above 3% three months ago. We have added to duration over second half of 2018 and expect to take some profit tactically. On a 6-12 month view, we expect to be more positive on bonds given our expectation of slower growth in 2019/2020. We remain negative on investment grade credit given unattractive valuations and poor fundamentals. We prefer Asia credit which has stronger fundamentals and offers higher carry relative to their global counterparts. Elsewhere, we are neutral on broad commodities and continue to hold gold as it benefits from further cyclical weakness, given its potential hedging characteristics, and would also benefit from USD weakness. Whilst some of our positions are predicated on a weaker USD (EM equities, gold), we are being careful not to build up too much risk on the short US axis, as the dollar tends to rally in a risk-off environment given its safe-haven status.

RISKS

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.

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.

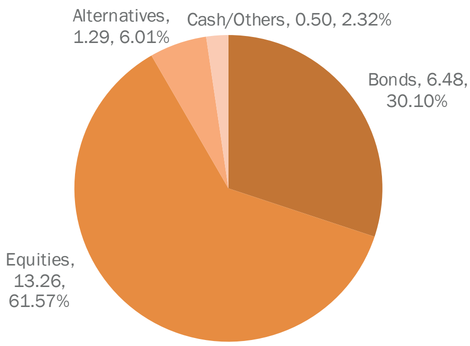
More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2018	1.24%	31.19%
As of 31 December 2017	1.13%	24.69%

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

ASSET ALLOCATION AS OF 31 DECEMBER 2018



Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	22,813,341
Purchase of units	2,479,260
Redemption of units	(1,969,855)
Net investment income/(loss)	(1,584,322)
Management fees & other charges	(206,197)
Value of fund as of 31 December 2018	21,532,227

Units in issue	14,081,834
Net asset value per unit	
- at the beginning of the year	1.657
- as of 31 December 2018	1.529

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	47,941	0.22	(54,893)	47,941
Options	-	-	(15,738)	-

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Schroder ISF Asian Opportunities	4.66	21.62
Schroder ISF Global Equity	4.34	20.15
Singapore Equity Fund	2.03	9.45
Singapore Bond Fund	1.85	8.61
Schroder ISF Emerging Markets	1.72	7.97
Schroder ISF Global Corporate Bond	1.20	5.55
Schroder Asian Investment Grade Credit	1.12	5.18
Schroder ISF Global Inflation Linked Bond	1.11	5.14
Schroder ISF Global Bond	0.95	4.39
SPDR Gold Shares	0.88	4.08
Schroder ISF Global Smaller Companies	0.51	2.37
Schroder Alt Solutions Commodity	0.42	1.93

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$206,197.

AIM 2035 Fund

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 subfunds/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

Nil.

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 sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	25 September 2009
Fund Size	S$27.10 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.0% p.a. 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.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Manager	Schroder Investment Management (Singapore) Ltd
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) 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.

TOP 10 HOLDINGS

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Schroder ISF Asian Opportunities	6.62	24.42	Schroder ISF Global Equity	6.49	24.19
Schroder ISF Global Equity	5.98	22.06	Schroder ISF Asian Opportunities	6.49	24.18
Schroder ISF Emerging Markets	3.01	11.12	Singapore Equity Fund	2.96	11.01
Singapore Equity Fund	2.67	9.87	Schroder ISF Emerging Markets	2.61	9.72
Schroder Asian Investment Grade Credit	1.33	4.90	Schroder ISF Global Smaller Companies	2.11	7.87
Schroder ISF Global Corporate Bond	1.32	4.87	Schroder Asian Investment Grade Credit	1.34	5.00
SPDR Gold Shares	1.08	4.00	Schroder ISF Global Corporate Bond	1.31	4.89
Singapore Bond Fund	1.04	3.85	Singapore Bond Fund	0.74	2.77
Monetary Authority of Singapore Bills 080219	0.84	3.09	Schroder ISF Global Inflation Linked Bond	0.67	2.50
Schroder ISF Global Smaller Companies	0.83	3.07	Schroder Alt Solutions Commodity	0.50	1.88

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

The sub-fund is managed by NTUC Income Insurance Co-operative Limited and sub-managed by Schroder Investment Management (Singapore) Ltd.

AIM 2045 Fund

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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) Ltd

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

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$518.7 billion (as of 31 December 2018).

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.

This sub-fund invests into the Singapore Bond Fund which is managed by Income and the sub-managed by Fullerton. Further information on Singapore Bond Fund is available on our website www.income.com.sg/fund/coopprices.asp

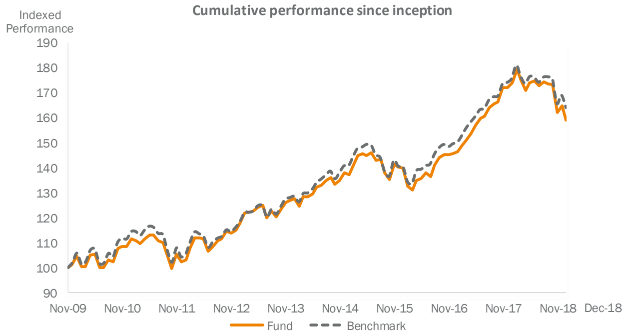
Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2045 Fund	-3.58%	-8.14%	-8.03%	-8.63%
Benchmark	-2.99%	-6.59%	-5.87%	-6.67%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2045 Fund	4.37%	4.50%	N.A.	5.18%
Benchmark	5.30%	5.00%	N.A.	5.54%



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.

Volatility

	3-year (annualised)
AIM 2045 Fund	7.64%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

Risk assets started the year strongly in January, taking lead from 2017 which benefitted from synchronised global growth and accommodative financial conditions. The optimistic mood soon gave way to uncertainty over US-China trade war, slowing growth and tighter global liquidity. All risk assets ended the year in negative territory. Global equities lost -7.6% (as measured by MSCI All Country World Index in SGD terms) with US equities (-2.5%) outperforming Europe (-13.1%) and emerging market (EM) (-12.9%) in particular. Turning to government bonds, the US yield curve shifted upwards and flattened significantly as the US Federal Reserve (Fed) rose interest rates four times. US 10-year yield rose almost 0.8% until November before falling 0.6% sharply into year-end as growth fears resurfaced. Singapore government bonds fared better, with 10 year yields ending the year just 0.05% higher. Within credit, investment grade corporate bonds and high yield both delivered negative returns, although the losses in Asian bonds were more limited. On currencies, the USD index ended the year up over 4% while the SGD held up relatively well, appreciating against most major currencies except the USD and JPY. Gold had a poor year as rising real interest rates sapped demand.

Market outlook

Valuations have improved for equities after a significant correction in Q4. While earnings growth remains supportive of equities, earnings guidance of corporates has turned more cautious. We prefer to maintain neutral in overall equities although a stabilisation in earnings revisions would be a potential trigger for a more optimistic view on risk assets. That said we believe that tactical opportunities still remain. Within equities, we are more constructive on EM/Asia given that a lot of negative sentiment has been priced into EM/Asia since the sell-off last year. In addition, with the Fed signalling a more flexible stance as growth eases, the USD is likely to stabilise or weaken. This should result in a more positive environment for EM/Asia equities. On the other hand, we are negative on European equities. The backdrop for European banks remains challenging and the prospect of a stronger euro may become a headwind for European equities. Meanwhile, US equities remain competitive due to solid earnings driven by resilience of domestic economy but it is subject to negative earnings revision so we prefer to maintain neutral on that front. On the fixed income side, government bonds have been an effective hedge with the 10-year US Treasury yields at above 3% three months ago. We have added to duration over second half of 2018 and expect to take some profit tactically. On a 6-12 month view, we expect to be more positive on bonds given our expectation of slower growth in 2019/2020. We remain negative on investment grade credit given unattractive valuations and poor fundamentals. We prefer Asia credit which has stronger fundamentals and offers higher carry relative to their global counterparts. Elsewhere, we are neutral on broad commodities and continue to hold gold as it benefits from further cyclical weakness, given its potential hedging characteristics, and would also benefit from USD weakness. Whilst some of our positions are predicated on a weaker USD (EM equities, gold), we are being careful not to build up too much risk on the short US axis, as the dollar tends to rally in a risk-off environment given its safe-haven status.

RISKS

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.

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.

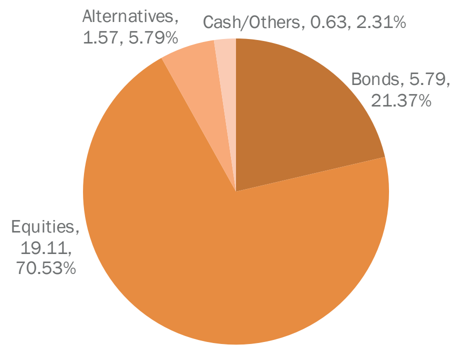
More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2018	1.25%	23.86%
As of 31 December 2017	1.13%	25.22%

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

ASSET ALLOCATION AS OF 31 DECEMBER 2018



Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	26,852,217
Purchase of units	4,828,588
Redemption of units	(2,075,075)
Net investment income/(loss)	(2,251,920)
Management fees & other charges	(255,263)
Value of fund as of 31 December 2018	27,098,547

Units in issue	17,656,522
Net asset value per unit	
- at the beginning of the year	1.680
- as of 31 December 2018	1.535

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	47,942	0.18	(75,893)	47,942
Options	-	-	(15,738)	-

AIM 2045 Fund

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Schroder ISF Asian Opportunities	6.62	24.42
Schroder ISF Global Equity	5.98	22.06
Schroder ISF Emerging Markets	3.01	11.12
Singapore Equity Fund	2.67	9.87
Schroder Asian Investment Grade Credit	1.33	4.90
Schroder ISF Global Corporate Bond	1.32	4.87
SPDR Gold Shares	1.08	4.00
Singapore Bond Fund	1.04	3.85
Schroder ISF Global Smaller Companies	0.83	3.07
Schroder ISF Global Inflation Linked Bond	0.76	2.82
Schroder ISF Global Bond	0.50	1.83
Schroder Alt Solutions Commodity	0.49	1.79

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$255,263.

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 withcompeting 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

Nil.

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. Non-SGD denominated investments, if any, will be hedged to SGD. The sub-fund may be suitable for investors seeking for yield enhancement to their SGD deposit. Do note that the purchase of a unit in the money market fund is not the same as placing funds on deposit with a bank or deposit-taking financial institution. The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	1 May 2006
Fund Size	S$13.58 million
Initial Sales Charge	Please refer to “Fees and Charges” in section 4 of the Product Summary for ILP.
Annual Management Fee	0.25% p.a. 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.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Manager	Fullerton Fund Management Company Ltd
Benchmark	Singapore 3-month Interbank Bid Rate
Structure	Single Fund

TOP 10 HOLDINGS

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Singapore Government Bonds 2.5% 010619	1.51	11.10	Singapore Government Bonds 0.5% 010418	1.75	11.59
National University of Singapore 1.708% 130219	1.26	9.26	Monetary Authority of Singapore Bills 190118	1.50	9.94
Bank of China/SG Bchina 2.75% 300619	1.25	9.22	Public Utilities Board 3.9% 310818	1.03	6.82
Monetary Authority of Singapore Bills 250119	1.25	9.20	CMT MTN Pte Ltd Capita 3.731% 210318	1.02	6.74
Temasek FINL I 3.265% 190220	1.02	7.54	Korea Dev Bank 2.65% 031218	1.01	6.70
SingTel Group 3.4875% 080420	1.02	7.53	Bank of China/SG Bchina 2.75% 300619	1.01	6.69
Housing & Development Board 2.223% 280519	1.00	7.39	National University of Singapore 1.708% 130219	1.01	6.68
Singapore Government Bonds 1.625% 011019	1.00	7.38	Singapore Government Bonds 1.625% 011019	1.00	6.66
Mizuho Bank Ltd 2.77% 150319	0.76	5.58	Sumitomo Mitsubishi Bank 2.02% 300518	1.00	6.63
Monetary Authority of Singapore Bills 110119	0.75	5.52	Mizuho Bank Ltd 2.77% 150319	0.76	5.07

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. Fullerton Fund Management Company Ltd is the Sub-Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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.

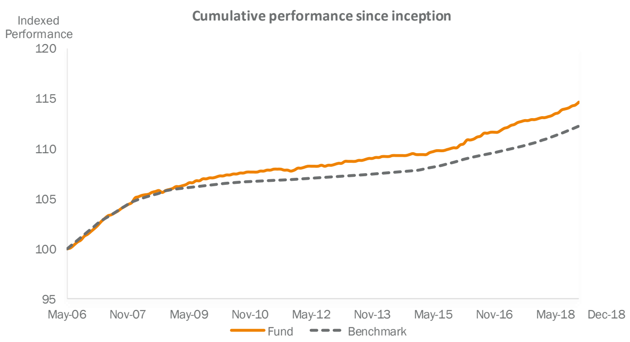
Money Market Fund

Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Money Market Fund	0.25%	0.51%	0.94%	1.46%
Benchmark	0.13%	0.38%	0.75%	1.41%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Money Market Fund	1.36%	0.99%	0.79%	1.09%
Benchmark	1.07%	0.87%	0.58%	0.92%



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.

Volatility

	3-year (annualised)
Money Market Fund	0.30%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

Bond markets experienced bouts of volatility in 2018, amidst a backdrop of US-China trade tensions, concerns over moderating global growth and monetary tightening by central banks in the US and Europe.

The US Federal Reserve (Fed) delivered its fourth interest rate hike of the year in December, and indicated that the number of rate hikes in 2019 would be scaled back from three rate hikes, to two. Overall, US Treasury yields moved higher in 2018, despite the rally in US Treasuries in 4Q2018. The benchmark 10-year US Treasury yield rose from 2.46% at the start of the year, to end the year higher at 2.68%. In Europe, the European Central Bank (ECB) formally ended its Quantitative Easing scheme in December. The ECB however indicated that it would continue reinvesting cash from maturing bonds for an extended time period, past the date when it starts raising the key ECB interest rates, for as long as necessary.

Advance estimates showed that Singapore's economy grew by 2.2%yoy in 4Q2018, bringing the full year growth for 2018 to 3.3%. Manufacturing remained a key growth driver and expanded 5.5%yoy in 2018. Inflation was largely contained as CPI-All items inflation printed 0.4%yoy in 2018, lower than the 0.6%yoy recorded in 2017. Core Inflation however edged up slightly to 1.7%yoy in 2018, from 1.5%yoy in the previous year.

On the policy front, the Monetary Authority of Singapore (MAS) tightened monetary policy twice in 2018, and the MAS increased slightly the slope of the SGD nominal effective exchange rate (S$NEER) policy band during the April and October meetings. The moves were consistent with a modest and gradual appreciation path of the $SNEER policy band, to ensure medium-term price stability.

Market Outlook

2019 is beginning to look like a year of global growth moderation as suggested by recent weaker Purchasing Managers Index prints, due in part to the US-China trade spat overhang. The International Monetary Fund has also revised down their global growth expectation for 2019 while retaining the consensus view that there is no risk of economic recession in the near term. This stands in contrast to the past two years, which was characterised by growth divergence between the US and the rest of the world (2018), and synchronised global recovery (2017).

Against this backdrop, growth momentum in Singapore is expected to soften as weaker external demand weighs down on manufacturing and trade-related services. The benefits of production relocation towards the ASEAN region would likely be felt in the medium term. On the other hand, construction should improve on public infrastructure spending, while domestic-oriented services remain resilient. Inflationary pressure remains manageable as the greater pass-through from higher import and labour costs should be capped by keen competition in certain sectors such as electricity, telecommunications and the retail sectors.

On portfolio strategy, the Fund continues to reinvest into a combination of bills and short-dated bonds, taking advantage of the rising interest rate backdrop.

RISKS

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.

Money Market Fund

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.

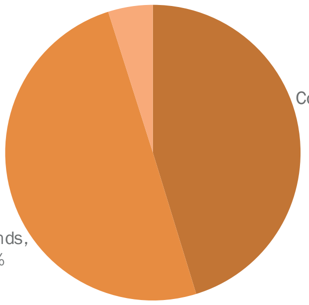
More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

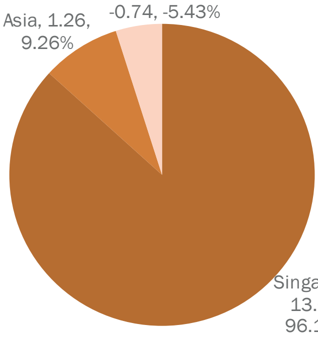
	Expense ratio	Turnover ratio
As of 31 December 2018	0.27%	22.30%
As of 31 December 2017	0.27%	52.14%

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.

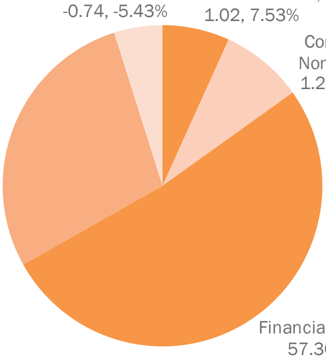
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



TERM TO MATURITY OF INVESTMENTS AS OF 31 DECEMBER 2018

Term to maturity (Days)	S$ (mil)	% of NAV
1-30	3.25	23.92
31-60	1.76	12.94
61-90	0.76	5.58
91-120	0.00	0.00
121-180	3.26	24.04
>180	5.79	42.64
Total	14.81	109.11

CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	4.79	35.28
A+	2.28	16.79
A	1.75	12.88
A-	0.50	3.70
Not rated	4.99	36.78
Total	14.31	105.43

'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: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	15,075,885
Purchase of units	28,435,837
Redemption of units	(30,122,547)
Net investment income/(loss)	223,831
Management fees & other charges	(37,445)
Value of fund as of 31 December 2018	13,575,561

Units in issue	11,488,821
Net asset value per unit	
- at the beginning of the year	1.165
- as of 31 December 2018	1.182

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	38,119	-

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 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$37,445.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Fullerton

Fullerton may and intend to receive or enter into soft-dollar commissions/arrangements in our management of the portfolio. Fullerton will comply with applicable regulatory and industry standards on soft dollars. Such soft dollar commissions include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis for investments managed for clients.

Soft dollar commissions/arrangements will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

Fullerton will not accept or enter into soft dollar commissions/arrangements unless such soft dollar commissions/arrangements would, in Fullerton's opinion, assist them in their management of the portfolio, providing that Fullerton ensures at all times that best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

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.

Fullerton

Fullerton is of the view that there are no conflicts of interests in managing the portfolio. Under the conditions of its license, Fullerton is required to conduct its business in a manner so as to avoid conflicts of interests, and ensure that any conflicts of interests arising are resolved fairly and equitably. In addition, as a member of the Investment Management Association of Singapore ("IMAS"), Fullerton adopts the principles and standards of investment conduct, which includes ensuring fair allocation, as set out in the IMAS Code of Ethics & Standards of Professional Conduct.

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

Nil.

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 intends to achieve this objective by investing all or substantially all of its assets in BlackRock Global Funds – Asian Tiger Bond Fund ("underlying fund") in A6 SGD Hedged Share Class. 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. The underlying fund's exposure to contingent convertible bonds is limited to 20% of total assets.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	3 May 2016
Fund Size	S$31.41 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.0% p.a. which includes management fee charged by the manager of the BlackRock Global Funds – Asian Tiger Bond 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.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Fund Manager	NTUC Income Insurance Co-operative Limited
Manager of the Underlying Fund	BlackRock (Luxembourg) S.A.
Benchmark	J.P. Morgan Asia Credit Index Hedged to Singapore Dollars
Structure	Single Fund

TOP 10 HOLDINGS

Asian Bond Fund

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
BlackRock Global Funds - Asian Tiger Bond Fund	31.57	100.51	BlackRock Global Funds - Asian Tiger Bond Fund	32.89	102.96

BlackRock Global Funds – Asian Tiger Bond Fund ^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
India Government 7.17% 080128	120.84	4.00	India Government 7.59% 200329	69.86	1.87
CNAC HK SYNBR 5% 050520	40.48	1.34	Indonesia Govt Mtn Regs 4.75% 180747	42.59	1.14
Adani Transmission Ltd 4% 030826	38.07	1.26	Adani Transmission Ltd 4% 030826	34.74	0.93
Indonesia Govt Mtn Regs 4.75% 080126	35.35	1.17	Abu Dhabi (Emirate Of) 4.125% 111047	33.25	0.89
Hutchison Whampoa Int 3.625% 311024	32.02	1.06	Overseas Chinese Town Asia Holding 4.3% 311249	33.25	0.89
CNOOC Nexen Finance 2014 4.25% 300424	30.82	1.02	Hesteel Hong Kong Co Ltd 4.25% 070420	32.50	0.87
Overseas Chinese Town Asia Holding 4.3% 311249	30.51	1.01	Indonesia Government 2.95% 110123	30.63	0.82
Perusahaan Penerbit SBSN Indoesia 4.55% 290326	29.30	0.97	Charming Light Investments Ltd 4.375% 211227	30.26	0.81
CDBL Funding 1 Regs 4.25% 021224	25.98	0.86	CNAC HK SYNBR 5% 050520	29.88	0.80
CNACK HK FINBRIDGE CO LTD Regs 4.625% 140323	25.68	0.85	Hutchison Whampoa Int 3.625% 311024	29.51	0.79

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.
^ 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. BlackRock (Luxembourg) S.A. is the manager of the underlying fund.

NTUC Income Insurance Co-operative Limited (Income)

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

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

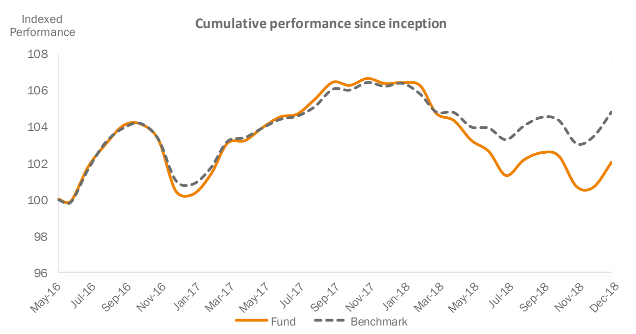
As of 31 December 2018, Income had S$36.01 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

BlackRock (Luxembourg) S.A.

BlackRock (Luxembourg) S.A, is a wholly owned subsidiary within the BlackRock Group and has been managing collective investment schemes or discretionary funds since 1988. As of 31 December 2018, BlackRock Group managed approximately US$5.98 trillion in assets on behalf of investors worldwide. For additional information on BlackRock, please visit www.blackrock.com/sg.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Asian Bond Fund	1.35%	-0.34%	0.72%	-4.11%
Benchmark	1.29%	0.43%	1.46%	-1.47%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Bond Fund	N.A.	N.A.	N.A.	0.76%
Benchmark	N.A.	N.A.	N.A.	1.79%



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.

Volatility

	3-year (annualised)*
Asian Bond Fund	N.A.

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.
*1-year volatility is 3.18% as 3-year volatility data is not available.

MARKET REVIEW

Market Review

Asian Credit saw some recovery in the third quarter of 2018, even with continued undertones of geopolitical tensions in Asia and other parts of the world. A large part of the rebound took place in July and was driven by a temporary abatement in US-China trade tensions, easing bias in Chinese policy making and receding oil prices. While Investment Grade (IG) credit made a decent recovery, High Yield (HY) credit had a much larger upswing. China HY credit rebounded on the back of supportive macroeconomic data, a resilient housing market as well as some company specific factors. In Indonesian HY credit, the recovery was more a reversal of the overselling this year in the sector despite improving fundamentals. In August and September, however, the recovery in Indonesia HY came under pressure due to its high beta to EM flows. Overall, the JP Morgan Asian Credit Index chalked up 1.16% — the first quarter of positive returns this year.

The fourth quarter was a tale of two parts: In October, global risk aversion diminished returns in the asset class but in the next two months, rallying US Treasury yields boosted returns. October's selloff was due to widening credit spreads in a market concerned about rising interest rates, a global growth slowdown and geopolitical tensions. The pervasive view in markets was that the business cycle was at an advanced stage, implying that US corporate earnings had passed their zenith. While credit spreads continued to widen in November, UST yields compressed. This was driven by the heightened risk backdrop from Brexit-related uncertainty and the approaching G20 meeting, coupled with dovish statements from the US Federal Reserve (Fed) Chairman. In December, UST yields pressed on downwards after the Fed lowered its rate hike expectations for 2019.

In the G20 meeting between President Trump and President Xi, a temporary ceasefire was drawn. In a welcome step, the US suspended its decision to raise tariffs on Chinese goods from 10% to 25% on Jan 1 2019. It instead established a 90-day deadline starting with the new year to address thornier issues underlying the ongoing spat, such as China's alleged intellectual property theft and forced transfer of technology. In return, China agreed to import greater amounts of products from sectors such as agriculture, energy, and industrials.

The protracted trade uncertainties have turned heads towards China to keep a look out for repercussions. During the Central Economic Work Conference, China's top policymakers promised more proactive fiscal policy measures such as tax cuts and improvements in monetary policy transmission. Meanwhile, the People's Bank of China introduced a new facility targeted medium-term lending facility (TMLF) with rates 15 bps lower than the regular MLF

– banks could tap into this facility for lending to small-medium and private enterprises. In addition, it recently announced two 50 bps broad based reserve requirement ratio (RRR) cuts following the Premier's pledge to step up counter-cyclical efforts to bolster growth. At this juncture, we believe growth might slow down in China to a level of 6-6.3% in 2019, but do not expect a hard landing.

With a more gradual expected US Fed rate hike trajectory, a pause in USD appreciation and lower oil prices, we started to see more support for Asian local currencies in the fourth quarter. We allocated capital to Indian government bonds because we expected them to benefit from lower oil prices, continued open market operations and the Reserve Bank of India being on pause given subdued inflation and a weaker near-term growth outlook. These performed well. We also had a tactical overweight position in the THB and RMB along with an underweight in the MYR. While the MYR position underperformed given the currency's appreciation, the THB and RMB positions outperformed.

Market Outlook

Following the less hawkish tilt of the Fed, we expect a more gradual pace of tightening this year of 1-2 hikes. Consequently, we do not expect US Treasury yields to be a significant driver of returns in the asset class in 2019.

Prevailing estimates of the economic impact of trade actions have been modest and in the case of China, a shift towards an accommodative monetary and fiscal policy in 2018 has kept liquidity conditions ample, offsetting the negative impact trade actions and deleveraging efforts have had on the nation’s growth trajectory — China’s growth has been remarkably resilient with the 2018 real GDP growth tracking 6.5%.

Chinese policy makers are viewing growth as a priority for 2019 and our view is that this stance will persist not just through broad based brute force measures like RRR cuts but also through reversing tight macro prudential measures implemented in recent years — indeed, some local governments have started to introduce easing measures in the property sector. In addition, China has been coming up with infrastructure spending programs and also slowing the pace of its debt-control program, providing more assistance to private firms that had previously not been as well supported as state owned enterprises. With the government proactively wielding fiscal and monetary policy tools, our 2019 growth outlook for China is 6-6.3%.

Nevertheless, heightened macro uncertainty sparked by U.S. trade policy has held back returns on risk assets and has been an incremental driver of increase in market volatility. While we expect this lingering uncertainty to weigh in on risk assets, investors have come to terms with the status-quo of the geopolitical tussle and we expect risk assets to be less sensitive to headlines associated with the trade conflict. The silver lining to the extended strategic standoff between the U.S. and China is that any easing of trade tensions should boost investor confidence.

With the region a net oil importer, stronger USD and higher oil prices in 2018 have been a bane particularly for local currency bonds in higher yielding Asian markets (India and Indonesia); with that said, the tide is shifting and that has positive implications on the region’s balance of payments, inflation trajectory, local bond yields and FX volatility.

In 2018, we positioned portfolios more defensively, given the risk factors we have discussed. We held higher-than-typical cash levels and greater diversification to minimise idiosyncratic (issue specific) risks. We see this changing on the horizon however. Value is emerging and this, combined with the resilient fundamentals of the asset class, is shaping our optimism for the asset class in 2019.

At current valuations and expectations of range-bound U.S. treasury yields, our expected return for Asian Credit strategies is at 5 – 8% and our expected return for Asian High Yield Credit strategies is at 6 – 10% for 2019, largely driven by elevated levels of current income. While we expect the asset class to continue to grow in size in 2019, we expect a fall in net supply of credit (as compared to the peak in 2017); this coupled with expectations of inflows due to higher expected returns in 2019 paints a positive backdrop for the asset class. While not our base case, the key risks we see include higher inflation in the US triggering a repricing of Fed hike expectations, higher oil prices and tighter monetary policy in Europe and Japan.

Geographically, we are positive on China and Indonesia but are, in the near term, cautious on India. In China, we still like higher quality IG credit and in HY real estate credit. Falling supply of Chinese A-rated quasi-sovereign credit is a tailwind for the sector but we expect differentiation among BBB-rated credits of state-owned enterprises where security selection is key. Elsewhere, we expect the increased ability for large-cap HY real estate issuers to refinance onshore, along with stable fundamentals to be supportive of the sector. Fundamentals of HY industrials are mixed but here we see attractive opportunities for security selection. We are cautious on India on the back of election uncertainty and the risk of fiscal slippage. Finally, in Indonesia, we see opportunities due to expectations of a stable dollar (and Rupiah) and policy continuity as the President’s increasing popularity and a lack of viable opposition candidates reduces election uncertainty.

RISKS

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.

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

Asian Bond Fund

EXPENSE AND TURNOVER RATIO

Asian Bond Fund

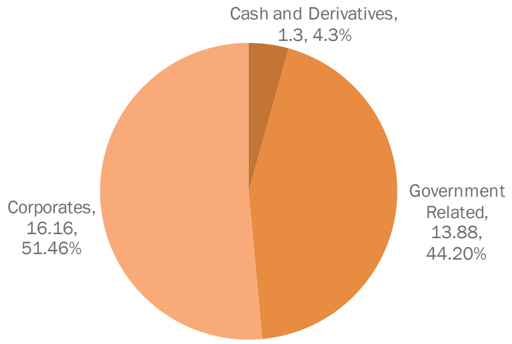
	Expense ratio	Turnover ratio
As of 31 December 2018	1.27%	34.99%
As of 31 December 2017	1.24%	32.07%

BlackRock Global Funds – Asian Tiger Bond Fund

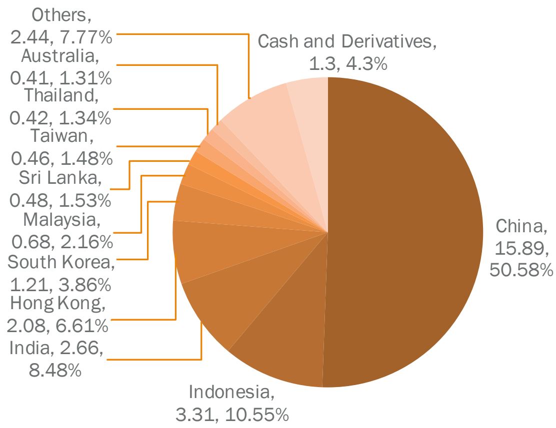
	Expense ratio	Turnover ratio
As of 31 December 2018	1.22%	115.39%
As of 31 December 2017	1.22%	143.12%

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

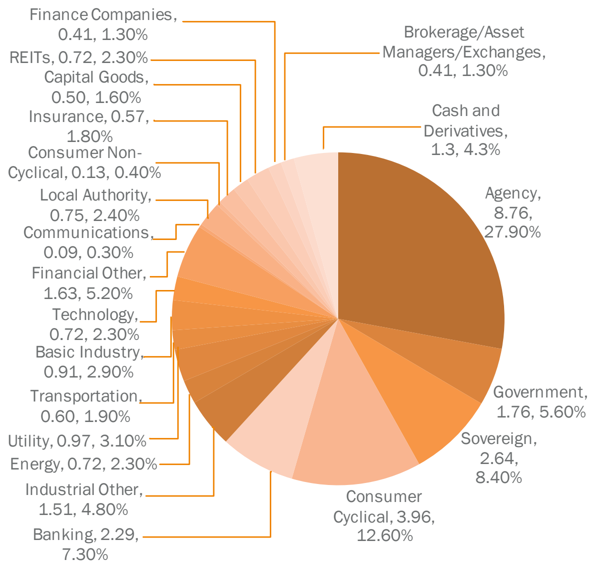
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	0.32	1.00
AA	0.31	0.98
A	6.59	20.99
BBB	13.82	44.02
BB	3.52	11.22
B	4.94	15.74
CCC	0.16	0.50
CC	0.11	0.34
Not rated	0.27	0.87
Total	30.04	95.66

'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: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	31,940,764
Purchase of units	12,669,996
Redemption of units	(10,327,157)
Dividend distribution	(1,515,173)
Net investment income/(loss)	(1,362,327)
Value of fund as of 31 December 2018	31,406,103

Units in issue	35,992,593
Net asset value per unit	
- at the beginning of the year	0.954
- as of 31 December 2018	0.873

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
BlackRock Global Funds - Asian Tiger Bond Fund	31.57	100.51

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, 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

Pursuant to EU Directive 2014/65/EU on markets in financial instruments referred to as "MiFID II", the BlackRock Group will no longer pay for external research via client trading commissions for its MiFID II-impacted funds (“MIFID II-impacted funds”).

The BlackRock Group shall meet such research costs out of its own resources. MiFID II-impacted funds are those which have appointed a BlackRock Group MiFID firm as investment adviser or where investment management has been delegated by such firm to an overseas affiliate.

Funds which have directly appointed an overseas affiliate of the BlackRock Group within a third country (i.e. outside the European Union) to perform portfolio management are not in-scope for the purposes of MiFID II and will be subject to the local laws and market practices governing external research in the applicable jurisdiction of the relevant affiliate. This means that costs of external research may continue to be met out of the assets of such funds. A list of such funds is available on request from the Management Company.

Where investments are made in non-BlackRock Group funds, they will continue to be subject to the external manager’s approach to paying for external research in each case. This approach may be different from that of the BlackRock Group and may include the collection of a research charge alongside trading commissions in accordance with applicable laws and 67 market practice. This means that the costs of external research may continue to be met out of the assets within the fund.

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

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

Each 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 the 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 68 reasonable in relation to the value of the research or execution services provided. The BlackRock Group believes that using commission dollars to obtain the research or execution services enhances its investment research and trading processes, thereby increasing the prospect for higher investment returns.

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

CONFLICTS OF INTEREST

Income

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

BlackRock

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

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

Nil.

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 currently offers a monthly distribution pay-out feature. Distributions are not guaranteed and can be made out of the income, capital gains and/or capital of the sub-fund.

INVESTMENT SCOPE

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 ("underlying fund"), in Class X Distribution, which is managed by Schroder Investment Management (Singapore) Ltd. The underlying fund will seek to achieve the investment objective primarily through investment in a portfolio of equity securities of Asian companies which offer attractive yields and sustainable dividend payments, and fixed income securities and other fixed or floating rate securities, of investment grade or below investment grade (at the time of or subsequent to acquisition), issued by governments, government agencies, supra-national and corporate issuers in Asia which offer attractive yields. The underlying fund may substantially invest in fixed income securities and debt securities which are below investment grade or unrated.

The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	12 May 2014
Fund Size	S$702.70 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.25% p.a., which includes management fee charged by the investment manager of the Schroder Asian Income 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 in time.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Fund Manager	NTUC Income Insurance Co-operative Limited
Manager of the Underlying Fund	Schroder Investment Management (Singapore) Ltd
Benchmark	The Asian Income 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

TOP 10 HOLDINGS

Asian Income Fund

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio – Schroder Asian Income	701.43	99.82	Schroder International Opportunities Portfolio – Schroder Asian Income	608.60	100.40

Asian Income Fund

Schroder International Opportunities Portfolio - Schroder Asian Income ^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
HK Electric Investments	92.27	2.17	Schroder ISF Global Multi-Asset Income	89.46	2.08
Link REIT	85.04	2.00	HK Electric Investments & HK Electric Investments Ltd.	87.31	2.03
Ascendas Real Estate Investment Trust	80.79	1.90	CapitaLand Commercial Trust REIT	86.45	2.01
Mapletree North Asia Commercial Trust REIT	77.81	1.83	Mapletree Greater China Commercial Trust REIT	81.29	1.89
CapitaLand Commercial Trust REIT	76.11	1.79	Link REIT	79.14	1.84
Mapletree Commercial Trust REIT	74.41	1.75	Ascendas REIT	74.41	1.73
China Mobile Ltd	71.01	1.67	China Construction Bank	74.41	1.73
Mapletree Industrial Trust REIT	70.16	1.65	Mapletree Industrial Trust REIT	74.41	1.73
Fortune REIT	69.31	1.63	Fortune REIT	73.55	1.71
CapitaLand Mall Trust REIT	68.03	1.60	Mapletree Commercial Trust REIT	73.12	1.70

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

FUND MANAGER

NTUC Income Co-operative Limited is the Investment Manager of the sub-fund. Schroder Investment Management (Singapore) Ltd is the manager of the underlying fund.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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) Ltd

Schroder Investment Management (Singapore) Ltd is the manager of the underlying fund, Schroder Asian Income Fund and it is part of the Schroder group ("Schroders"). Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

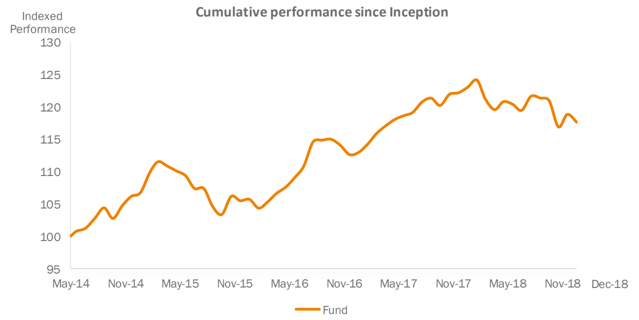
Schroders is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$518.7 billion (as of 31 December 2018).

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	-1.02%	-2.76%	-1.53%	-4.39%
Benchmark	N.A.	N.A.	N.A.	N.A.
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Income Fund	3.63%	N.A.	N.A.	3.56%
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.

Volatility

	3-year (annualised)
Asian Income Fund	4.51%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

Asset allocation effect was negative as our overweight in equities underperformed against the backdrop of ongoing trade war tensions and concerns over slowing economic growth. Our Emerging Market (EM) exposure also detracted value as EM assets remained under pressure amid the risk off sentiment.

Our equity portfolio delivered a negative return, but outperformed the broad market markedly thanks to our underweight in Korea and China, particularly internet names which suffered badly from the broader tech sell-off. Our strong stock selection in Hong Kong and Singapore also contributed to performance. Selective REITs delivered positive returns over the year, with Hong Kong and Singapore names as the best performers. Also, our holdings in utilities and telecom remained relatively resilient in the volatile markets. Elsewhere, our Taiwanese semiconductor producer gained on healthy earnings and prospects from improvement in its product mix and cost structure. On the other hand, Australia equites detracted the most value, as banking names continue to face lingering risks of slower lending growth while our exposure in an Australian property developer retreated on the back falling home prices and tighter credit conditions. Within China / Hong Kong, financials were weaker on the back of diminishing tail winds from a peak in local property prices, adding pressure to banks' profitability.

The fixed income portfolio posted negative returns and underperformed the broad market. Both Asian investment grade and high yield fell, although the latter performed worse given the lower investors' risk appetite. Local currency bonds in India and Indonesia were weighed down by a stronger USD. However, our preference for higher quality and short-dated papers within the Chinese real estate sector helped. Elsewhere, Australian credit detracted, as energy names were weighed down by the lower oil prices.

Risk management was slightly negative over the period. Our duration hedges were positive given that yields rose, while our equity hedges also helped to offset losses from the market correction. However, our currency hedges and tactical allocation to H-shares detracted value.

Market Outlook

While our cyclical indicators remain in the expansionary phase, there are signs that the economy is showing some fatigue. There are increasing concerns about slowing growth and longevity of the economic cycle. Furthermore, with the tax-cut effect fading away and ongoing uncertainties surrounding the US-Sino trade war, we expect markets to remain volatile and sentiment to be fragile in the near term. However, we believe there are still opportunities in the markets, with the US Federal Reserve (Fed) policy as the silver lining. Liquidity tightening from rising US interest rate and USD has become a significant headwind for Asia and EM assets, not to mention the damages from trade disputes. Given the increased risk of a slowdown in the economy, there is potentially more room for the Fed to adjust its policy and become more accommodative on the liquidity front.

Looking ahead, as growth in US starts to moderate and the Fed becomes less hawkish, the USD is likely to be weaker. This should be positive for Asian assets. In addition, lower oil prices could offer some respite to inflation in US, but also in EM and Asia by alleviating some of the pressure on the more fragile emerging economies and drag on consumption. From a valuation perspective, the recent sell-off has taken a lot of the pressure out of the system and valuations of Asian equities have reached attractive levels. Spreads of Asian credit also widened significantly, offering more interesting yields. Having said that, there are still stress factors weighing on markets, such as slowing growth and political developments in the US. Therefore, we believe the best strategy to cope with this heightened level of uncertainty is to stay invested in a diversified and risk-controlled manner.

RISKS

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.

Asian Income Fund

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

Asian Income Fund

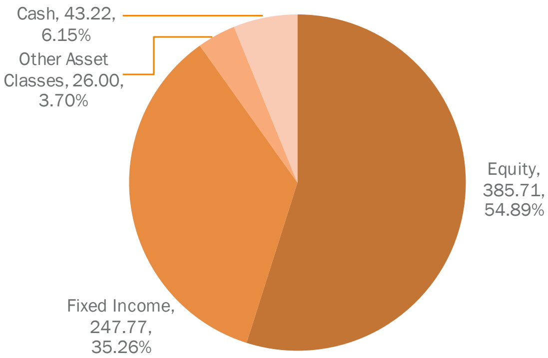
	Expense ratio	Turnover ratio
As of 31 December 2018	1.47%	7.39%
As of 31 December 2017	1.49%	9.05%

Schroder International Opportunities Portfolio - Schroder Asian Income

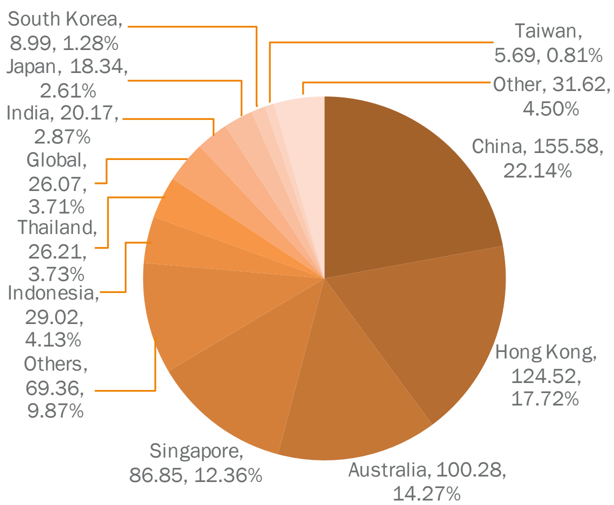
	Expense ratio	Turnover ratio
As of 31 December 2018	1.45%	26.18%
As of 31 December 2017	1.47%	18.63%

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

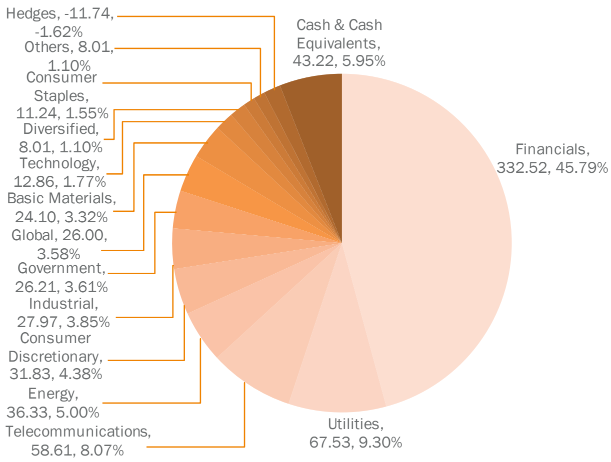
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	11.08	1.58
AA	7.56	1.08
A	59.71	8.50
BBB	99.06	14.09
BB	36.50	5.19
B	14.67	2.09
Not rated	19.20	2.73
Total	247.77	35.26

'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: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	606,311,904
Purchase of units	203,893,645
Redemption of units	(46,020,970)
Dividend distribution	(32,327,704)
Net investment income/(loss)	(29,156,301)
Value of fund as of 31 December 2018	702,700,574

Units in issue	784,078,610
Net asset value per unit	
- at the beginning of the year	0.984
- as of 31 December 2018	0.896

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio - Schroder Asian Income Fund	701.43	99.82

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, no management fee paid or payable by the sub-fund to the Investment Manager.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Schroder

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

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

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

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 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.

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

Nil.

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 long-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 currently offers a monthly distribution pay-out feature. Distributions are not guaranteed and can be made out of the income, capital gains and/or capital of the sub-fund.

INVESTMENT SCOPE

The sub-fund intends to achieve the objective by investing all or substantially all of its assets in Schroder International Selection Fund Global Multi-Asset Income ("underlying fund") in SGD Hedged A Distribution Share Class. The underlying fund invests at least two-thirds of its assets directly or indirectly through derivatives in equity and equity-related securities, fixed income securities and alternative asset classes. As the underlying fund is index-unconstrained it is managed without reference to an index.

The sub-fund is denominated in Singapore Dollars.

Further information on the exposure to alternative asset classes, can be found in Appendix III, section "Fund Details" of the underlying fund's Luxembourg Prospectus available at https://www.schroders.com/getfunddocument/?oid=1.9.116178.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	26 March 2015
Fund Size	S$86.81 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.25% p.a. which includes management fee charged by the investment manager of the Schroder International Selection Fund Global Multi-Asset Income. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Fund Manager	NTUC Income Insurance Co-operative Limited
Investment Manager of the Underlying Fund	Schroder Investment Management Limited
Benchmark	The Global Income fund is unconstrained and therefore not managed with reference to a benchmark.
Structure	Single Fund

TOP 10 HOLDINGS

Global Income Fund

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Schroder International Selection Fund - Global Multi-Asset Income	87.12	100.35	Schroder International Selection Fund - Global Multi-Asset Income	91.80	100.80

Global Income Fund

Schroder International Selection Fund - Global Multi-Asset Income^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
US Treasury Note 2.875% 150828	149.89	3.66	Federative Republic Of Brazil 10% 01/01/2023	48.55	0.76
Triple Point Social Housing REIT Plc	31.12	0.76	Microsoft Corporation	37.05	0.58
GCP Infrastructure Investments Ltd	30.71	0.75	JPMorgan Chase & Co	34.49	0.54
Schroder Real Estate Investment Trust Ltd	28.26	0.69	Berkshire Hathaway	31.94	0.50
Starwood European Real Estate Finance Ltd	28.26	0.69	GCP Infrastructure Investments	31.94	0.50
Schroder European Real Estate Investment Trust Ltd	24.57	0.60	Wells Fargo & Co	31.94	0.50
International Public Partnerships Limited	23.35	0.57	Starwood European Real Estate Finance Limited	31.30	0.49
Bilfinger Berger Global Infrastructure SICAV SA	22.93	0.56	3i Infrastructure	30.02	0.47
Federative Republic Of Brazil 10% 010123	22.93	0.56	Apple Inc	28.75	0.45
HICL Infrastructure Ltd	20.48	0.50	Johnson & Johnson	28.75	0.45

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.
^ 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. The investment manager of the underlying fund is Schroder Investment Management Limited.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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

The investment manager of the underlying fund is Schroder Investment Management Limited which is domiciled in the United Kingdom and has been managing collective investment schemes and discretionary funds since 1985. The management company of Schroder International Selection Fund is Schroder Investment Management (Europe) S.A. which has been managing funds since 2005.

Schroder Investment Management (Singapore) Ltd

The investment management of a portion of the fixed income portfolio of the underlying fund has been delegated by Schroder Investment Management Limited to Schroder Investment Management (Singapore) Ltd, which is incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

Schroder Investment Management Limited, Schroder Investment Management (Europe) S.A and Schroder Investment Management (Singapore) Ltd are part of the Schroder group (“Schroders”).

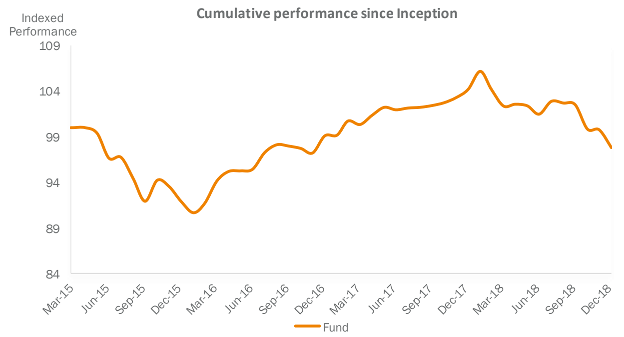
Schroders is a leading global asset management company, whose history dates back over 200 years. The group’s holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$518.7 billion (as of 31 December 2018).

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	-1.96%	-4.59%	-3.62%	-6.13%
Benchmark	N.A.	N.A.	N.A.	N.A.
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Income Fund	2.10%	N.A.	N.A.	-0.58%
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.

Volatility

	3-year (annualised)
Global Income Fund	4.06%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

We entered 2018 with an equity exposure of 40%. This was cut to 32% in January and gradually reduced over the rest of the year. While the decision to reduce the equity weight was beneficial, equities were still the largest detractor from returns over the year. Our favoured markets in the first half of the year were those with a growth bias such as the US and emerging market (EM). While our preference for the US was positive, underpinned by the growth differential with the rest of the world, EM were the largest detractor. Despite reducing this allocation half way through the year, contagion from the liquidity crises in Argentina and Turkey were compounded by protracted US-China trade tensions and a strengthening USD.

Our exposure to local currency sovereign bonds detracted from returns as the strengthening USD and tightening financial conditions saw EM currencies correct over the year. Against a backdrop of rising rates and liquidity withdrawal, we become increasingly cautious on fixed income over the course of the year. As a result we focused on higher quality and less interest rate sensitive securities, employing a highly selective approach within the fixed income universe. We increased allocations to shorter duration US investment grade and EM USD denominated debt, and higher quality Asian credit. This strategy has helped mitigate losses relative to longer dated names over the course of the year.

Our alternatives allocation was the largest contributor to returns. Securitised debt benefited from limited supply, high spreads and strong fundamentals, infrastructure was positive as investors valued its long-term stable income stream, while insurance-linked bonds delivered positive returns and suffered no material impact from the natural catastrophe activity through the year.

Market Outlook

As we dust ourselves off after a difficult year, it is important to step back from the political headlines and tweets, and focus on market fundamentals.

Firstly, due to the negative performance of markets in 2018, valuations across most asset classes have improved. As a result, for the first time in a number of years, we are seeing a number of attractive risk-adjusted opportunities in the income universe. We also believe that the US Federal Reserve (Fed) has performed its job very well, by gradually unwinding its loose monetary policy over the last two years, taking some froth out of asset prices and underpinning inflation expectations. Its credibility is evidenced by the fact that, although rates have gone up by 1% this year, the US 10-year yield is still around 3%.

We expect inflationary pressures to remain under control and for US rates to be raised by 0.50% in 2019; in other words, we expect Fed policy to remain gradual and data-dependent. We think concerns about a monetary policy error are over-blown: by tightening before inflation picked up, "a stitch in time has saved nine" and, since they are almost done with their tightening, Trump's attacks on the Fed are likely to abate. This, in turn, should allow the USD to stabilise and provide relief to EM assets; as a consequence, we have increased our exposure to EM equities, EM local currency bonds and high yielding EM currencies.

Furthermore, our cyclical indicators suggest we are in the relatively benign "Expansion" phase of the cycle but this cycle has been atypical to the extent that we have not seen the rest of the world catch up with the US. We continue to be more concerned about a lack of global demand than about inflation and, in this context, although stable bond yields support equity valuations, they also reflect that a global acceleration in activity is unlikely. This anaemic growth environment leads us to hold a lower exposure to equities compared to a typical expansion phase. The biggest upside surprise on growth could come from a detente in trade tensions between the US and China – this would disproportionately favour EM assets, where we have exposure, but ultimately it would not solve some of the secular growth challenges that Europe and Japan face. That said, we believe there are opportunities for income investors within the European market which can be exploited by an active stock picker. We therefore added exposure to an actively managed sleeve to selectively navigate the opportunities in this region. High yield debt is also vulnerable to a deterioration in economic conditions, particularly given evidence of looser lending standards in the loan market. Recent spread widening has taken some of the froth out of this market but we are also cognisant of its potential illiquidity.

Global Income Fund

Although a US recession is not our central scenario, our recession indicators are pointing to an increased risk of US recession in 2020. This is a probability that needs to be calibrated by the markets and we expect fears of recession to wax and wane throughout 2019. As a consequence, we believe that US bonds are now a useful diversifier and we have increased the fund's duration via longer-dated US Treasuries. In a similar vein, we are positive on the Japanese yen as it acts as a safe haven when growth is questioned.

In conclusion, we have identified opportunities which do not require the catalyst of global economic acceleration and, combined with more attractive starting valuations, we expect to generate positive returns in 2019. Furthermore, higher yields have created a broader opportunity set for income investors. But this is by no means a time for blithe risk-taking; the downside risks are real and hoping for supportive tweets from the White House is not a strategy. Accordingly, we have added defensive hedges against growth disappointment. At this stage of the cycle, we remain very much focused on our objectives of generating income and managing volatility.

RISKS

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.

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

Global Income Fund

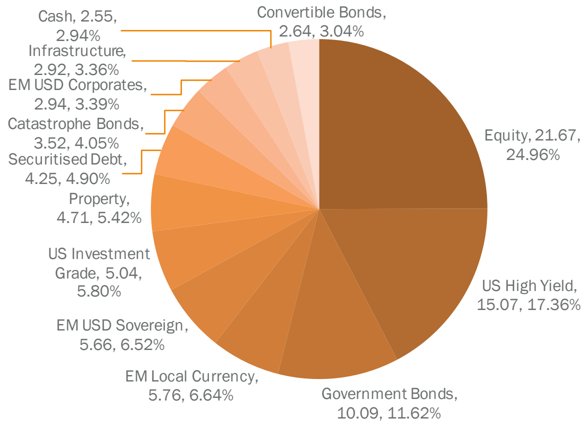
	Expense ratio	Turnover ratio
As of 31 December 2018	1.59%	25.46%
As of 31 December 2017	1.57%	33.63%

Schroder International Selection Fund - Global Multi-Asset Income

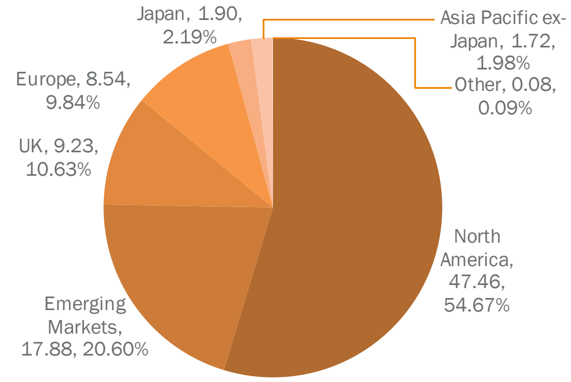
	Expense ratio	Turnover ratio
As of 31 December 2018	1.56%	119.25%
As of 31 December 2017	1.54%	105.56%

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

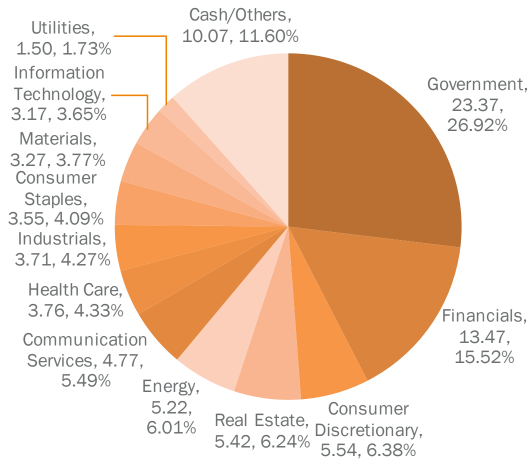
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	0.85	0.98
AA	4.33	4.99
A	4.48	5.17
BBB	10.86	12.50
BB	13.60	15.67
B	9.61	11.08
CCC	3.46	3.99
Total	47.20	54.37

Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

Global Income Fund

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	91,108,689
Purchase of units	28,599,356
Redemption of units	(22,551,778)
Dividend distribution	(4,605,330)
Net investment income/(loss)	(5,737,772)
Value of fund as of 31 December 2018	86,813,165

Units in issue	110,872,196
Net asset value per unit	
- at the beginning of the year	0.877
- as of 31 December 2018	0.783

EXPOSURE TO DERIVATIVES
Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Schroder International Selection Fund - Global Multi-Asset Income	87.12	100.35

BORROWINGS
Nil.

RELATED PARTY DISCLOSURE
Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, there is no management fee paid or payable by the sub-fund to the Investment Manager.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income
The Manager does not retain for its own account, cash or commission rebates arising out of transactions executed in or outside Singapore. The Manager also does 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 underlying fund, and where Schroder is satisfied that the transactions are generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interest of the underlying fund. Any such arrangements must be made by Schroder on terms commensurate with best market practices.

CONFLICTS OF INTEREST

Income
As the Manager of various 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 interest 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 manager of the underlying fund and Schroders may effect transactions in which the investment manager or Schroders have, directly or indirectly, an interest which might involve a potential conflict with the investment manager's duty to the Schroder International Selection Fund. Neither the investment manager or Schroders shall be liable to the Schroder International Selection Fund 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 manager will ensure that such transactions are effected on terms which are not less favourable to the Schroder International Selection Fund 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 Schroder International Selection Fund.

The Investment Managers may also have to deal with competing or conflicting interests between any of the Sub-Funds which may be managed by the same Investment Manager. In such instance, the Investment Manager will use reasonable endeavours at all times to act fairly and in the interests of the relevant Sub-Funds, taking into account the availability of cash and relevant investment guidelines of the Sub-Funds and ensuring that the securities bought and sold are allocated proportionally as far as possible among the Sub-Funds.

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
Nil.

REPORTS
The financial year end of the sub-fund is 31 December of each year.

As part of the continuous efforts to update you on the performance of the funds you have invested in, we produce a Fund Report (with summarised financial statements) twice a year.

Global Technology Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	1 August 2000
Fund Size	S$80.51 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.25% p.a. 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 in time.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Narrowly Focused – Sector – Technology
Fund 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

TOP 10 HOLDINGS

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Amazon.com Inc	5.45	6.77	Alphabet Inc Class A	6.73	8.11
Alphabet Inc	4.40	5.46	Facebook Inc	5.99	7.22
Microsoft Corporation	3.77	4.69	Qualcomm Inc	2.72	3.28
Salesforce.com Inc	3.57	4.43	NetApp Inc	2.72	3.28
Workday Inc	2.94	3.65	Marvell Technology Group Ltd	2.60	3.13
PayPal Holdings Inc	2.93	3.63	Global Payments Inc	2.58	3.11
Tencent Holdings Ltd	2.82	3.50	Salesforce.com Inc	2.54	3.06
Harris Corp	2.51	3.11	Flex Ltd	2.50	3.02
Alibaba Group Holdings	2.35	2.92	ServiceNow Inc	2.45	2.95
Visa Inc	2.13	2.65	Apple Inc	2.39	2.88

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

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.

As of 31 December 2018, Income had S$36.01 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Global Technology Fund

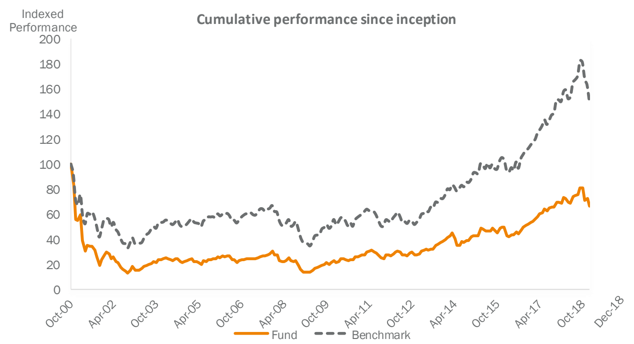
Wellington Management Singapore Pte Ltd (WMS)*

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in more than 60 countries, as of 31 December 2018. 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.

*With effect from 29 April 2016, Wellington Management Singapore Pte Ltd (WMS) has replaced Trust Company of the West (TCW) Asset Management Company as the Sub-Investment Manager of the Global Technology Fund.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Technology Fund	-7.49%	-17.35%	-11.19%	-2.49%
Benchmark	-8.66%	-17.90%	-11.03%	-0.66%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Technology Fund	10.60%	10.11%	17.24%	-2.19%
Benchmark	13.06%	13.27%	15.09%	2.22%



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.

Volatility

	3-year (annualised)
Global Technology Fund	16.73%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

In the third quarter of 2018, global equities posted positive results for the second straight quarter, extending their year-to-date gain to 6.0%. Global markets stabilised in the wake of robust US economic data while political uncertainty and trade concerns weighed on other regions. US and China trade relations remained volatile, as US tariffs on approximately US$200 billion of Chinese imports took effect in September. China promptly retaliated with tariffs on about US$60 billion of US exports. Oil approached a four-year high amidst global supply uncertainties and strong global growth. Oil inventories declined after the Organisation of the Petroleum Exporting Countries refrained from increasing output and as the first round of US sanctions on Iran went into effect. On the monetary front, the US Federal Reserve (Fed), the Bank of England, and the Bank of Canada raised interest rates by 25 basis points (bps). The European Central Bank (ECB) remained dovish, leaving rates unchanged and reiterating its pledge to keep them low at least until the summer of 2019.

In the fourth quarter, global equities tumbled, posting their worst quarterly return since September 2008 and ending 2018 in negative territory. Concerns about slowing global growth weighed heavily on the markets. China's economy grew at the slowest pace in a decade, and economic growth in the Eurozone slowed sharply. Geopolitical risks remained elevated despite some positive developments, including a US and China trade truce, Theresa May's survival of a no-confidence vote, and a budget plan compromise between Italy and the European Union (EU). On the monetary policy front, the Fed raised rates by 25 bps, to the highest level in a decade. The ECB concluded its asset purchase program, but announced that it will continue its reinvestment policy for an extended period after the first interest rate hike, slated for the second half of 2019. The People's Bank of China reduced the reserve requirement ratio by 100 bps in an effort to spur growth.

Market Outlook

Amidst the recent market volatility, the Global Technology team remains cautious about the near-term outlook for the technology market. Areas for concern include a weakening semiconductor cycle, soft demand for smartphones, excess inventory in the industrial and auto segments, sharp deceleration in near-term cloud capex, and weak pricing in the memory market. We are predicting more earnings cuts to come in the first quarter, but view a rebound in the second half of 2019 as plausible. While we are positioning the portfolio more defensively, there are still pockets of the market where we are finding compelling ideas to deploy capital. Valuations have largely come in and continue to be supported by earnings. Longer-term, we maintain an optimistic outlook for the broader technology sector as many of the secular growth drivers remain intact.

Global Technology Fund

The semiconductor industry is one area we remain cautious, with weaker memory prices, concerns about slowing data center capex, trade tensions between the US and China, and slowing smartphone market all leading us to re-evaluate our positioning in this area. We favour semiconductor names that have more secular growth drivers in an industry with notable cyclicality.

The fourth quarter market decline gave us an opportunity to buy a handful of high quality software names that we believe will be relative outperformers in a choppy market environment. Elsewhere in the market, the team believes that the 5G infrastructure rollout is underway and may be one of the few areas to see growth in the coming year. During December, the Chinese government announced their 5G spectrum allocation plan, which will be commercialised as expected. As a result, demand for tower sites from telecom operators is expected to grow.

RISKS

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.

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.

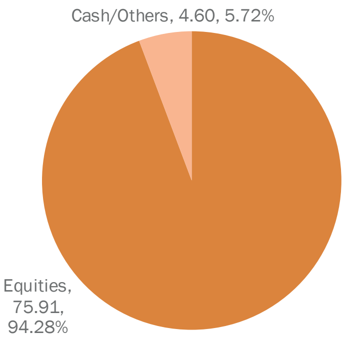
More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

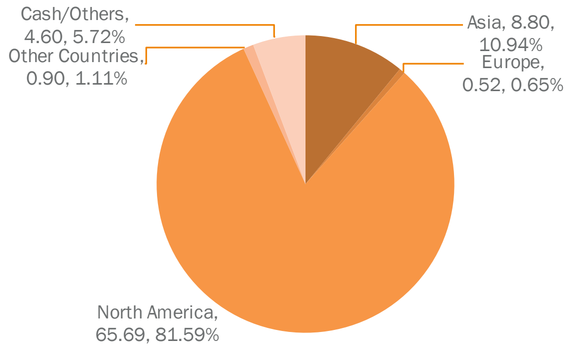
	Expense ratio	Turnover ratio
As of 31 December 2018	1.34%	158.19%
As of 31 December 2017	1.31%	161.64%

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

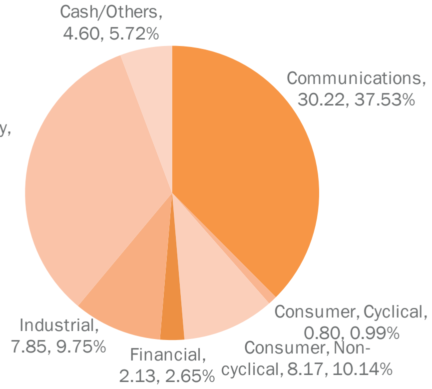
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under the Global Technology Fund.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	82,969,255
Purchase of units	20,249,947
Redemption of units	(20,956,893)
Net investment income/(loss)	(648,206)
Management fees & other charges	(1,102,738)
Value of fund as of 31 December 2018	80,511,365

Units in issue	120,740,363
Net asset value per unit	
- at the beginning of the year	0.684
- as of 31 December 2018	0.667

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(159)	<0.01	(13,244)	(159)

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 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$1,102,738.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Wellington

The 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 has been received/ entered into by the Sub-Investment Manager in respect of the ILP. 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 reasonably, assist the Sub-Investment Manager in the management of the ILP and that the trades were executed on a best execution basis. The Sub-Investment Manager took all reasonable steps to obtain the best possible result of the ILP, 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

Nil.

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.

Multi-Asset Premium Fund

INVESTMENT OBJECTIVE

To generate regular income and long-term capital appreciation for investors by investing into various asset classes.

INVESTMENT SCOPE

The sub-fund will invest in the Fullerton Premium Fund Class C SGD distributing class ("underlying fund"). The underlying fund may invest in global markets through collective investment schemes, other investment funds, exchange traded funds, real estate investment trusts, listed and unlisted securities (including but not limited to equities, fixed income/debt securities and securitized/asset-backed instruments), alternatives (including but not limited to listed and OTC financial derivative instruments ("FDIs"), money market instruments, cash deposits and other permissible investments as deemed appropriate to achieve its investment objective. The underlying fund may opportunistically allocate into private equities, commodities and other alternative investments for additional diversification.

The underlying fund may use FDIs for hedging, efficient portfolio management, optimising returns and lux fund or a combination of all three objectives.

The underlying fund may invest 30% or more of its net asset value into sub-funds under the umbrella Fullerton Lux Funds, the Fullerton SGD Cash Fund, or in any other collective investment schemes deemed appropriate.

The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	27 April 2018
Fund Size	S$3.93 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for the ILP.
Annual Management Fee	1.3% p.a. which includes management fee charged by the manager of the Fullerton Premium Fund Class C SGD distributing class. 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.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Fund Manager	NTUC Income Insurance Co-operative Limited
Manager of the Underlying Fund	Fullerton Fund Management Company Ltd
Benchmark	The Multi-Asset Premium Fund is unconstrained and therefore not managed with reference to a benchmark.
Structure	Single Fund

TOP 10 HOLDINGS

Multi-Asset Premium Fund

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Fullerton Premium Fund	3.93	100.05	N.A	N.A	N.A

Multi-Asset Premium Fund

Fullerton Premium Fund^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2018	Market Value S$ (mil)	% of Net Asset Value
SPDR S&P 500 ETF Trust	1.04	4.71	Tencent Holdings Ltd	0.25	1.13
Nikkoam ST A E JP Reitetf-SG	1.03	4.67	United Overseas Bank Ltd	0.18	0.82
SPDR Straits Times Index ETF	0.49	2.22	Alibaba Group Holdings	0.17	0.77
Taiwan Semiconductor Manufacturing Co Ltd	0.30	1.36	Larsen & Toubro Ltd	0.15	0.68
Samsung Electronics Co Ltd	0.25	1.13	HDFC Bank Ltd	0.13	0.59

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.
^Information extracted from the underlying Fullerton Premium Fund.
Source: Fullerton Fund Management Company Ltd.

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. Fullerton Fund Management Company Ltd is the Sub-Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 31 December 2018, Income had S$36.01 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.

Fullerton Fund Management Company Ltd

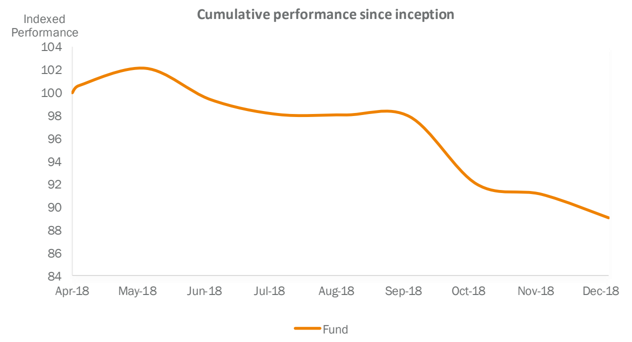
Fullerton Fund Management is an Asia based specialist, with investment capabilities across Fixed Income, Equity, Multi-Asset and Alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

Multi-Asset Premium Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Multi-Asset Premium Fund	-2.26%	-9.04%	-10.40%	N.A.
Benchmark	N.A.	N.A.	N.A.	N.A.

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Multi-Asset Premium Fund	N.A.	N.A.	N.A.	-10.93%
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 indicative of future performance. Fees & charges payable through deduction of premium or cancellation of units are excluded from this calculation.

Volatility

	3-year (annualised)*
Multi-Asset Premium Fund	N.A.

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.
*3-year volatility data is not available.

MARKET REVIEW

Market Review

Risk assets experienced a volatile 2018. Global equity markets ended the year in the red, with Asian equity markets bearing the brunt of the sell-offs over the course of the year, as concerns alternated between negative headlines over trade wars, slowing growth in China and monetary tightening by central banks in the US and Europe. Elsewhere, Asian credit markets generated negative annual returns for the first time in the last five years on the back of higher US Treasury yields and wider spreads, with the high yield sector leading the underperformance.

Amongst major equity markets, Europe, Japan and Global Emerging Markets have all registered losses in USD in excess of 20% from their peaks to bottoms, which signalled a bear market. The only exception was the US equity market which came within 2% of reaching the 20% loss threshold. Asian equity markets, which are the centre of the US-China trade dispute, were the major casualties in 2018. Asian markets were also impacted negatively as funds moved out in favour of a stronger USD.

The US-China trade dispute over the course of 2018 was characterised by retaliatory tariffs, escalation and de-escalation. The 90-day trade truce negotiated between the US and China in December offered markets a temporal reprieve, but it was ultimately lacking in details and did not manage to alleviate investor concerns over the prospect of a protracted trade war.

Moreover, the US Federal Reserve (Fed) ploughed ahead with its fourth rate hike of the year in December despite broader market concerns over underperforming risk assets. Overall, US Treasury yields moved higher in 2018, despite the rally in US Treasuries in 4Q2018. The benchmark 10-year US Treasury yield rose from 2.46% at the start of the year, to end the year higher at 2.68%. Elsewhere in Europe, the European Central Bank (ECB) formally ended its Quantitative Easing scheme in December. The ECB however indicated that it would continue reinvesting cash from maturing bonds for an extended time period, past the date when it starts raising the key ECB interest rates, for as long as necessary.

Over in Asia, the Chinese authorities unveiled a package of targeted stimulus policies – ranging from tax cuts to special bonds for infrastructure investment – to boost domestic demand. On the policy front, the People's Bank of China (PBOC) stepped in to support the RMB with the re-introduction of the "counter-cyclical" factor in currency fixing and by raising the cost of shorting the currency with the implementation of a 20% reserve requirement on FX contracts. China's full year gross domestic product (GDP) growth print for 2018 moderated to 6.6%, and the Chinese authorities retain their leeway to implement more pro-active policy measures and introduce further monetary easing as needed, so as to support GDP growth and employment and thus, preserve stability.

Market Outlook

Our investment strategy is characterised by being defensive, calibrated and nimble. For most of the year, our allocation to growth assets or equities had been in the 40% to 60% range. This is far below the reference benchmark exposure of nearly 80% (the reference benchmark allocates 70% to Equities, 10% to REITs, 10% to Private Equity and 10% to Credits). We have a sizable exposure to the US equity market, which was reduced sharply in November-December, as we recognise that the bear market in equities has spread to the US. We have put in place a buy program but only after equities have fallen further, thus providing investors with a more attractive valuation.

Looking ahead, we have identified two major headwinds. First is the pace of monetary tightening. Although the Fed's policy is an important consideration, other major central banks like the ECB, the Bank of Japan and the PBOC are important deciding players that will impact global liquidity. Second, we recognise that the US is in a late cycle expansion, after reaching its 10th year of economic growth. We expect a slowdown in the US to take place in 2019 and 2020. A recession cannot be ruled out. Against these medium-term headwinds, the near term drivers of financial assets include the trend of the USD and the outcome of the US-China trade talks. We will maintain a defensive stance and adopt a disciplined approach to adding growth assets in 2019.

RISKS

Income's ILP sub-funds are intended for long-term investment, it is not suited for any short-term speculation.

Multi-Asset Premium Fund

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.

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

Multi-Asset Premium Fund

	Expense ratio	Turnover ratio
As of 31 December 2018	2.46%	41.75%

Expense/Turnover ratio is for the period under review from 27 April 2018 to 31 December 2018.

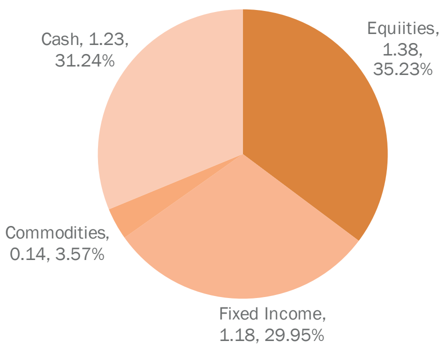
Fullerton Premium Fund Class C

	Expense ratio	Turnover ratio
As of 31 December 2018	2.05%	122.56%

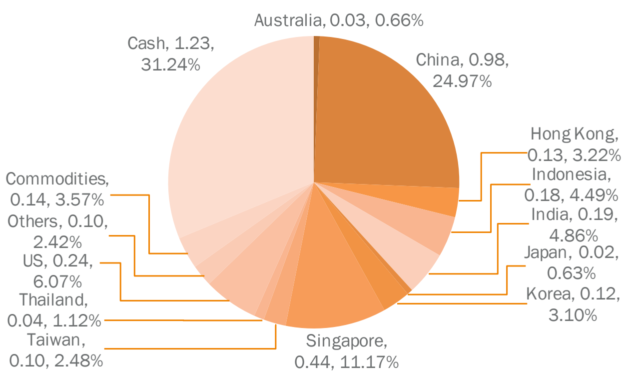
Expense/Turnover ratio is for the period under review from 2 March 2018 to 31 December 2018.

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

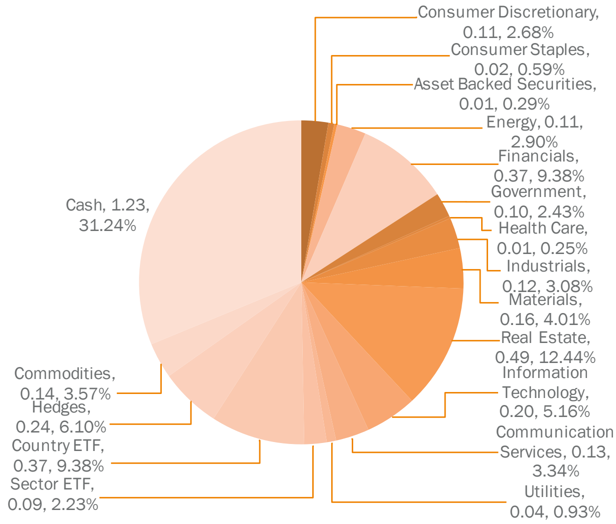
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	0.00	0.04
AA	0.04	1.11
A	0.04	0.92
BBB	0.26	6.54
BB	0.28	7.04
B	0.56	14.28
CCC	0.00	0.00
CC	0.00	0.02
C	0.00	0.01
Total	1.18	29.95

Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	-
Purchase of units	5,968,128
Redemption of units	(1,457,860)
Dividend distribution	(50,371)
Net investment income/(loss)	(532,097)
Value of fund as of 31 December 2018	3,927,800

Units in issue	4,627,495
Net asset value per unit	
- at the beginning of the year	-
- as of 31 December 2018	0.849

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Fullerton Premium Fund	3.93	100.05

BORROWINGS

Nil.

Multi-Asset Premium Fund

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, there is no management fee paid or payable by the sub-fund to the Investment Manager.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Fullerton

Fullerton may and intend to receive or enter into soft-dollar commissions/arrangements in our management of the portfolio. Fullerton will comply with applicable regulatory and industry standards on soft dollars. Such soft dollar commissions include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis for investments managed for clients.

Soft dollar commissions/arrangements will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

Fullerton will not accept or enter into soft dollar commissions/arrangements unless such soft dollar commissions/arrangements would, in Fullerton's opinion, assist them in their management of the portfolio, providing that Fullerton ensures at all times that best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

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.

Fullerton

Fullerton is of the view that there are no conflicts of interests in managing the portfolio. Under the conditions of its license, Fullerton is required to conduct its business in a manner so as to avoid conflicts of interests, and ensure that any conflicts of interests arising are resolved fairly and equitably. In addition, as a member of the Investment Management Association of Singapore ("IMAS"), Fullerton adopts the principles and standards of investment conduct, which includes ensuring fair allocation, as set out in the IMAS Code of Ethics & Standards of Professional Conduct.

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

Nil.

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.

Prime Fund

INVESTMENT OBJECTIVE

The objective of this sub-fund is to achieve long-term capital appreciation by investing in Asian equities and in Singapore bonds.

INVESTMENT SCOPE

The sub-fund invests primarily 60% of its assets in Asian equities and 40% in the Singapore Bond Fund. The investment scope for Asian equities is mainly in Singapore (30%), Hong Kong (20%) and Thailand (10%). The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	2 August 1973
Fund Size	S$248.76 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.0% p.a. 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.
Custodian	The Bank of New York Mellon
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
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Manager	Fullerton Fund Management Company Ltd
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% 3-month SIBOR
Structure	Single Fund

TOP 10 HOLDINGS^

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Singapore Bond Fund	99.26	39.90	Singapore Bond Fund	100.90	39.56
DBS Group Holdings Ltd	14.30	5.75	DBS Group Holdings Ltd	15.72	6.16
Oversea-Chinese Banking Corp	12.87	5.17	Oversea-Chinese Banking Corp	13.50	5.29
AIA Group Ltd	9.31	3.74	Tencent Holdings Ltd	11.80	4.63
Tencent Holdings Ltd	7.53	3.03	PING AN Insurance Group Co	7.24	2.84
HSBC Holdings Plc	7.35	2.95	HSBC Holdings Plc	6.67	2.61
Singapore Telecommunications Ltd	6.88	2.77	Thai Beverage PCL	6.27	2.46
Industrial & Commercial Bank of China Ltd	6.70	2.69	AIA Group Ltd	5.77	2.26
Jardine Strategic Holdings Ltd	6.63	2.67	UOL GROUP LIMITED SGD1	5.59	2.19
Singapore Technologies Engineering Ltd	6.24	2.51	Singapore Telecommunications Ltd	5.31	2.08

^ Please refer to Singapore Bond Fund for the top 10 holdings.
Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. Fullerton Fund Management Company Ltd is the Sub-Investment Manager of the sub-fund.

The sub-fund invests significantly in the Singapore Bond Fund which is managed by NTUC Income Insurance Co-operative Limited and sub-managed by Fullerton Fund Management Company 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.

Prime Fund

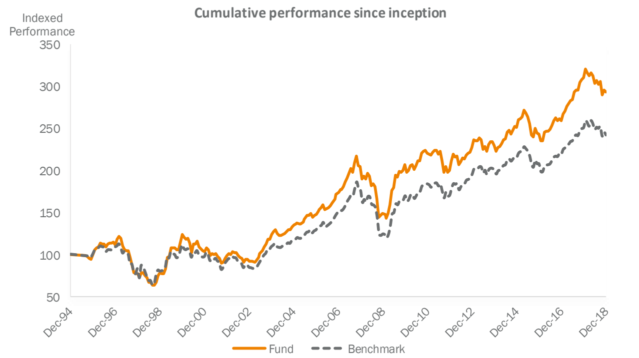
As of 31 December 2018, Income had S$36.01 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 31 December 2018, Fullerton Fund Management's assets under management was S$45.94 billion.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Prime Fund	-0.96%	-3.98%	-3.55%	-5.57%
Benchmark	-1.40%	-3.99%	-2.57%	-3.49%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Prime Fund	6.36%	4.97%	7.00%	8.30%
Benchmark	5.23%	3.88%	6.91%	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.

Volatility

	3-year (annualised)
Prime Fund	6.72%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

After a stellar 2017 which saw equity markets in Asia ex Japan generate some 37% in returns (USD terms), 2018 saw Asian equities fall, on the back of concerns pertaining to US rate normalisation, the US-China trade war, geopolitical uncertainties, fluctuating commodity prices with a sustained weakness in oil prices being a particular worry, as well as a strong USD.

Investors remained cautious even towards the end of the year, despite a 90-day trade truce negotiated between US and China. Moreover, the US Federal Reserve (Fed) increased its target for the benchmark Fed funds rate for the fourth time in December, amid expectations for two more hikes in 2019, and this further dampened sentiment.

On the growth front, Asian economies were however relatively resilient, albeit decelerating into 3Q18. Specifically for Singapore, the economy saw slower growth in 4Q18 at 2.2%yoy, a modest drop from a previous 2.3%yoy figure in 3Q18 but also the lowest year-on-year growth since 3Q16. Notably, the slowdown in the fourth quarter was broad-based, supported mainly by a fairly resilient manufacturing performance. Singapore's manufacturing growth started strong in 1H18 (1Q18: 10.8%yoy and 2Q18: 10.7%yoy versus 2017 full-year growth of 10.1%). The manufacturing Purchasing Managers Index (PMI) peaked at 53 in March 2018, but eased later in the second half of the year, to finally register at 51.5 in November 2018. Meanwhile, the construction sector remained a laggard, having been on a contracting trend since 3Q16, with the latest 4Q18 print at -2.2%yoy amid weakness in public sector construction activities. Overall, Singapore registered a 3.3%yoy Gross Domestic Product (GDP) growth in 2018, down from 3.6% in 2017 but within the government's 3-3.5%yoy forecast range.

In Thailand, growth in 2018 started off strongly at 4.9%yoy in 1Q18 before slowing to 4.6%yoy in 2Q18 and 3.3% in 3Q18. Private consumption was the main driver of growth as it accelerated over the three quarters from 3.7%yoy for 1Q18 to 5%yoy for 3Q18, with consumer confidence being stronger than the previous year. Meanwhile, government consumption has been more stable in 2018 and grew at around 2% for the first three quarters. Exports grew strongly in the first half of the year but experienced a decline in the third quarter as deliveries to China slumped. Trade in the fourth quarter also saw weakening export growth amid global trade tensions, but import growth was robust, reflecting firming domestic demand. Lastly, investment growth was strong and stable throughout 2018 in the range of 3–4%.

Elsewhere in Hong Kong, economic growth slowed since 2Q18. GDP growth reached a two-year low of 2.9%yoy in 3Q18, as both private consumption and service exports weakened. Since late September, the economy has faced multiple headwinds including China's slowdown, higher borrowing costs as well as ripple effects from the US-China trade war. These caused key pillar industries to lose momentum, diminishing private spending growth and external demand amid an ongoing cooling of the property market. In terms of manufacturing, Hong Kong's average PMI reading over the last quarter was slightly under 3Q18's already feeble showing, caused primarily by weak mainland demand and trade concerns. The manufacturing PMI reached 47.1 in November, the lowest print since June 2016. Meanwhile, after a decent print in October, retail sales were meek in November despite high inflows of Chinese tourists.

Turning to central bank actions, policymakers in the region generally embarked on a tightening path in 2018. The Monetary Authority of Singapore (MAS) normalised the Singapore dollar nominal effective exchange rate (S$NEER) by twice steepening the gradient in 2018, as local rates continued to play catch-up to the USD rates. The first tightening took place in April, following two years of a neutral policy stance. Then in October, the MAS again increased the slope, to ensure medium term price stability. Meanwhile, the Bank of Thailand (BOT) initially bucked the tightening trend and stood out as the exception holding its benchmark rate steady throughout most of 2018, as the economy grew on a steady path and inflation remained subdued while the THB weakened much less than other regional currencies. Eventually though, the BOT hiked rates in December 2018, given concerns about financial vulnerabilities.

Lastly, the Hong Kong Monetary Authority raised the city's base lending rate for four times in 2018, moving in lockstep with the Fed rate's increases, to maintain the local currency's peg to the USD. The four increases added one full percentage point to Hong Kong's base lending rate, at 2.75%. During the year, Hong Kong banks raised benchmark lending rates for first time in 12 years, after the Hong Kong Interbank Offered Rate surged to its highest levels since 2008 on the back of tightened liquidity. This increased the cost of home mortgage repayments and added pressure to the city's real estate sector, as loan growth, consumer sentiment and housing demand began weakening from September.

Market Outlook

Ongoing US-China trade tensions, political uncertainty (upcoming elections in Asia and the UK's exit from the European Union) and US interest rate directions are likely to result in another rollercoaster year for equities. Specifically in Asia, the export cycle is stalling as the lagged impact of trade tensions and slower growth in the developed markets take its toll. Nevertheless, policy support in China is likely to buttress the largest economy in Asia, and thus provide some buffer to regional growth.

All things considered, we see resilient Asian economic growth, lower oil prices, a pause in the Fed rate hike cycle and limited USD strength providing support to equities. After the recent market correction, valuations in Asia are also attractive both on a historical and relative basis, although downward earnings per share revisions continue across most Asian sectors. With greater volatility in financial markets, we believe sharp swings in sentiment can present opportunities to invest in names that may have been mispriced. We continue to be disciplined, maintaining our focus on bottom-up security selection, which we expect to play a greater role in generating returns this year.

RISKS

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.

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.

More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

Prime Fund

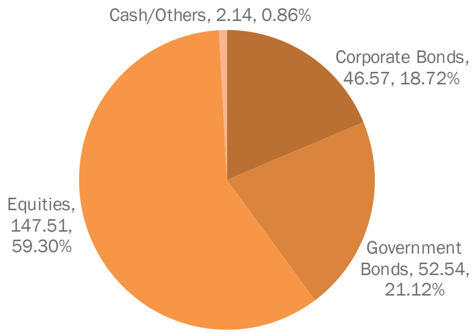
	Expense ratio	Turnover ratio
As of 31 December 2018	1.06%	27.19%
As of 31 December 2017	1.06%	31.92%

Singapore Bond Fund

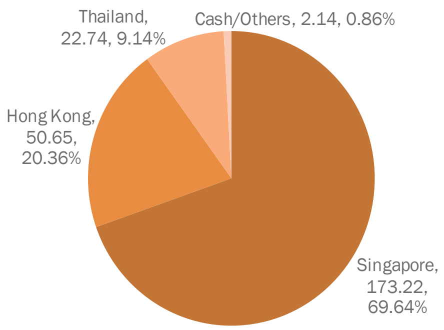
	Expense ratio	Turnover ratio
As of 31 December 2018	0.52%	32.17%
As of 31 December 2017	0.52%	54.10%

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

ASSET ALLOCATION AS OF 31 DECEMBER 2018

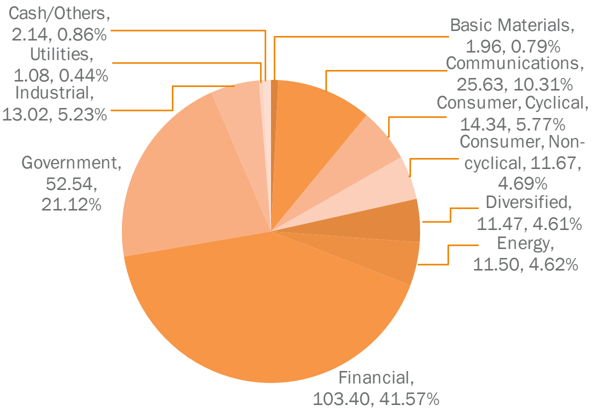


COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



Prime Fund

SECTOR ALLOCATION AS OF 31 DECEMBER 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	49.46	19.88
AA+	0.66	0.27
AA	5.61	2.25
A+	4.69	1.88
A	7.80	3.14
A-	2.48	1.00
BBB+	1.55	0.62
BBB	7.96	3.20
BBB-	2.35	0.95
Not rated	16.55	6.65
Total	99.11	39.84

'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: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	255,079,029
Purchase of units	31,973,607
Redemption of units	(23,565,009)
Net investment income/(loss)	(12,653,889)
Management fees & other charges	(2,076,100)
Value of fund as of 31 December 2018	248,757,638

Units in issue	29,345,534
Net asset value per unit	
- at the beginning of the year	8.977
- as of 31 December 2018	8.477

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	2,849	-

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Singapore Bond Fund	99.26	39.90
HKT Trust & HKT Limited	3.22	1.29
Mapletree Commercial Trust	2.01	0.81
Far East Hospitality Trust	1.20	0.48

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$2,076,100.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Fullerton

Fullerton may and intend to receive or enter into soft-dollar commissions/arrangements in our management of the portfolio. Fullerton will comply with applicable regulatory and industry standards on soft dollars. Such soft dollar commissions include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis for investments managed for clients.

Soft dollar commissions/arrangements will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

Fullerton will not accept or enter into soft dollar commissions/arrangements unless such soft dollar commissions/arrangements would, in Fullerton's opinion, assist them in their management of the portfolio, providing that Fullerton ensures at all times that best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

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.

Fullerton

Fullerton is of the view that there are no conflicts of interests in managing the portfolio. Under the conditions of its license, Fullerton is required to conduct its business in a manner so as to avoid conflicts of interests, and ensure that any conflicts of interests arising are resolved fairly and equitably. In addition, as a member of the Investment Management Association of Singapore ("IMAS"), Fullerton adopts the principles and standards of investment conduct, which includes ensuring fair allocation, as set out in the IMAS Code of Ethics & Standards of Professional Conduct.

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

Nil.

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 via instruments that are Syariah compliant. The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 31 DECEMBER 2018

Launch Date	1 September 1995
Fund Size	S$17.02 million
Initial Sales Charge	Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP.
Annual Management Fee	1.0% p.a. 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 in time.
Custodian	The Bank of New York Mellon
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Fund Manager	NTUC Income Insurance Co-operative Limited
Sub-Investment Manager	Wellington Management Singapore Pte Ltd (WMS)
Benchmark	S&P BMI Global Shari'ah Index in Singapore Dollars
Structure	Single Fund

TOP 10 HOLDINGS

December 2018	Market Value S$ (mil)	% of Net Asset Value	December 2017	Market Value S$ (mil)	% of Net Asset Value
Microsoft Corporation	0.63	3.72	Apple Inc	0.57	2.93
Alphabet Inc	0.57	3.36	Alphabet Inc Class A	0.52	2.67
Nestle SA	0.46	2.70	Pepsico Inc	0.41	2.11
Visa Inc	0.39	2.30	Facebook Inc	0.40	2.07
Tencent Holdings Ltd	0.33	1.95	Visa Inc	0.35	1.77
Novartis AG	0.32	1.87	Tencent Holdings Ltd	0.34	1.74
Unilever Plc	0.29	1.70	Bristol-Myers Squibb Co	0.34	1.72
Alibaba Group Holdings	0.27	1.58	Unilever Plc	0.32	1.64
Exxon Mobil	0.27	1.57	Microsoft Corp	0.32	1.63
Home Depot Inc	0.26	1.53	Nestle SA	0.31	1.61

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.

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.

As of 31 December 2018, Income had S$36.01 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

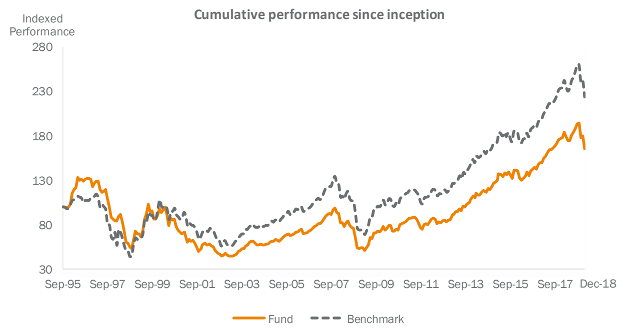
Takaful Fund

Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in 60 countries, as of 31 December 2018. 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	-8.19%	-14.86%	-10.03%	-6.72%
Benchmark	-7.75%	-13.99%	-9.04%	-4.60%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Takaful Fund	5.60%	8.10%	11.91%	2.17%
Benchmark	6.80%	7.86%	11.72%	3.51%



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 calculations.

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.

Volatility

	3-year (annualised)
Takaful Fund	10.64%

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.

MARKET REVIEW

Market Review

In the third quarter of 2018, global equities posted positive results for the second straight quarter, extending their year-to-date gain to 6.0%. Global markets stabilised in the wake of robust US economic data while political uncertainty and trade concerns weighed on other regions. US and China trade relations remained volatile, as US tariffs on approximately US$200 billion of Chinese imports took effect in September. China promptly retaliated with tariffs on about US$60 billion of US exports. Emerging markets volatility spiked after Turkey's financial crisis rattled global markets, but receded at the end of the quarter. Oil approached a four-year high amidst global supply uncertainties and strong global growth. Oil inventories declined after OPEC refrained from increasing output and as the first round of US sanctions on Iran went into effect. On the monetary front, the US Federal Reserve (Fed), the Bank of England, and the Bank of Canada raised interest rates by 25 basis points (bps). The European Central Bank (ECB) remained dovish, leaving rates unchanged and reiterating its pledge to keep them low at least until the summer of 2019.

In the fourth quarter, global equities tumbled, posting their worst quarterly return since September 2008 and ending 2018 in negative territory. Concerns about slowing global growth weighed heavily on the markets. China's economy grew at the slowest pace in a decade, and economic growth in the Eurozone slowed sharply. Geopolitical risks remained elevated despite some positive developments, including a US and China trade truce, Theresa May's survival of a no-confidence vote, and a budget plan compromise between Italy and the European Union (EU). On the monetary policy front, the Fed raised rates by 25 bps, to the highest level in a decade. The ECB concluded its asset purchase program, but announced that it will continue its reinvestment policy for an extended period after the first interest rate hike, slated for the second half of 2019. The People's Bank of China reduced the reserve requirement ratio by 100 bps in an effort to spur growth.

Market Outlook

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

Energy stocks have been negatively affected by a decline in oil prices worldwide, and despite the cut announced by the Organisation of the Petroleum Exporting Countries, we do not anticipate a material change to the oil price. We continue to favour stocks that have exposure to both upstream and downstream activities, those with financial flexibility, and Permian Basin stocks that have significant inventories but trade cheaply due to negative sentiment, which we believe is overdone. We have added on the margin to our positions in Exxon given its attractive valuation, exposure to upstream and downstream, and flexibility to expand capex at an opportune time. In the Permian, following a recent share price pullback, we added to Diamondback and Concho, which should benefit from scale and size to drive growth.

In the technology sector, we acknowledge shifting industry dynamics due to a tariff-induced spending pause and probable inventory build-up ahead of tariff implementation. We are focusing on companies exposed to 5G infrastructures as potential areas for growth. Marvell remains a top holding in the technology sector given the quality of its management team, strong position in networking and storage, and improving cost structure. Additionally, we initiated a new position in Xilinx, another semiconductor company, which will also benefit from 5G infrastructure buildout. We are avoiding the smartphone supply chain generally, and the iPhone chain specifically, expressing this through our underweight to Apple due to increasing uncertainty around the new iPhone product cycle. Recent surveys suggest consumer intentions to buy the new iPhone are down significantly year-on-year. This underweight proved beneficial to relative results this period. Lastly, we are leaning into high quality names that have declined in price and represent attractive valuation opportunities; these include not only Marvell and Xilinx, but also KLA-Tenor Corp.

Within the consumer space, we evaluated and prepared for the impact of tariffs, which have the potential to have wide-ranging impacts within the retail industry. We are focused on several sub-industries, including off-price retailers (TJ Maxx), strong global brands (Nike) and franchised restaurants (McDonald's), which happen to be more defensive areas and in our view a prudent place to invest given the unpredictability of the size and scope of future tariffs. We chose to be underweight retailers who source heavily from China, companies that sell other brands (distributors), those with low margins and no pricing power, and those with excess financial leverage.

RISKS

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.

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.

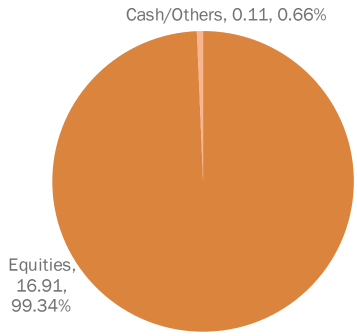
More information on the risks of the sub-fund can be found in the Fund Summary and Product Highlights Sheet.

EXPENSE AND TURNOVER RATIO

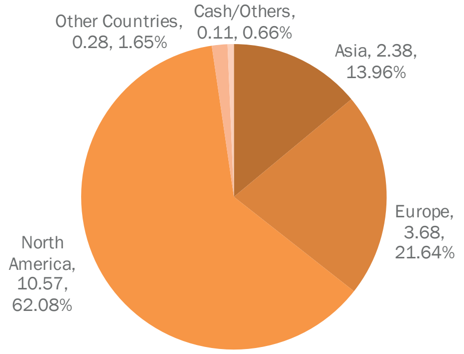
	Expense ratio	Turnover ratio
As of 31 December 2018	1.28%	43.54%
As of 31 December 2017	1.24%	38.17%

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

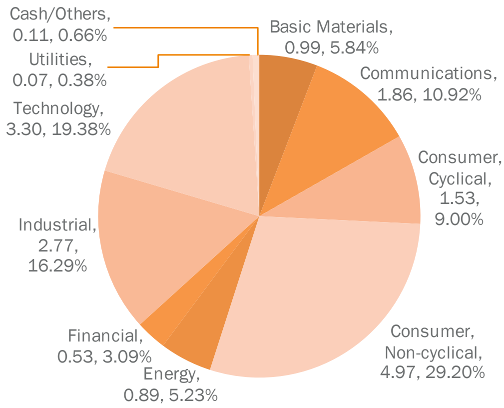
ASSET ALLOCATION AS OF 31 DECEMBER 2018



COUNTRY ALLOCATION AS OF 31 DECEMBER 2018



SECTOR ALLOCATION AS OF 31 DECEMBER 2018



Important: Refers to market value in S$ (mil) and % of Net Asset Value. Any difference in the total and percentage of the Net Asset Value is the result of rounding.

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under the Takaful Fund.

Takaful Fund

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2018

	S$
Value of fund as of 1 January 2018	19,516,755
Purchase of units	1,087,210
Redemption of units	(2,370,448)
Net investment income/(loss)	(1,017,581)
Management fees & other charges	(194,447)
Value of fund as of 31 December 2018	17,021,489

Units in issue	12,645,492
Net asset value per unit	
- at the beginning of the year	1.443
- as of 31 December 2018	1.346

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(9)	<0.01	2,298	(9)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2018	Market Value S$ (mil)	% of Net Asset Value
Public Storage	0.05	0.28
Link REIT	0.04	0.24
Camden Property Trust	0.03	0.17
Unite Group PLC	0.02	0.11

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$194,447.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

Income

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

Wellington

The 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 has been received/ entered into by the Sub-Investment Manager in respect of the ILP. 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 reasonably, assist the Sub-Investment Manager in the management of the ILP and that the trades were executed on a best execution basis. The Sub-Investment Manager took all reasonable steps to obtain the best possible result of the ILP, 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

Nil.

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 2018	124,799,846	254,508,619	321,427,552	162,395,417
Purchase of units	6,665,980	23,518,038	24,375,725	18,809,135
Redemption of units	(17,069,737)	(30,895,543)	(44,745,631)	(23,874,180)
Dividend distribution	-	-	-	-
Net investment income/(loss)	775,877	(8,351,599)	6,513,020	(10,963,538)
Management fees & other charges	(1,034,003)	(3,139,930)	(1,575,052)	(1,017,747)
Value of fund as of 31 December 2018	114,137,963	235,639,585	305,995,614	145,349,087

	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 2018	143,154,219	173,729,150	12,370,357	254,549,135
Purchase of units	25,128,633	6,952,199	540,557	12,093,141
Redemption of units	(18,734,759)	(15,737,633)	(935,147)	(23,041,484)
Dividend distribution	-	-	-	-
Net investment income/(loss)	(11,818,878)	(3,593,773)	(141,373)	(8,302,122)
Management fees & other charges	(176,535)	(513)	(1,201)	13
Value of fund as of 31 December 2018	137,552,680	161,349,430	11,833,193	235,298,683

Financial Statements

CAPITAL AND INCOME ACCOUNT

	Singapore Managed Fund	Aim Now Fund	Aim 2025 Fund	Aim 2035 Fund
	S$	S$	S$	S$
Value of fund as of 1 January 2018	90,313,673	85,115,743	16,743,975	22,813,341
Purchase of units	7,221,985	12,733,175	3,263,202	2,479,260
Redemption of units	(10,047,361)	(25,867,795)	(1,771,777)	(1,969,855)
Dividend distribution	-	(1,623,506)	-	-
Net investment income/(loss)	(3,550,770)	(872,437)	(709,401)	(1,584,322)
Management fees & other charges	(701,272)	(423,299)	(147,675)	(206,197)
Value of fund as of 31 December 2018	83,236,255	69,061,881	17,378,324	21,532,227

	Aim 2045 Fund	Money Market Fund	Asian Bond Fund	Asian Income Fund
	S$	S$	S$	S$
Value of fund as of 1 January 2018	26,852,217	15,075,885	31,940,764	606,311,904
Purchase of units	4,828,588	28,435,837	12,669,996	203,893,645
Redemption of units	(2,075,075)	(30,122,547)	(10,327,157)	(46,020,970)
Dividend distribution	-	-	(1,515,173)	(32,327,704)
Net investment income/(loss)	(2,251,920)	223,831	(1,362,327)	(29,156,301)
Management fees & other charges	(255,263)	(37,445)	-	-
Value of fund as of 31 December 2018	27,098,547	13,575,561	31,406,103	702,700,574

	Global Income Fund	Global Technology Fund	Multi-Asset Premium Fund	Prime Fund	Takaful Fund
	S$	S$	S$	S$	S$
Value of fund as of 1 January 2018	91,108,689	82,969,255	-	255,079,029	19,516,755
Purchase of units	28,599,356	20,249,947	5,968,128	31,973,607	1,087,210
Redemption of units	(22,551,778)	(20,956,893)	(1,457,860)	(23,565,009)	(2,370,448)
Dividend distribution	(4,605,330)	-	(50,371)	-	-
Net investment income/(loss)	(5,737,772)	(648,206)	(532,097)	(12,653,889)	(1,017,581)
Management fees & other charges	-	(1,102,738)	-	(2,076,100)	(194,447)
Value of fund as of 31 December 2018	86,813,165	80,511,365	3,927,800	248,757,638	17,021,489

Financial Statements

BALANCE SHEET

	Global Bond Fund	Global Equity Fund	Singapore Bond Fund	Singapore Equity Fund	Asia Managed Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	-	230,440,851	-	143,942,789	137,441,209
Debt securities	108,147,143	-	305,538,143	-	-
Financial derivatives	1,266,008	-	-	2,144	-
Other receivables and assets	1,610,470	431,407	332,798	368,116	380,760
Cash and cash equivalents	4,989,187	17,073,668	591,807	1,485,331	4,549,853
Total assets	116,012,808	247,945,926	306,462,748	145,798,380	142,371,822
LIABILITIES					
Financial liabilities					
Financial derivatives	1,509,589	6,799	12,696	-	-
Other payables and liabilities	365,256	12,299,542	454,438	449,293	4,819,142
Total liabilities	1,874,845	12,306,341	467,134	449,293	4,819,142
Value of fund	114,137,963	235,639,585	305,995,614	145,349,087	137,552,680
Units in issue	72,021,507	73,921,531	162,342,561	45,434,620	46,147,048
Net asset value per unit					
- at the beginning of the year	1.588	3.373	1.853	3.465	3.245
- as of 31 December 2018	1.585	3.188	1.885	3.199	2.981

	Global Managed Fund (Balanced)	Global Managed Fund (Conservative)	Global Managed Fund (Growth)	Singapore Managed Fund	Aim Now Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	161,215,191	11,657,696	235,123,694	82,442,852	67,156,047
Debt securities	-	-	-	-	-
Financial derivatives	-	-	-	-	210,119
Other receivables and assets	557,841	47,179	1,088,271	157,362	45,938
Cash and cash equivalents	200,757	155,625	207,827	895,935	2,385,969
Total assets	161,973,789	11,860,500	236,419,792	83,496,149	69,798,073
LIABILITIES					
Financial liabilities					
Financial derivatives	-	-	-	-	9,237
Other payables and liabilities	624,359	27,307	1,121,109	259,894	726,955
Total liabilities	624,359	27,307	1,121,109	259,894	736,192
Value of fund	161,349,430	11,833,193	235,298,683	83,236,255	69,061,881
Units in issue	72,968,584	6,073,248	97,341,528	28,608,989	75,493,320
Net asset value per unit					
- at the beginning of the year	2.261	1.972	2.504	3.060	0.949
- as of 31 December 2018	2.211	1.948	2.417	2.909	0.915

Financial Statements

BALANCE SHEET

	Aim 2025 Fund	Aim 2035 Fund	Aim 2045 Fund	Money Market Fund	Asian Bond Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	16,657,814	20,768,061	25,635,686	-	31,566,362
Debt securities	167,650	265,445	836,252	14,312,361	-
Financial derivatives	58,435	60,211	61,898	-	-
Other receivables and assets	4,250	18,658	31,161	4,712	1,322,105
Cash and cash equivalents	727,868	827,332	1,252,356	548,199	135,787
Total assets	17,616,017	21,939,707	27,817,353	14,865,272	33,024,254
LIABILITIES					
Financial liabilities					
Financial derivatives	2,675	12,270	13,956	-	-
Other payables and liabilities	235,018	395,210	704,850	1,289,711	1,618,151
Total liabilities	237,693	407,480	718,806	1,289,711	1,618,151
Value of fund	17,378,324	21,532,227	27,098,547	13,575,561	31,406,103
Units in issue	12,301,938	14,081,834	17,656,522	11,488,821	35,992,593
Net asset value per unit					
- at the beginning of the year	1.484	1.657	1.680	1.165	0.954
- as of 31 December 2018	1.413	1.529	1.535	1.182	0.873

	Asian Income Fund	Global Income Fund	Global Technology Fund	Multi-Asset Premium Fund	Prime Fund	Takaful Fund
	S$	S$	S$	S$	S$	S$
ASSETS						
Financial assets						
Equities	701,433,509	87,121,016	75,909,614	3,929,928	246,767,678	16,908,422
Debt securities	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-
Other receivables and assets	6,422,170	1,683,423	843,958	80,053	417,066	5,866
Cash and cash equivalents	3,271,575	213,038	4,471,673	36,779	2,538,667	246,826
Total assets	711,127,254	89,017,477	81,225,245	4,046,760	249,723,411	17,161,114
LIABILITIES						
Financial liabilities						
Financial derivatives	-	-	159	-	-	9
Other payables and liabilities	8,426,680	2,204,312	713,721	118,960	965,773	139,616
Total liabilities	8,426,680	2,204,312	713,880	118,960	965,773	139,625
Value of fund	702,700,574	86,813,165	80,511,365	3,927,800	248,757,638	17,021,489
Units in issue	784,078,610	110,872,196	120,740,363	4,627,495	29,345,534	12,645,492
Net asset value per unit						
- at the beginning of the year	0.984	0.877	0.684	-	8.977	1.443
- as of 31 December 2018	0.896	0.783	0.667	0.849	8.477	1.346

Notes to The Financial Statements

These notes form an integral part of the financial statements.

1 Significant Accounting Policies

(a) Basis of preparation

The financial statements of the NTUC Income Funds have been prepared on the historical cost basis, except for investments and derivatives which are stated at fair value.

The financial statements of the NTUC Income Funds are expressed in Singapore Dollars.

(b) Recognition of income and expenses

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

Interest income on bank deposits is recognised on a time-proportionate basis using the effective interest method.

Expenses are recognised on an accrual basis.

(c) Investments

All purchases of investments are recognised on their trade dates, which are the date the commitment exists to purchase the investments. The investments are initially recorded at fair value, being the consideration given and excluding acquisition charges associated with the investments. These acquisition charges are recognised in the Capital and Income Account when incurred. After initial recognition, the unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account. The quoted market price at the close of trading is adopted for all equity investments. Equity investments comprise the direct investments in equity securities and investments in funds. The bid price has been adopted for all fixed income investments. Unquoted fixed income securities are valued at bid prices quoted by banks, inclusive of accrued interest.

(d) Derivative financial instruments

Derivative financial instruments are measured at initial recognition, and subsequently, at fair value and changes in fair value are recognised in the Capital and Income Account. Transaction costs incurred in buying and selling derivative instruments are recognised in the Capital and Income Account when incurred. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The fair value of a derivative financial instrument is determined by reference to its quoted price if quoted prices are regularly available from an exchange, dealer, or broker and there are regularly recurring market transactions in the instrument.

(e) Realised gains/losses from sale of investments

All sales of investments are recognised on their trade dates, which are the date the fund commits to sell the investments.

Realised gains/losses from the sale of investments are taken to the Capital and Income Account.

(f) Foreign currency transactions

Foreign currency transactions are translated into the functional currency, Singapore Dollars, at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at the reporting date.

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