Semi-Annual Fund Report

for the half year as of 30 June 2016

income made different

Contents

MESSAGE

1st September 2016

Dear Policyholder

The 1st half of 2016 has been a roller coaster ride for global financial markets. Renewed investor concerns over China from 2015 ensured we had a bumpy start to the year. The volatile Chinese equity markets, a sharper-than-expected depreciation of the Yuan, and a collapse in oil prices created a whirlwind of fear that sparked a sell-off in risk assets for the first two months of the year.

However, worries of a recession started to fade in subsequent months as global risk appetite was bolstered by encouraging US economic data, the European Central Bank's corporate bond purchase programme, and a firm rebound in oil and commodity prices.

Despite the improvement in sentiment across most asset markets, the financial system faced another shock as the United Kingdom unexpectedly voted in favour of leaving the European Union at the recent referendum. While "Brexit" results in bouts of price volatility in the short-term, the potential long-term ramifications are largely unknown given the complexity of the situation. The entire process is likely to be drawn out over several years.

Uncertainty dominates the current economic climate. Corporate earnings are expected to be weak for the rest of 2016, and it remains unclear if the US Federal Reserve will continue its plan to hike rates this year. The outcome of the US election later this year is another great unknown.

The 2nd half of the year is likely to see more periods of choppiness. Having weathered such periods in the past, we will continue to manage your Investment-Linked Funds with caution to meet your long-term investment objectives.

Despite a challenging market environment, I am glad to report that our funds continue to perform well. Our Investment-Linked Policies were represented among the Lipper Leader categories with the Global Managed Fund (Balanced), Global Managed Fund (Conservative), and Takaful Fund obtaining "Lipper Leader" status in the respective "Consistent Return", "Total Return" and "Preservation" metrics in the 1st quarter of 2016. Our Global Managed Fund (Growth) and AIM 2045 achieved "Lipper Leader" status in two categories, "Consistent Return" and "Total Return", in the same review.

The latest Semi-annual Fund Report for the financial period ended June 2016 can be downloaded at **www.income.com.sg/fund/coopprices.asp**. You may also access your Investment-Linked Policy statement via me@income, our online customer portal at www.income.com.sg.

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

Mark Wang
Chief Investment Officer

SUMMARY OF FUND PERFORMANCE AS OF 30 JUNE 2016

Fund	Launch Date	Fund Size (S$ million)	Performance (1 year)	Performance (2 years - Cumulative)
Core Funds				
Global Bond Fund	Jan-03	118	7.58%	8.37%
Global Equity Fund	Apr-98	238	-0.97%	8.38%
Singapore Bond Fund	Mar-00	273	7.25%	8.49%
Singapore Equity Fund	Jan-03	151	-11.50%	-7.44%
Managed Funds				
Asia Managed Fund	Sep-95	94	-1.69%	3.84%
Global Managed Fund (Balanced)	Jan-03	170	2.40%	7.22%
Global Managed Fund (Conservative)	Jan-03	12	4.55%	7.80%
Global Managed Fund (Growth)	Jan-03	236	0.28%	6.44%
Singapore Managed Fund	May-94	81	-4.34%	-1.14%
Target Maturity Funds				
AIM Now	Sep-09	114	2.93%	5.41%
AIM 2025	Sep-09	14	-1.55%	3.75%
AIM 2035	Sep-09	17	-3.51%	3.05%
AIM 2045	Sep-09	18	-4.63%	2.41%
Specialised Funds				
Money Market Fund	May-06	19	1.24%	1.69%
Thematic Funds				
Asian Income Fund	May-14	295	3.21%	9.47%
Global Income Fund	Mar-15	64	-1.25%	NA
Global Technology Fund	Aug-00	63	-6.20%	16.14%
Prime Fund	Aug-73	212	-5.52%	4.82%
Takaful Fund	Sep-95	18	-0.45%	14.24%
Average Return			**-0.64%**	**5.72%**

Notes:

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

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

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

GLOBAL BOND FUND

Investment objective

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

Investment scope

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

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

Fund details as of 30 June 2016

Launch Date	2 January 2003
Fund Size	S$117.79 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.85% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Broadly Diversified
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Australian Govt 2.75% 210424	9.6	8.1
US Treasury Infl. Index Bond 0.625% 150126	6.7	5.7
Australian Govt 1.75% 211120	6.3	5.3
Canada Govt 2.25% 010625	6.0	5.1
US Treasury Infl. Index Bond 0.125% 150420	5.3	4.5
Irish Govt 3.4% 180324	4.3	3.6
Japan Govt 20-yr 2.1% 201229	4.3	3.6
Japan Govt 20-yr 1.4% 200934	4.1	3.5
BTPS 2.7% 010347	3.9	3.3
France O.A.T 3.25% 250545	3.8	3.2

June 2015	S$ (mil)	% of Net Asset Value
Spanish Govt Bond 2.75% 311024	6.2	4.8
Japan Govt 10-yr 0.6% 200324	5.2	4.0
BTPS 4.75% 150916	5.1	4.0
US Treasury Note 2% 150225	3.4	2.7
US Treasury Infl. Index Bond 2.5% 150129	3.4	2.7
Canada Housing Trust 3.15% 150923	3.3	2.6
Deutschland Rep 3.25% 040120	3.0	2.3
Deutschland Rep 2.5% 040744	2.6	2.0
Treasury UKT 4.25% 070336	2.4	1.9
BTPS 5% 010325	2.4	1.9

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

Fund manager

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. 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 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

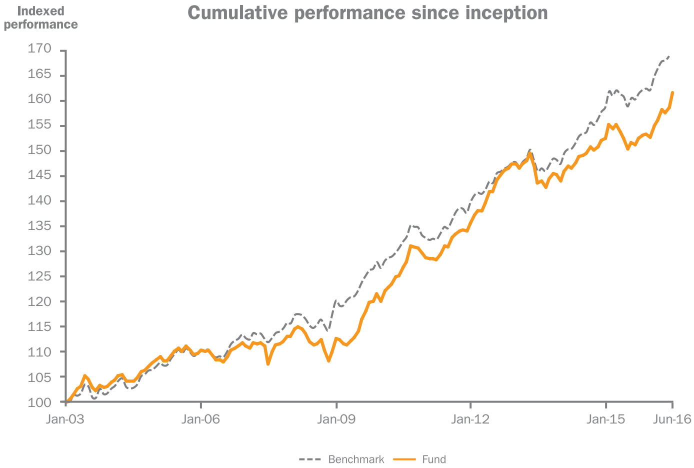
Amundi Singapore Limited*
Amundi Singapore Limited is a wholly-owned subsidiary of Amundi Asset Management. It was established in Singapore in 1989 as a business hub for Amundi's group operations in South East Asia. Amundi Singapore Limited is licensed and regulated by the Monetary Authority of Singapore and has been managing collective investment schemes and/or discretionary funds since 1989. It is also one of Amundi's group global investment centres responsible for Global and Asian Fixed Income as well as Asian Equities investment management. It has S$13.2 billion in assets under management as of 30 June 2016.

*With effect from 29 April 2016, Amundi Singapore Limited has replaced Pacific Investment Management Company LLC (PIMCO LLC) as the Sub-Investment Manager of the Global Bond Fund.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
Global Bond Fund	1.9%	2.1%	5.8%	7.6%
Benchmark	1.9%	2.6%	6.2%	8.4%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Bond Fund	4.1%	4.3%	4.1%	3.6%
Benchmark	5.7%	5.0%	4.7%	4.1%



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

Market review

In 1st quarter of 2016, we witnessed a remarkable "V" shaped rally. After one of the worst Januarys in recent memory and a volatile but still difficult month for risk in February, March saw a significant rebound for the vast majority of risk assets with positive momentum right up until month end.

January started with global equity markets falling about 10.0% in the first fortnight on weak renminbi (RMB), turmoil in the Chinese equity markets, commodity prices falling lower generally and oil breaking below the US$30 per barrel floor specifically. In the absence of any circuit breaker, oil prices continued to tumble, RMB remained soft and the negative sentiment towards the banking sector was compounded repo rate cuts.

The catalyst for the robust rebound in the 2nd half of February was a rebound in oil prices on renewed rumours of production cuts, which propped up risk asset prices generally. This was further supported by the first communication in several months from the Governor of the People's Bank of China, aiming to reassure the market about the state of the Chinese economy. Oil continued to stabilise and US economic surprises started to significantly beat (low) expectations.

2nd quarter of 2016 started with risk assets doing well as good sentiment prevailed through April as Chinese data stabilised, the price of oil and commodities appeared to be recovering, capped off by a dovish US Federal Reserve (Fed). Elsewhere, the good sentiment was helped by easing actions by Sweden where Quantitative Easing was increased and by Australia which cut rates in the wake of weak commodity prices. In the UK, uncertainty started creeping in as the June 23rd referendum on whether the UK wanted to stay or leave the European Union (EU) became more prominent and signs of a pullback in investment started manifesting themselves in weaker gross domestic product (GDP) numbers such as the disappointing 1st quarter number of 0.4%. However, sentiments improved after Federal Open Market Committee minutes showed that the Fed was optimistic on the US economy and was possibly looking to hike again as soon as December 2016, which caused longer dated treasuries to rise.

In Europe, things were not as rosy as in the US; the European Commission downgraded the expected GDP for a number of countries and further reduced their inflation forecast for the year to 0.2%. UK gilts benefitted from ebbing confidence as the date of the referendum approached, and UK manufacturing Purchasing Managers Index numbers came in below 50, signalling a slowdown. Markets were left shocked after the results showed that the leave voters had a marginal victory over those wanting to remain in the EU. In the immediate aftermath, the Sterling fell to 30-year lows against the dollar as it went to around 1.30 USD per GBP. The UK 10-year yield fell from 1.3% to well below 1.0% by month-end as investors sought safe haven assets and also expected that the Bank of England would initiate some form of easing to stimulate the economy should it start to slow in the wake of the Brexit vote.

2nd quarter of 2016 was relatively uneventful in terms of activity from the Bank of Japan. However, a persistent disinflationary environment did help Japanese government bonds to perform through the quarter.

Market Outlook

We expect the weak global economic recovery to continue with the US growing at 2.0%-2.5% and the US inflation slowly increasing. Indeed this is supported by recent US economic data. The Brexit vote, however, presents a new source of downside risks that need to be analysed.

Brexit is a clear negative shock for the UK economy. The risk of recession is high and further monetary and fiscal easing is likely, but the UK represents only a small part of the global economy.

GLOBAL BOND FUND

The downside risks to the global economy depends on how much Brexit drags down the Eurozone outlook. We do not expect a systemic crisis similar to those in 2008-09 or 2011-12. Eurozone growth will be dragged down because of UK trade linkages, but financial market contagion has been contained by the European Central Bank's sovereign and corporate bond purchases. The bigger risks to Eurozone growth come from politics with Italy's constitutional referendum in October and the French Presidential elections in 2017 presenting opportunities for a populist backlash.

The flip side of Brexit's uncertainty is that policymakers stand ready to provide further stimulus to the economy. In particular, it is highly unlikely that the Fed will look to raise rates until economic data confirms that Brexit is a localised shock for the UK. This makes a rate hike this year unlikely. Besides the UK, further stimulus in Japan is also likely this year. Further non-US monetary stimulus increases global liquidity and by forcing non-US yields lower, this makes long-dated US bonds more attractive to global investors. This lower cost of capital and high level of liquidity reinforces our expectation that corporate defaults will remain low and that credit is an attractive asset class.

Risks

As the sub-fund has investments concentrating in fixed income securities, it is subjected to debt risk which includes interest rate sensitivity, credit risk, changes in debt rating and credit rating, currency risk and sovereign risk. This is not an exhaustive list of risks.

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

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

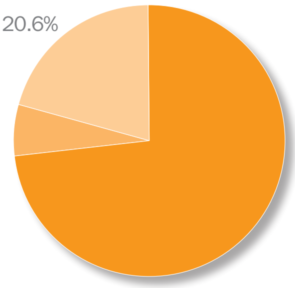
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	0.89%	201.46%
As of 30 June 2015	0.93%	247.74%

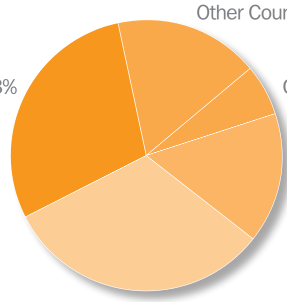
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 30 June 2016



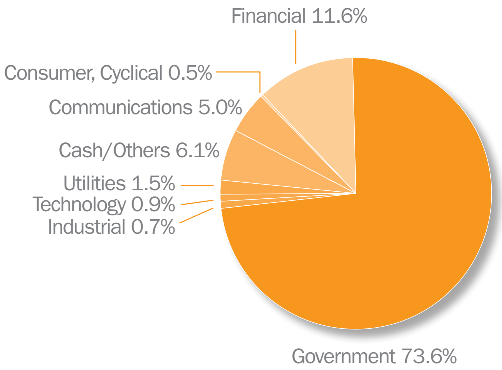
	S$ (mil)
Corporate Bonds	24.3
Government Bonds	86.3
Cash/Others	7.2
Total	117.8

Country allocation as of 30 June 2016



	S$ (mil)
Asia	18.4
Europe	37.6
North America	34.5
Other Countries	20.1
Cash/Others	7.2
Total	117.8

Sector allocation as of 30 June 2016



	S$ (mil)
Communications	5.9
Consumer, Cyclical	0.6
Financial	13.6
Government	86.7
Industrial	0.8
Technology	1.1
Utilities	1.8
Cash/Others	7.2
Total	117.8

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	40.2	34.1
AA+	2.1	1.8
AA	9.2	7.8
AA-	0.7	0.6
A+	1.7	1.4
A	18.9	16.1
A-	8.6	7.3
BBB+	6.7	5.6
BBB	15.5	13.1
BBB-	3.0	2.6
BB+	4.0	3.4
Total	110.6	93.9

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

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

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	124,369,841
Purchase of units	913,257
Redemption of units	(14,419,097)
Gain/(loss) on investments and other income	7,449,746
Management fee and other charges	(519,651)
Value of fund as of 30 June 2016	117,794,096

Units in issue	72,813,595
Net asset value per unit	
- at the beginning of the year	1.529
- as of 30 June 2016	1.618

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	674,747	0.57	2,732,335	1,932,972
Swaps	-	-	355,245	(188,382)
Futures	(556,678)	0.47	(100,734)	(556,678)

Collateral received for OTC Financial Derivative Instruments

Collateral management is used to mitigate the sub-fund's exposure to the counterparty of OTC financial derivatives. As at 30 June 2016, the sub-fund has received USD 300,000 of cash collateral, from Standard Chartered Bank, N.A.

Investment in collective investment schemes

Nil.

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$519,651.

Soft dollar commission or arrangement

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

Conflicts of interest

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

Other parties

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

Material information

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

Reports

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

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

GLOBAL EQUITY FUND

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	1 April 1998
Fund Size	S$237.91 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Benchmark	MSCI World Index in Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Reckitt Benckiser Group	7.2	3.0
Accenture Plc	5.9	2.5
Nestle SA	5.6	2.4
Visa Inc	5.4	2.3
Time Warner Inc	4.4	1.8
The Walt Disney Co	4.3	1.8
Thermo Fisher Scientific Inc	4.0	1.7
Microsoft Corp	3.8	1.6
Medtronic Plc	3.8	1.6
British American Tobacco Plc	3.7	1.6

June 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity Alpha	62.1	24.8
Nestle SA	7.3	2.9
Reckitt Benckiser Group	6.6	2.6
Time Warner Inc	6.0	2.4
The Walt Disney Co	6.0	2.4
Accenture Plc	5.5	2.2
Visa Inc	4.8	1.9
Diageo Plc	4.6	1.8
Honeywell International Inc	3.8	1.5
Thermo Fisher Scientific Inc	3.7	1.5

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

Fund manager

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. 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 30 June 2016, Income had S$31.54 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.

Morgan Stanley Investment Management Company (MSIM)

Morgan Stanley Investment Management headquartered in New York (USA), together with its investment advisory affiliates, has more than 589 investment professionals around the world and US$406 billion in assets under management or supervision as of 30 June 2016. It is a direct, wholly-owned subsidiary of Morgan Stanley.

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

GLOBAL EQUITY FUND

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$425 billion (as of 30 June 2016). 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.

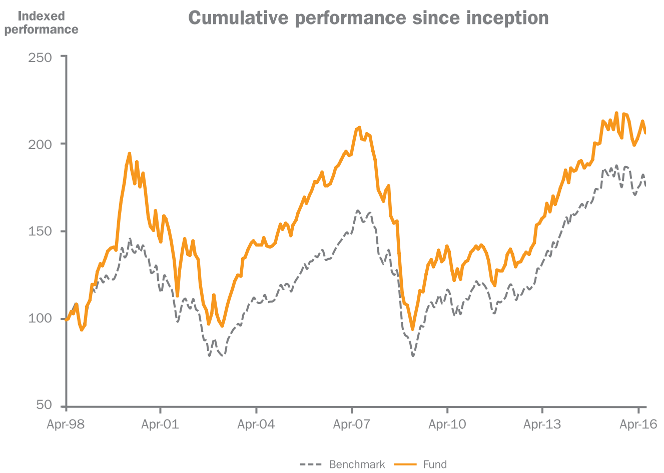
Wellington Management Singapore Pte Ltd (WMS)*
WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$969 billion in assets under management, WMC serves as an investment adviser to over 2,100 clients located in more than 55 countries, as of 30 June 2016. WMC's 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	-3.2%	1.5%	-3.1%	-1.0%
Benchmark	-3.3%	1.0%	-4.5%	-2.8%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Equity Fund	8.5%	8.4%	1.6%	4.1%
Benchmark	9.1%	8.6%	2.8%	3.1%



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

Market review

Markets were volatile in the 1st half of 2016 with pressure from slowing growth and heavy capital outflows in China prompting the government to undertake significant stimulus measures to boost growth and restrain market volatility. As 2016 began, investors had expected a series of interest rate hikes from the US Federal Reserve (Fed), but those expectations diminished early in 2016 owing to the volatile global market environment and moderating gains in US labour market. Plunging commodity prices early in the year, particularly in the price of crude oil, increased deflationary pressures throughout the global economy, further restraining the Fed. The diminished threat of Fed hikes and fresh Chinese stimulus helped commodity prices to find a bottom in February and begin to rebound. Late in the 1st half, the United Kingdom's (UK) decision to exit the European Union (EU) added to market uncertainty, but also increased the odds of easier monetary policy ahead from the Bank of England.

The US S&P 500 Index returned -1.15% in Singapore Dollar terms for the 1st half of 2016. Diminishing fears of multiple Fed rate hikes along with continued easy monetary policies from major global central banks helped underpin US equity markets despite falling corporate earnings. Earnings weakness has spread beyond the energy and materials sectors to most sectors of the S&P. Slowing capital expenditures by members companies in the index is a source of concern regarding future profits.

European stocks, as measured by the STOXX 50 Index, returned -12.12% in Singapore Dollar terms during the 1st half of 2016. The European Central Bank expanded its asset purchase programme to include investment grade corporate debt, which drove yields on some of those securities into negative territory, where they join many European sovereign bonds. The combination of sluggish credit demand and very low interest rates made for particularly difficult conditions for the European banking sector. Fallout from the Brexit vote weighed on markets late in the 1st half, with a prolonged period of uncertainty foreseen as the UK and EU negotiate terms of separation while arranging for future trading relations. In May, the Greek bailout was extended, but worries persist that the country's debt level will ultimately prove unsustainable.

In Japan, the Nikkei Composite Index returned -7.95% in Singapore Dollar terms during the 1st half of 2016. Markets reacted negatively to the Bank of Japan's decision to introduce negative policy interest rates. Observers question whether monetary policy has reached its effective limits. Although manufacturers are benefiting from historically low energy costs and interest rates, the recent strength of the yen has been a growing headwind for exporters, pressuring corporate earnings.

The MSCI Emerging Markets (EM) Index returned 1.41% in the 1st half of the year in Singapore Dollar terms as commodity prices pulled out of their early 2016 dive and stimulus measures and closer currency management in China helped reverse the early risk-off environment that plagued the index at the beginning of the year. A delay in the Fed's rate-hiking cycle was a major boost to Emerging Markets, though slow global growth calls into question the sustainability of the asset class's rebound.

GLOBAL EQUITY FUND

Market outlook
Volatility is likely to stay high during the balance of 2016, making for challenging markets. Geopolitical risks, sub-par growth and low inflation will likely contribute to continued low returns.

United States: Earnings weakness is spreading from the energy and materials sectors to most market sectors, a cause for concern, especially with large capitalisation companies trading at full valuations. Rising unit labour costs and declining free cash flows may crimp profit margins and earnings unless top-line growth begins to accelerate again. A decline in capital expenditures is also a concern, as corporate investment tends to lead to future profits.

Europe: Valuations remain attractive compared with the US and Japan, though Developed Markets valuations look full overall. In the wake of the Brexit vote, UK-based multinationals have fared better than domestic-facing firms, and with a materially weaker pound sterling we expect multinationals to remain relatively attractive. Downward earnings pressure is expected in both the UK and Europe, driven by lower growth and investment associated with the uncertainty surrounding the Brexit referendum, which side-lined activity this spring. This is a condition that will likely persist for some months to come. Expect equity risk premia to remain elevated given ongoing uncertainty facing Europe amid growing populist sentiment.

Japan: With monetary policy seemingly at its limits, structural reform is likely needed to sustain a further Japanese economic recovery. After winning a decisive victory in upper house elections in July, Prime Minister Abe announced his intention to seek a fiscal stimulus package worth an estimated ¥10 trillion. Earnings estimates are being revised lower as yen strength cuts into the earnings of exporters and hurts overall competitiveness.

Emerging Markets: Rebounding commodities prices and a likely delay in the Fed tightening cycle are tailwinds, but a lack of visibility on EM growth calls the sustainability of the rebound into question. The asset class has been inclined to respond to macro factors like exchange rates, financial conditions and trade flows, and has tended to do well when the US economy avoids recession but doesn't grow enough to prompt significant Fed tightening.

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

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

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

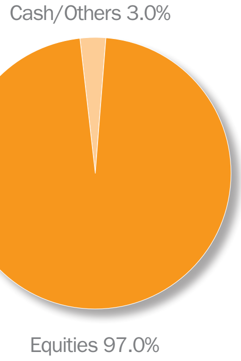
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	1.41%	36.25%
As of 30 June 2015	1.46%	7.94%

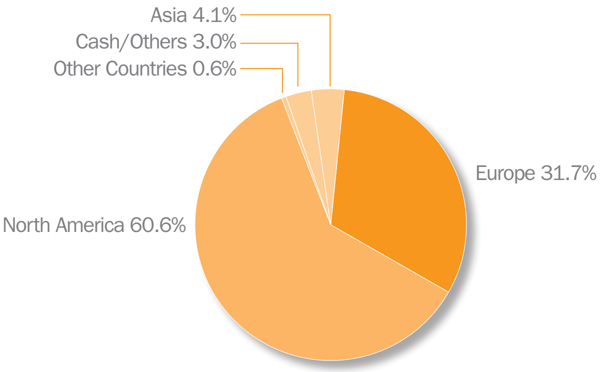
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 30 June 2016



	S$ (mil)
Equities	230.7
Cash/Others	7.2
Total	237.9

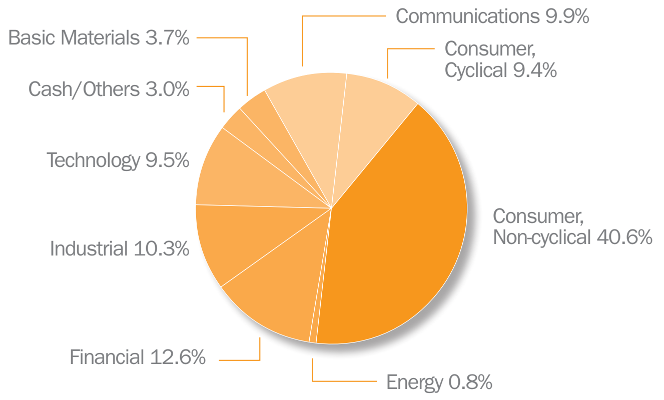
Country allocation as of 30 June 2016



	S$ (mil)
Asia	9.7
Europe	75.4
North America	144.2
Other Countries	1.4
Cash/Others	7.2
Total	237.9

GLOBAL EQUITY FUND

Sector allocation as of 30 June 2016



	S$ (mil)
Basic Materials	8.9
Communications	23.6
Consumer, Cyclical	22.3
Consumer, Non-cyclical	96.7
Energy	2.0
Financial	30.0
Industrial	24.6
Technology	22.6
Cash/Others	7.2
Total	237.9

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

Credit rating of debt securities

There are no debt securities under Global Equity Fund.

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	244,630,412
Purchase of units	7,526,823
Redemption of units	(6,886,508)
Gain/(loss) on investments and other income	(5,992,727)
Management fee and other charges	(1,370,918)
Value of fund as of 30 June 2016	237,907,082

Units in issue	89,756,640
Net asset value per unit	
- at the beginning of the year	2.735
- as of 30 June 2016	2.651

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	42	-	(5,620)	42

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
American Tower Corp	0.7	0.3

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$1,370,918.

Soft dollar commission or arrangement

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

Conflicts of interest

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

Other parties

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

Material information

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

Reports

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

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

SINGAPORE BOND FUND

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	1 March 2000
Fund Size	S$272.56 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.5% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium risk, Narrowly Focused – Country – Singapore
Benchmark	UOB Long Bond Index
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 2.875% 010930	48.6	17.8
Singapore Government Bonds 3% 010924	19.8	7.3
Singapore Government Bonds 2.75% 010442	18.0	6.6
Singapore Government Bonds 3.5% 010327	14.3	5.2
Singapore Government Bonds 2.75% 010723	9.2	3.4
Singapore Government Bonds 2.875% 010729	7.7	2.8
United Overseas Bank 3.15% 110722	6.1	2.3
Temasek FINL I 4% 071229	5.7	2.1
Ascendas Pte Ltd 3.5% 180123	5.5	2.0
Land Transport Authority 3.275% 291025	5.5	2.0

June 2015	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 2.875% 010930	35.3	13.1
Singapore Government Bonds 2.75% 010442	20.5	7.6
Singapore Government Bonds 3% 010924	18.7	6.9
Singapore Government Bonds 3.5% 010327	13.4	4.9
Singapore Government Bonds 2.75% 010723	8.7	3.2
Singapore Government Bonds 2.875% 010729	7.1	2.6
Singapore Government Bonds 3.25% 010920	6.4	2.4
Singapore Government Bonds 2.25% 010621	6.0	2.2
Malayan Banking 3.8% 280421	5.3	2.0
Temasek FINL I 4% 071229	5.3	1.9

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

Fund manager

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

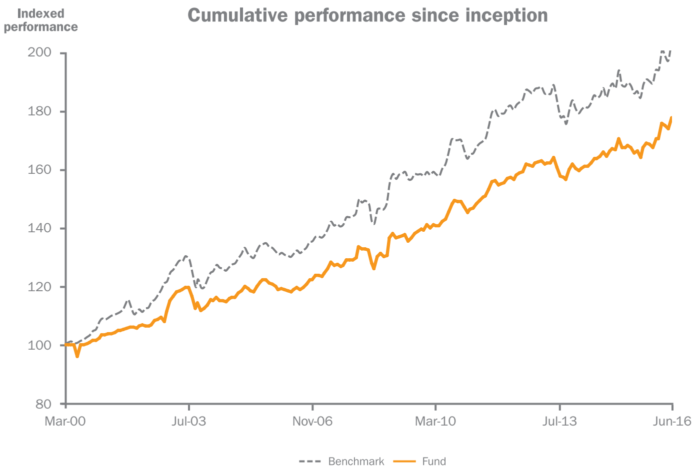
As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

SINGAPORE BOND FUND

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
Singapore Bond Fund	2.1%	1.0%	5.9%	7.2%
Benchmark	2.6%	0.8%	6.8%	8.8%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Bond Fund	4.0%	3.3%	4.1%	3.6%
Benchmark	4.4%	3.5%	4.4%	4.4%



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

Market review

We witnessed heightened volatility in financial markets in the 1st half of 2016 after the US Federal Reserve (Fed) commenced its rate hike cycle in December 2015 amid declining commodity prices. Although risk asset markets have subsequently recovered since mid-February, investors remain cautious given the political uncertainties in several countries and geo-political tensions in Asia Pacific. Taking such issues into account, economists of central banks and global agencies such as the International Monetary Fund and World Bank proceeded to revise their economic growth forecasts lower.

In April, faced with a less favourable external environment, the Monetary Authority of Singapore shifted to a neutral policy stance and set the rate of appreciation of the Singapore Dollar Nominal Effective Exchange Rate to zero. The idea of a second easing in 12 months is to maintain a monetary policy which is supportive of economic growth, while ensuring price stability in the medium-term. Subsequently in May, the Singaporean government retained its 2016 gross domestic product (GDP) growth forecast of between 1.0% and 3.0%, in-line with the 1.8% year-on-year GDP growth in the 1st quarter. Meanwhile Singapore's core inflation, which excludes costs of accommodation and private road transport, has remained at 1.0% or below since March 2015. Given weaker than expected demand globally, we are likely to see the current benign inflation environment to continue despite central banks' accommodative monetary policy.

In view of the latest developments in Europe which caused volatility in markets to spike, we foresee growth headwinds and uneasiness in financial market to remain. We expect the Fed to refrain from hiking rates further in the near-term and other Developed Market central banks to keep rates low for longer to cushion the negative sentiment. Longer duration, high credit quality assets are likely to perform well in this kind of market environment. Against this backdrop, we favour a cautious approach, keeping the Singapore Bond Fund invested mainly in highly rated and liquid bonds.

Risks

As the sub-fund has investments concentrating in Singapore fixed income securities, it is subject to debt risk which includes interest rate sensitivity, credit risk, changes in debt rating and credit rating, currency risk and sovereign risk. This is not an exhaustive list of risks.

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

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

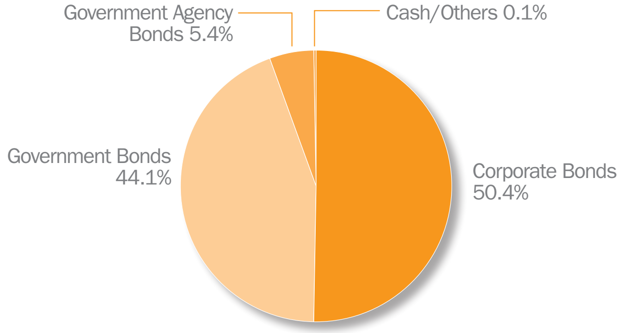
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	0.52%	37.14%
As of 30 June 2015	0.55%	22.61%

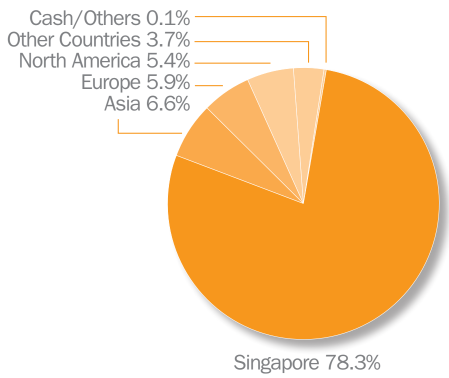
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 30 June 2016



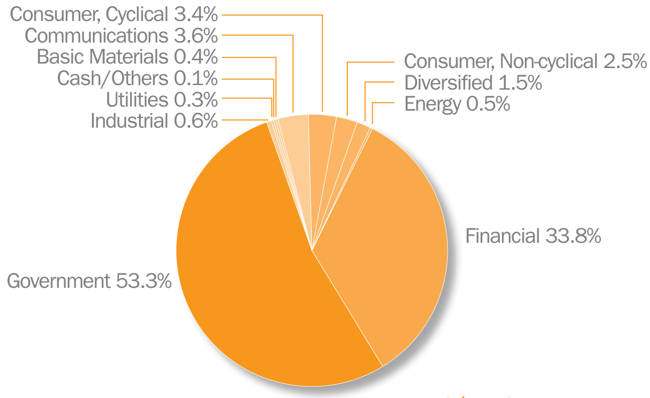
	S$ (mil)
Corporate Bonds	137.4
Government Bonds	120.2
Government Agency Bonds	14.7
Cash/Others	0.3
Total	272.6

Country allocation as of 30 June 2016



	S$ (mil)
Singapore	213.4
Asia	18.0
Europe	16.2
North America	14.7
Other Countries	10.0
Cash/Others	0.3
Total	272.6

Sector allocation as of 30 June 2016



	S$ (mil)
Basic Materials	1.0
Communications	9.9
Consumer, Cyclical	9.2
Consumer, Non-cyclical	6.8
Diversified	4.0
Energy	1.4
Financial	92.2
Government	145.2
Industrial	1.8
Utilities	0.8
Cash/Others	0.3
Total	272.6

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	137.6	50.5
AA	3.8	1.4
AA-	1.0	0.4
A+	22.2	8.1
A	15.5	5.7
A-	7.7	2.8
BBB+	11.3	4.2
BBB	18.7	6.8
BBB-	10.1	3.7
BB+	2.4	0.9
Not rated	42.1	15.4
Total	272.3	99.9

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

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

SINGAPORE BOND FUND

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	275,998,401
Purchase of units	4,590,434
Redemption of units	(23,975,515)
Gain/(loss) on investments and other income	16,636,927
Management fee and other charges	(689,689)
Value of fund as of 30 June 2016	272,560,558

Units in issue	153,436,653
Net asset value per unit	
- at the beginning of the year	1.677
- as of 30 June 2016	1.776

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	227,542	0.08	95,678	312,904
Swaps	49,975	0.02	-	176,565

Investment in collective investment schemes

Nil.

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$689,689.

Soft dollar commission or arrangement

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

Conflicts of interest

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

Other parties

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

Material information

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

Reports

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

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

SINGAPORE EQUITY FUND

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	2 January 2003
Fund Size	S$151.47 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.65% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Narrowly Focused – Country – Singapore
Benchmark	FTSE Straits Times Index (FTSE STI)
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Singapore Telecommunications Ltd	19.2	12.7
DBS Group Holdings Ltd	18.3	12.1
Oversea-Chinese Banking Corp	16.9	11.2
United Overseas Bank Ltd	12.6	8.3
Thai Beverage PCL	5.9	3.9
Hongkong Land Holdings Ltd	5.9	3.9
CapitaLand Ltd	5.3	3.5
Keppel Corp Ltd	5.1	3.4
Singapore Airlines Ltd	4.2	2.8
Wilmar International Ltd	4.0	2.6

June 2015	S$ (mil)	% of Net Asset Value
DBS Group Holdings Ltd	20.8	13.4
Singapore Telecommunications Ltd	17.6	11.3
Oversea-Chinese Banking Corp	17.4	11.2
United Overseas Bank Ltd	15.0	9.6
Jardine Matheson Holdings	9.8	6.3
Hongkong Land Holdings Ltd	7.1	4.6
CapitaLand Ltd	6.1	3.9
Keppel Corp Ltd	5.9	3.8
Global Logistic Properties Ltd	4.9	3.1
Thai Beverage PCL	4.7	3.0

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

Fund manager

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. State Street Global Advisors Singapore Limited is the Sub-Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2016, Income had S$31.54 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.

State Street Global Advisors Singapore Limited (SSGA Singapore)

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

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

SINGAPORE EQUITY FUND

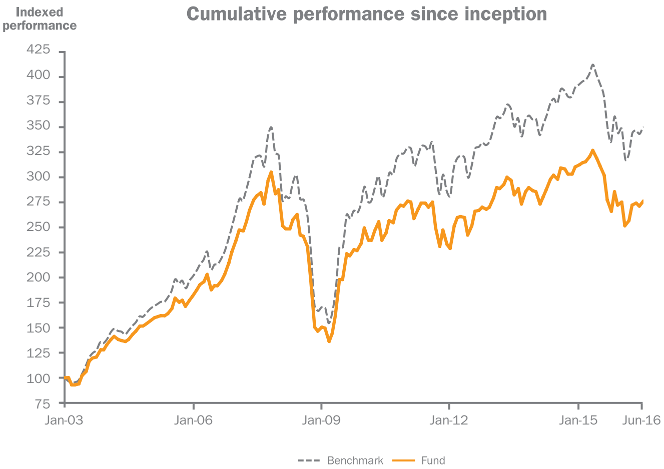
State Street Global Advisors is the investment management arm of State Street Corporation.

*AUM reflects approximately US$2.30 trillion (as of 30 June 2016), US$40.33 billion with respect to which State Street Global Markets, LLC (SSGM) serves as marketing agent; SSGM and State Street Global Advisors are affiliated.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
Singapore Equity Fund	1.6%	1.3%	0.2%	-11.5%
Benchmark	1.8%	1.5%	0.3%	-11.1%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Equity Fund	-0.7%	0.4%	3.7%	7.8%
Benchmark	-0.1%	1.3%	5.1%	9.7%



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

Market review

The Singapore market saw slight declines in 1st half of 2016. Amongst the FTSE STI stock constituents, gainers and losers were mixed, on the back of heightened volatility. 2016 began poorly off the back of depressed oil prices and concerns over a slowing China and the Eurozone. This caused the index to reach a post-2011 low in the months of January and February. However, there was reprieve in the market, as oil prices firmed up due to unexpected supply outages, whilst the European Central Bank carried out additional Quantitative Easing stimulus. Combined with a dovish US Federal Reserve (Fed) statement, these developments boosted the market towards an April peak. Brexit concerns in the latter months of 1st half of 2016 and weak macroeconomic and company data releases dragged the index lower to close at the half year mark -1.45%, outperforming Asia ex-Japan which was down -4.09%.

Underperformers largely came from the offshore and marine, property and China/trade-related sectors. Weakness was seen in Sembcorp Marine and Keppel Corp on the back of contract cancellations and lower new order wins. Global Logistics Properties, which is geared towards China's logistics industry, was also in the red on concerns of a slowdown in warehousing demand across some Chinese cities. Property stocks such as UOL Group and Capitaland also saw selling by investors on the sluggish property market outlook.

Outperformers for the period were dominated by the defensive names, in particular the REITs which saw a rerating on expectations of lowered likelihood of Fed rates hikes. Other yield play names such as Singtel and ST Engineering also benefited. Thai Beverage was the top performer with a 35.1% gain due to strong beer sales numbers.

On the macroeconomic front, Singapore's economy grew by 2.1% year-on-year (yoy) in 1st quarter of 2016 and 2.2% yoy (flash estimates) in 2nd quarter of 2016, reflecting a slight recovery from 2nd half of 2015. However, this was still well below the pace of growth seen in previous years. Signs of weakness were also seen in the lacklustre monthly Purchasing Managers Index and Non-Oil Domestic Exports numbers. In response, the Monetary Authority of Singapore adopted a monetary stance of "zero appreciation of the SGD NEER" in order to boost exports.

We are cautious on the Singapore market, due to the openness of its economy, and the negative impact of weakening global growth. The corporate earning downgrade cycles has also yet to see a turnaround. Risk of another US rate hike and the upcoming US presidential elections are also headwinds to the market. We believe that stock selection continues to be key, and we adopt a barbell strategy of investing in dividend paying defensive names and quality blue chip cyclicals.

Risks

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

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

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

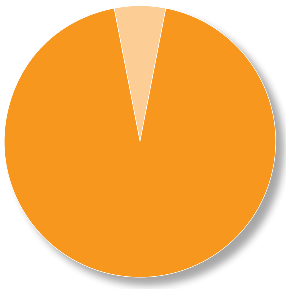
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	0.72%	18.40%
As of 30 June 2015	0.73%	3.73%

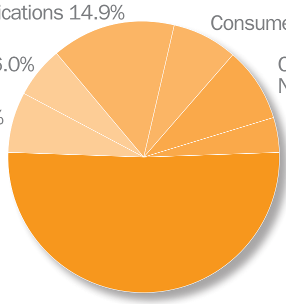
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 30 June 2016



	S$ (mil)
Equities	142.4
Cash/Others	9.0
Total	151.5

Sector allocation as of 30 June 2016



	S$ (mil)
Communications	22.5
Consumer, Cyclical	11.8
Consumer, Non-cyclical	13.3
Diversified	6.3
Financial	77.7
Industrial	10.7
Cash/Others	9.0
Total	151.5

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

Credit rating of debt securities

There are no debt securities under Singapore Equity Fund.

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	144,061,082
Purchase of units	15,949,950
Redemption of units	(9,037,813)
Gain/(loss) on investments and other income	927,721
Management fee and other charges	(431,512)
Value of fund as of 30 June 2016	151,469,428

Units in issue	55,122,391
Net asset value per unit	
- at the beginning of the year	2.742
- as of 30 June 2016	2.748

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Futures	42,438	0.03	(32,850)	37,325

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
CapitaLand Mall Trust (REIT)	3.8	2.5
Ascendas REIT	3.3	2.2
Hutchison Port Holdings Trust	1.5	1.0
CapitaLand Commercial Trust	1.4	0.9
Frasers Logistics & Industrial Trust	1.1	0.7
CapitaLand Retail China Trust (REIT)	0.8	0.5

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$431,512.

Soft dollar commission or arrangement

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

Conflicts of interest

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

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

Other parties

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

Material information

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

Reports

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

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

ASIA MANAGED FUND

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	1 September 1995
Fund Size	S$93.83 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Narrowly Focused – Regional – Asia
Benchmark	70% MSCI AC Asia ex-Japan Index in Singapore Dollars 30% UOB Long Bond Index
Structure	Single Fund

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

Top 10 holdings

Asia Managed Fund

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

June 2015	S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	69.7	70.6
Singapore Bond Fund	27.8	28.1
Schroder ISF Indian Equity	1.4	1.4
Oversea Chinese 4.2% 140149	0.1	0.1

Schroder Asian Growth Fund^

June 2016	S$ (mil)	% of Net Asset Value
Taiwan Semiconductor Manufacturing Co Ltd	39.3	7.6
Tencent Holdings Ltd	29.6	5.7
Samsung Electronics Co Ltd	25.5	4.9
AIA Group Ltd	25.0	4.8
HDFC Bank Ltd	20.8	4.0
China Mobile Ltd	17.8	3.4
Alibaba Group Holding Ltd ADR	17.6	3.4
Techtronic Ind Co Ltd	16.0	3.1
New Oriental Education & Technology Group Inc ADR	12.7	2.4
China Lodging Group Ltd ADS	10.8	2.1

June 2015	S$ (mil)	% of Net Asset Value
Taiwan Semiconductor Manufacturing Co Ltd	33.6	6.4
AIA Group Ltd	28.2	5.4
Tencent Holdings Ltd	22.4	4.3
China Mobile Ltd	16.0	3.0
Samsung Electronics Co Ltd	14.1	2.7
Techtronic Ind Co Ltd	13.4	2.6
China Pacific Insurance (Group) Co Ltd H Shares	13.4	2.6
Baidu Inc ADR	12.2	2.3
Swire Properties Ltd	12.1	2.3
China Lodging Group Ltd ADS	11.9	2.3

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

ASIA MANAGED FUND

Fund manager

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

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

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$459.6 billion (as of 30 June 2016).

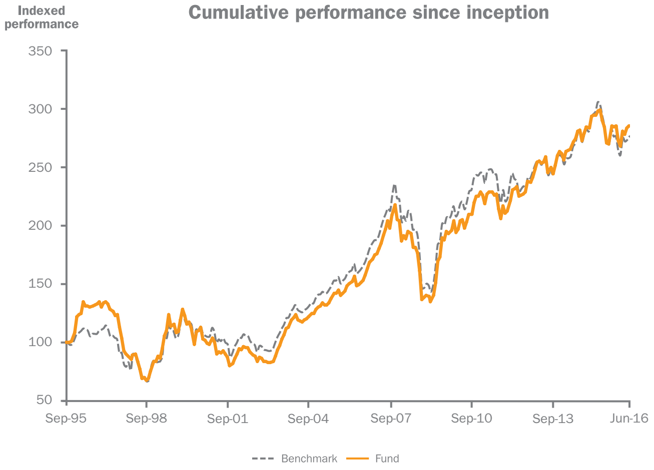
Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

Fund Performance vs Benchmark

	1-month	3-month	6-month	1-year
Asia Managed Fund	0.6%	1.7%	0.2%	-1.7%
Benchmark	1.1%	0.5%	-0.1%	-6.0%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asia Managed Fund	5.1%	4.8%	6.7%	5.2%
Benchmark	4.3%	2.6%	5.6%	5.0%

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



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

Market review

Asian equities were down in the 1st half amidst a turbulent start to 2016, as worries over China macro headwinds, uncertainty over Brexit and the US interest rate outlook weighed on investor sentiment over the period. News flow from China continued to dominate sentiment in the region as markets came under pressure on worries over the weakening Chinese Yuan and economic growth concerns. ASEAN region was the biggest outperformer as stock markets rebounded on the back of stabilising currencies and expectations of further stimulus measures.

Across sectors, performance saw high dispersions with the Energy and Materials sectors recording the largest gains driven by higher commodity prices. In contrast, Financials extended their retreat on the back of general weakness across bank stocks globally, due to concerns about a deteriorating credit cycle and the negative impact of continued unconventional monetary policy.

Market outlook

Given weak global economic momentum and uncertainties over political developments post Brexit, it warrants caution over the near-term market outlook. However, the fund has not made major changes to its positioning as the fund's portfolios have already been predicated on a soft global macro backdrop given the structural headwinds faced by most major economies in recent years.

The fund has been quite active in reducing ASEAN positions over the last few quarters, mostly due to high valuations and on-going worries about the weakening outlook for some of the ASEAN economies. On the other hand, there is also attractive value in parts of Taiwan and Hong Kong, which appear to have been caught in the China related concerns that are so prevalent now in the media. Although there are serious concerns over the growing risks within the financial sector in China and a much lower level of sustainable economic growth in coming years as investment spending inevitably slows, an imminent crisis in China is not likely and there remain many parts of the 'newer' economy that are exhibiting relative dynamism and that offer opportunities for well-placed corporates.

The focus in the Asian stock selection remains on those companies that can exploit the narrow pockets of growth available within the region or in export markets and on companies with solid balance sheets, cash flows and supportive valuations that are well placed to ride out continued economic or market volatility.

Risks

The risk in the Asia Managed Fund is diversified by investing in a mixture of Asian equities & bonds. As the sub-fund has investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk; and (2) debt risk which includes interest rate sensitivity, credit risk, changes in debt rating and credit rating, currency risk and sovereign risk. This is not an exhaustive list of risks.

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

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

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

Expense and turnover ratio

Asia Managed Fund

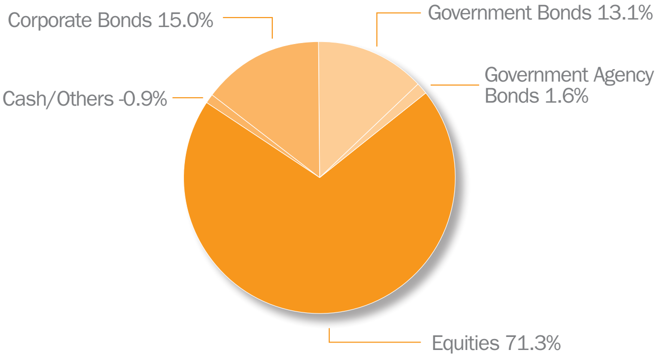
	Expense ratio	Turnover ratio
As of 30 June 2016	1.39%	5.50%
As of 30 June 2015	1.43%	6.14%

Schroder Asian Growth Fund

	Expense ratio	Turnover ratio
As of 30 June 2016	1.36%	28.14%
As of 30 June 2015	1.38%	30.51%

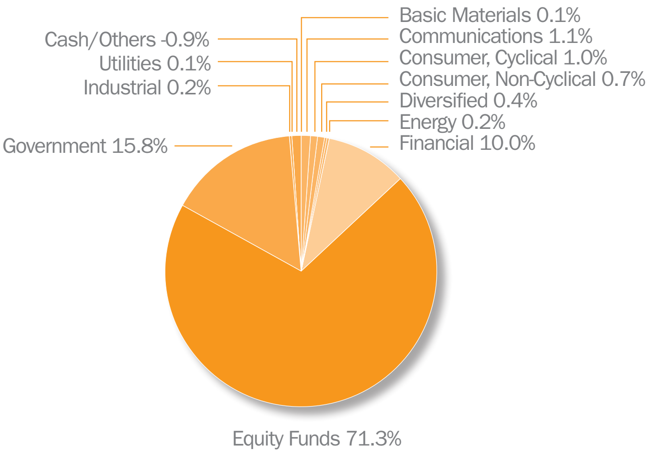
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 30 June 2016



	S$ (mil)
Corporate Bonds	14.0
Government Bonds	12.3
Government Agency Bonds	1.5
Equities	66.9
Cash/Others	-0.9
Total	93.8

Sector allocation as of 30 June 2016



	S$ (mil)
Basic Materials	0.1
Communications	1.0
Consumer, Cyclical	0.9
Consumer, Non-cyclical	0.7
Diversified	0.4
Energy	0.1
Financial	9.4
Equity Funds	66.9
Government	14.8
Industrial	0.2
Utilities	0.1
Cash/Others	-0.9
Total	93.8

ASIA MANAGED FUND

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	14.1	15.0
AA	0.4	0.4
AA-	0.1	0.1
A+	2.3	2.4
A	1.6	1.7
A-	0.8	0.8
BBB+	1.2	1.2
BBB	1.9	2.0
BBB-	1.0	1.1
BB+	0.2	0.3
Not rated	4.3	4.6
Total	27.8	29.7

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

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

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	96,207,908
Purchase of units	2,248,271
Redemption of units	(4,738,936)
Gain/(loss) on investments and other income	205,555
Management fee and other charges	(89,322)
Value of fund as of 30 June 2016	93,833,476

Units in issue	40,353,710
Net asset value per unit	
- at the beginning of the year	2.321
- as of 30 June 2016	2.325

Exposure to derivatives

Nil.

Investment in collective investment schemes

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

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$89,322.

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. The Manager also did not receive soft dollars for the sub-fund.

Conflicts of interest

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

Other parties

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

Material information

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

Reports

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

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

GLOBAL MANAGED FUND (BALANCED)

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	2 January 2003
Fund Size	S$170.28 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.9375% per annum at sub-fund level Prior to 15 June 2016, the management fees were charged at core sub-fund levels
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Benchmark	10% FTSE Straits Times Index (FTSE STI) 40% MSCI World Index in Singapore Dollars 15% UOB Long Bond Index 35% Barclays Global Aggregate in Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Global Equity Fund^	68.6	40.3
Global Bond Fund^	59.2	34.8
Singapore Bond Fund	25.1	14.7
Singapore Equity Fund	17.3	10.2

June 2015	S$ (mil)	% of Net Asset Value
Global Equity Fund^	71.7	40.6
Global Bond Fund^	64.9	36.7
Singapore Bond Fund	23.3	13.2
Singapore Equity Fund	17.0	9.6

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

Fund manager

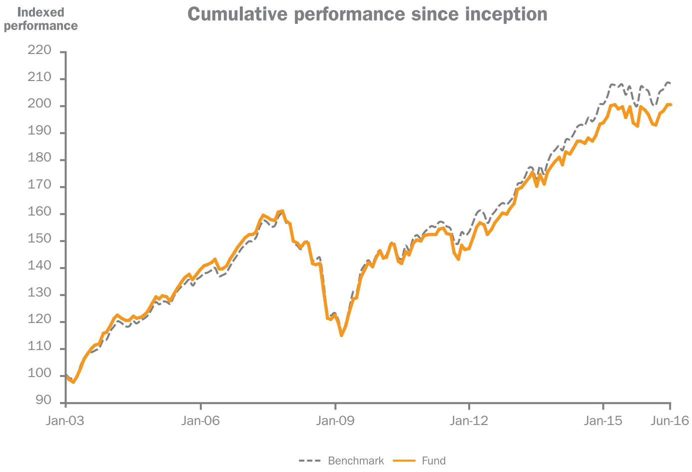
NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

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

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Balanced)	0.0%	1.7%	1.8%	2.4%	5.6%	5.6%	3.7%	5.3%
Benchmark	-0.1%	1.6%	1.4%	2.1%	6.4%	6.1%	4.3%	5.6%

GLOBAL MANAGED FUND (BALANCED)



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

Market review

Global Bond

Market Review

In 1st quarter of 2016, we witnessed a remarkable "V" shaped rally. After one of the worst Januarys in recent memory and a volatile but still difficult month for risk in February, March saw a significant rebound for the vast majority of risk assets with positive momentum right up until month end.

January started with global equity markets falling about 10.0% in the first fortnight on weak renminbi (RMB), turmoil in the Chinese equity markets, commodity prices falling lower generally and oil breaking below the US$30 per barrel floor specifically. In the absence of any circuit breaker, oil prices continued to tumble, RMB remained soft and the negative sentiment towards the banking sector was compounded repo rate cuts.

The catalyst for the robust rebound in the 2nd half of February was a rebound in oil prices on renewed rumours of production cuts, which propped up risk asset prices generally. This was further supported by the first communication in several months from the Governor of the People's Bank of China, aiming to reassure the market about the state of the Chinese economy. Oil continued to stabilise and US economic surprises started to significantly beat (low) expectations.

2nd quarter of 2016 started with risk assets doing well as good sentiment prevailed through April as Chinese data stabilised, the price of oil and commodities appeared to be recovering, capped off by a dovish US Federal Reserve (Fed). Elsewhere, the good sentiment was helped by easing actions by Sweden where Quantitative Easing was increased and by Australia which cut rates in the wake of weak commodity prices. In the UK, uncertainty started creeping in as the June 23rd referendum on whether the UK wanted to stay or leave the European Union (EU) became more prominent and signs of a pullback in investment started manifesting themselves in weaker gross domestic product (GDP) numbers such as the disappointing 1st quarter number of 0.4%. However, sentiments improved after Federal Open Market Committee minutes showed that the Fed was optimistic on the US economy and was possibly looking to hike again as soon as December 2016, which caused longer dated treasuries to rise.

In Europe, things were not as rosy as in the US; the European Commission downgraded the expected GDP for a number of countries and further reduced their inflation forecast for the year to 0.2%. UK gilts benefitted from ebbing confidence as the date of the referendum approached, and UK manufacturing Purchasing Managers Index numbers came in below 50, signalling a slowdown. Markets were left shocked after the results showed that the leave voters had a marginal victory over those wanting to remain in the EU. In the immediate aftermath, the Sterling fell to 30-year lows against the dollar as it went to around 1.30 USD per GBP. The UK 10-year yield fell from 1.3% to well below 1.0% by month-end as investors sought safe haven assets and also expected that the Bank of England would initiate some form of easing to stimulate the economy should it start to slow in the wake of the Brexit vote.

2nd quarter of 2016 was relatively uneventful in terms of activity from the Bank of Japan. However, a persistent disinflationary environment did help Japanese government bonds to perform through the quarter.

Market Outlook

We expect the weak global economic recovery to continue with the US growing at 2.0%-2.5% and the US inflation slowly increasing. Indeed this is supported by recent US economic data. The Brexit vote, however, presents a new source of downside risks that need to be analysed.

Brexit is a clear negative shock for the UK economy. The risk of recession is high and further monetary and fiscal easing is likely, but the UK represents only a small part of the global economy.

The downside risks to the global economy depends on how much Brexit drags down the Eurozone outlook. We do not expect a systemic crisis similar to those in 2008-09 or 2011-12. Eurozone growth will be dragged down because of UK trade linkages, but financial market contagion has been contained by the European Central Bank's sovereign and corporate bond purchases. The bigger risks to Eurozone growth come from politics with Italy's constitutional referendum in October and the French Presidential elections in 2017 presenting opportunities for a populist backlash.

The flip side of Brexit's uncertainty is that policymakers stand ready to provide further stimulus to the economy. In particular, it is highly unlikely that the Fed will look to raise rates until economic data confirms that Brexit is a localised shock for the UK. This makes a rate hike this year unlikely. Besides the UK, further stimulus in Japan is also likely this year. Further non-US monetary stimulus increases global liquidity and by forcing non-US yields lower, this makes long-dated US bonds more attractive to global investors. This lower cost of capital and high level of liquidity reinforces our expectation that corporate defaults will remain low and that credit is an attractive asset class.

Singapore Bond

We witnessed heightened volatility in financial markets in the 1st half of 2016 after the US Federal Reserve (Fed) commenced its rate hike cycle in December 2015 amid declining commodity prices. Although risk asset markets have subsequently recovered since mid-February, investors remain cautious given the political uncertainties in several countries and geo-political tensions in Asia Pacific. Taking such issues into account, economists of central banks and global agencies such as the International Monetary Fund and World Bank proceeded to revise their economic growth forecasts lower.

In April, faced with a less favourable external environment, the Monetary Authority of Singapore shifted to a neutral policy stance and set the rate of appreciation of the Singapore Dollar Nominal Effective Exchange Rate to zero. The idea of a second easing in 12 months is to maintain a monetary policy which is supportive of economic growth, while ensuring price stability in the medium-term. Subsequently in May, the Singaporean government retained its 2016 gross domestic product (GDP) growth forecast of between 1.0% and 3.0%, in-line with the 1.8% year-on-year GDP growth in the 1st quarter. Meanwhile Singapore's core inflation, which excludes costs of accommodation and private road transport, has remained at 1.0% or below since March 2015. Given weaker than expected demand globally, we are likely to see the current benign inflation environment to continue despite central banks' accommodative monetary policy.

In view of the latest developments in Europe which caused volatility in markets to spike, we foresee growth headwinds and uneasiness in financial market to remain. We expect the Fed to refrain from hiking rates further in the near-term and other Developed Market central banks to keep rates low for longer to cushion the negative sentiment. Longer duration, high credit quality assets are likely to perform well in this kind of market environment. Against this backdrop, we favour a cautious approach, keeping the Singapore Bond Fund invested mainly in highly rated and liquid bonds.

Global Equity

Market Review

Markets were volatile in the 1st half of 2016 with pressure from slowing growth and heavy capital outflows in China prompting the government to undertake significant stimulus measures to boost growth and restrain market volatility. As 2016 began, investors had expected a series of interest rate hikes from the US Federal Reserve (Fed), but those expectations diminished early in 2016 owing to the volatile global market environment and moderating gains in US labour market. Plunging commodity prices early in the year, particularly in the price of crude oil, increased deflationary pressures throughout the global economy, further restraining the Fed. The diminished threat of Fed hikes and fresh Chinese stimulus helped commodity prices to find a bottom in February and begin to rebound. Late in the 1st half, the United Kingdom's (UK) decision to exit the European Union (EU) added to market uncertainty, but also increased the odds of easier monetary policy ahead from the Bank of England.

The US S&P 500 Index returned -1.15% in Singapore Dollar terms for the 1st half of 2016. Diminishing fears of multiple Fed rate hikes along with continued easy monetary policies from major global central banks helped underpin US equity markets despite falling corporate earnings. Earnings weakness has spread beyond the energy and materials sectors to most sectors of the S&P. Slowing capital expenditures by members companies in the index is a source of concern regarding future profits.

European stocks, as measured by the STOXX 50 Index, returned -12.12% in Singapore Dollar terms during the 1st half of 2016. The European Central Bank expanded its asset purchase programme to include investment grade corporate debt, which drove yields on some of those securities into negative territory, where they join many European sovereign bonds. The combination of sluggish credit demand and very low interest rates made for particularly difficult conditions for the European banking sector. Fallout from the Brexit vote weighed on markets late in the 1st half, with a prolonged period of uncertainty foreseen as the UK and EU negotiate terms of separation while arranging for future trading relations. In May, the Greek bailout was extended, but worries persist that the country's debt level will ultimately prove unsustainable.

In Japan, the Nikkei Composite Index returned -7.95% in Singapore Dollar terms during the 1st half of 2016. Markets reacted negatively to the Bank of Japan's decision to introduce negative policy interest rates. Observers question whether monetary policy has reached its effective limits. Although manufacturers are benefiting from historically low energy costs and interest rates, the recent strength of the yen has been a growing headwind for exporters, pressuring corporate earnings.

The MSCI Emerging Markets (EM) Index returned 1.41% in the 1st half of the year in Singapore Dollar terms as commodity prices pulled out of their early 2016 dive and stimulus measures and closer currency management in China helped reverse the early risk-off environment that plagued the index at the beginning of the year. A delay in the Fed's rate-hiking cycle was a major boost to Emerging Markets, though slow global growth calls into question the sustainability of the asset class's rebound.

Market Outlook

Volatility is likely to stay high during the balance of 2016, making for challenging markets. Geopolitical risks, sub-par growth and low inflation will likely contribute to continued low returns.

United States: Earnings weakness is spreading from the energy and materials sectors to most market sectors, a cause for concern, especially with large capitalisation companies trading at full valuations. Rising unit labour costs and declining free cash flows may crimp profit margins and earnings unless top-line growth begins to accelerate again. A decline in capital expenditures is also a concern, as corporate investment tends to lead to future profits.

Europe: Valuations remain attractive compared with the US and Japan, though Developed Markets valuations look full overall. In the wake of the Brexit vote, UK-based multinationals have fared better than domestic-facing firms, and with a materially weaker pound sterling we expect multinationals to remain relatively attractive. Downward earnings pressure is expected in both the UK and Europe, driven by lower growth and investment associated with the uncertainty surrounding the Brexit referendum, which side-lined activity this spring. This is a condition that will likely persist for some months to come. Expect equity risk premia to remain elevated given ongoing uncertainty facing Europe amid growing populist sentiment.

Japan: With monetary policy seemingly at its limits, structural reform is likely needed to sustain a further Japanese economic recovery. After winning a decisive victory in upper house elections in July, Prime Minister Abe announced his intention to seek a fiscal stimulus package worth an estimated ¥10 trillion. Earnings estimates are being revised lower as yen

GLOBAL MANAGED FUND (BALANCED)

strength cuts into the earnings of exporters and hurts overall competitiveness.

Emerging Markets: Rebounding commodities prices and a likely delay in the Fed tightening cycle are tailwinds, but a lack of visibility on EM growth calls the sustainability of the rebound into question. The asset class has been inclined to respond to macro factors like exchange rates, financial conditions and trade flows, and has tended to do well when the US economy avoids recession but doesn't grow enough to prompt significant Fed tightening.

Singapore Equity

The Singapore market saw slight declines in 1st half of 2016. Amongst the FTSE STI stock constituents, gainers and losers were mixed, on the back of heightened volatility. 2016 began poorly off the back of depressed oil prices and concerns over a slowing China and the Eurozone. This caused the index to reach a post-2011 low in the months of January and February. However, there was reprieve in the market, as oil prices firmed up due to unexpected supply outages, whilst the European Central Bank carried out additional Quantitative Easing stimulus. Combined with a dovish US Federal Reserve (Fed) statement, these developments boosted the market towards an April peak. Brexit concerns in the latter months of 1st half of 2016 and weak macroeconomic and company data releases dragged the index lower to close at the half year mark -1.45%, outperforming Asia ex-Japan which was down -4.09%.

Underperformers largely came from the offshore and marine, property and China/trade-related sectors. Weakness was seen in Sembcorp Marine and Keppel Corp on the back of contract cancellations and lower new order wins. Global Logistics Properties, which is geared towards China's logistics industry, was also in the red on concerns of a slowdown in warehousing demand across some Chinese cities. Property stocks such as UOL Group and Capitaland also saw selling by investors on the sluggish property market outlook.

Outperformers for the period were dominated by the defensive names, in particular the REITs which saw a rerating on expectations of lowered likelihood of Fed rates hikes. Other yield play names such as Singtel and ST Engineering also benefited. Thai Beverage was the top performer with a 35.1% gain due to strong beer sales numbers.

On the macroeconomic front, Singapore's economy grew by 2.1% year-on-year (yoy) in 1st quarter of 2016 and 2.2% yoy (flash estimates) in 2nd quarter of 2016, reflecting a slight recovery from 2nd half of 2015. However, this was still well below the pace of growth seen in previous years. Signs of weakness were also seen in the lacklustre monthly Purchasing Managers Index and Non-Oil Domestic Exports numbers. In response, the Monetary Authority of Singapore adopted a monetary stance of "zero appreciation of the SGD NEER" in order to boost exports.

We are cautious on the Singapore market, due to the openness of its economy, and the negative impact of weakening global growth. The corporate earning downgrade cycles has also yet to see a turnaround. Risk of another US rate hike and the upcoming US presidential elections are also headwinds to the market. We believe that stock selection continues to be key, and we adopt a barbell strategy of investing in dividend paying defensive names and quality blue chip cyclicals.

Risks

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

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

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

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

Expense and turnover ratio

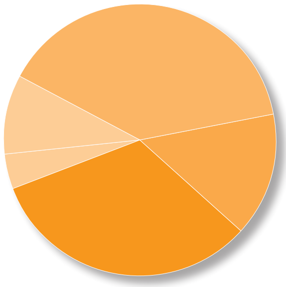
	Expense ratio	Turnover ratio
As of 30 June 2016	1.17%	4.68%
As of 30 June 2015	1.14%	1.75%

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

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

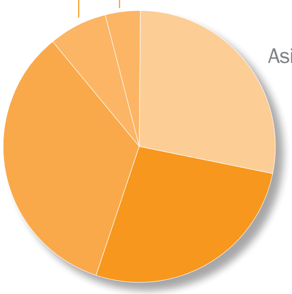
GLOBAL MANAGED FUND (BALANCED)

Asset allocation as of 30 June 2016



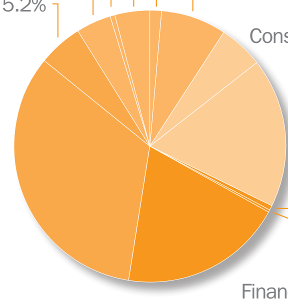
	S$ (mil)
Singapore Equity	16.3
Global Equity	66.5
Singapore Bond	25.1
Global Bond	55.6
Cash/Others	6.8
Total	170.3

Country allocation as of 30 June 2016



	S$ (mil)
Asia	48.0
Europe	45.8
North America	57.8
Other Countries	11.9
Cash/Others	6.8
Total	170.3

Sector allocation as of 30 June 2016



	S$ (mil)
Basic Materials	2.6
Communications	13.2
Consumer, Cyclical	8.9
Consumer, Non-cyclical	30.0
Diversified	1.1
Energy	0.7
Financial	32.9
Government	57.0
Industrial	8.9
Technology	7.1
Utilities	1.0
Cash/Others	6.8
Total	170.3

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	32.9	19.3
AA+	1.1	0.6
AA	5.0	2.9
AA-	0.5	0.3
A+	2.9	1.7
A	10.9	6.4
A-	5.1	3.0
BBB+	4.4	2.6
BBB	9.5	5.6
BBB-	2.4	1.4
BB+	2.2	1.3
Not rated	3.9	2.3
Total	80.7	47.4

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

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

GLOBAL MANAGED FUND (BALANCED)

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	171,791,379
Purchase of units	2,244,607
Redemption of units	(6,832,357)
Gain/(loss) on investments and other income	3,090,271
Management fee and other charges	(9,207)
Value of fund as of 30 June 2016	170,284,693

Units in issue	84,887,226
Net asset value per unit	
- at the beginning of the year	1.970
- as of 30 June 2016	2.006

Exposure to derivatives

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

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
Global Equity Fund	68.6	40.3
Global Bond Fund	59.2	34.8
Singapore Bond Fund	25.1	14.7
Singapore Equity Fund	17.3	10.2

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$9,207.

Soft dollar commission or arrangement

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

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

Conflicts of interest

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

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

Other parties

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

Material information

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

Reports

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

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

GLOBAL MANAGED FUND (CONSERVATIVE)

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	2 January 2003
Fund Size	S$11.90 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.87% per annum at sub-fund level Prior to 15 June 2016, the management fees were charged at core sub-fund levels
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Benchmark	5% FTSE Straits Times Index (FTSE STI) 25% MSCI World Index in Singapore Dollars 20% UOB Long Bond Index 50% Barclays Global Aggregate in Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

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

June 2015	S$ (mil)	% of Net Asset Value
Global Bond Fund^	6.0	49.6
Global Equity Fund	3.1	25.6
Singapore Bond Fund	2.3	19.2
Singapore Equity Fund	0.6	4.8

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

Fund manager

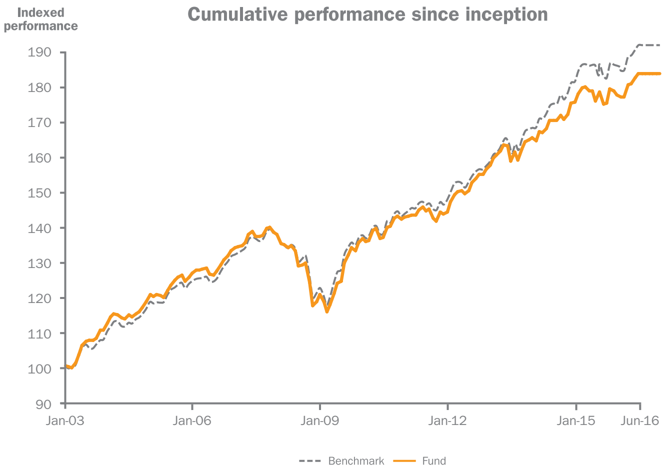
NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

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

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Conservative)	0.7%	1.8%	3.4%	4.5%	5.0%	4.9%	3.8%	4.6%
Benchmark	0.7%	1.8%	3.4%	4.7%	6.1%	5.6%	4.5%	5.0%

GLOBAL MANAGED FUND (CONSERVATIVE)



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

Market review

Global Bond

Market Review

In 1st quarter of 2016, we witnessed a remarkable "V" shaped rally. After one of the worst Januarys in recent memory and a volatile but still difficult month for risk in February, March saw a significant rebound for the vast majority of risk assets with positive momentum right up until month end.

January started with global equity markets falling about 10.0% in the first fortnight on weak renminbi (RMB), turmoil in the Chinese equity markets, commodity prices falling lower generally and oil breaking below the US$30 per barrel floor specifically. In the absence of any circuit breaker, oil prices continued to tumble, RMB remained soft and the negative sentiment towards the banking sector was compounded repo rate cuts.

The catalyst for the robust rebound in the 2nd half of February was a rebound in oil prices on renewed rumours of production cuts, which propped up risk asset prices generally. This was further supported by the first communication in several months from the Governor of the People's Bank of China, aiming to reassure the market about the state of the Chinese economy. Oil continued to stabilise and US economic surprises started to significantly beat (low) expectations.

2nd quarter of 2016 started with risk assets doing well as good sentiment prevailed through April as Chinese data stabilised, the price of oil and commodities appeared to be recovering, capped off by a dovish US Federal Reserve (Fed). Elsewhere, the good sentiment was helped by easing actions by Sweden where Quantitative Easing was increased and by Australia which cut rates in the wake of weak commodity prices. In the UK, uncertainty started creeping in as the June 23rd referendum on whether the UK wanted to stay or leave the European Union (EU) became more prominent and signs of a pullback in investment started manifesting themselves in weaker gross domestic product (GDP) numbers such as the disappointing 1st quarter number of 0.4%. However, sentiments improved after Federal Open Market Committee minutes showed that the Fed was optimistic on the US economy and was possibly looking to hike again as soon as December 2016, which caused longer dated treasuries to rise.

In Europe, things were not as rosy as in the US; the European Commission downgraded the expected GDP for a number of countries and further reduced their inflation forecast for the year to 0.2%. UK gilts benefitted from ebbing confidence as the date of the referendum approached, and UK manufacturing Purchasing Managers Index numbers came in below 50, signalling a slowdown. Markets were left shocked after the results showed that the leave voters had a marginal victory over those wanting to remain in the EU. In the immediate aftermath, the Sterling fell to 30-year lows against the dollar as it went to around 1.30 USD per GBP. The UK 10-year yield fell from 1.3% to well below 1.0% by month-end as investors sought safe haven assets and also expected that the Bank of England would initiate some form of easing to stimulate the economy should it start to slow in the wake of the Brexit vote.

2nd quarter of 2016 was relatively uneventful in terms of activity from the Bank of Japan. However, a persistent disinflationary environment did help Japanese government bonds to perform through the quarter.

Market Outlook

We expect the weak global economic recovery to continue with the US growing at 2.0%-2.5% and the US inflation slowly increasing. Indeed this is supported by recent US economic data. The Brexit vote, however, presents a new source of downside risks that need to be analysed.

Brexit is a clear negative shock for the UK economy. The risk of recession is high and further monetary and fiscal easing is likely, but the UK represents only a small part of the global economy.

The downside risks to the global economy depends on how much Brexit drags down the Eurozone outlook. We do not expect a systemic crisis similar to those in 2008-09 or 2011-12. Eurozone growth will be dragged down because of UK trade linkages, but financial market contagion has been contained by the European Central Bank's sovereign and corporate bond purchases. The bigger risks to Eurozone growth come from politics with Italy's constitutional referendum in October and the French Presidential elections in 2017 presenting opportunities for a populist backlash.

The flip side of Brexit's uncertainty is that policymakers stand ready to provide further stimulus to the economy. In particular, it is highly unlikely that the Fed will look to raise rates until economic data confirms that Brexit is a localised shock for the UK. This makes a rate hike this year unlikely. Besides the UK, further stimulus in Japan is also likely this year. Further non-US monetary stimulus increases global liquidity and by forcing non-US yields lower, this makes long-dated US bonds more attractive to global investors. This lower cost of capital and high level of liquidity reinforces our expectation that corporate defaults will remain low and that credit is an attractive asset class.

Singapore Bond

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In view of the latest developments in Europe which caused volatility in markets to spike, we foresee growth headwinds and uneasiness in financial market to remain. We expect the Fed to refrain from hiking rates further in the near-term and other Developed Market central banks to keep rates low for longer to cushion the negative sentiment. Longer duration, high credit quality assets are likely to perform well in this kind of market environment. Against this backdrop, we favour a cautious approach, keeping the Singapore Bond Fund invested mainly in highly rated and liquid bonds.

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The US S&P 500 Index returned -1.15% in Singapore Dollar terms for the 1st half of 2016. Diminishing fears of multiple Fed rate hikes along with continued easy monetary policies from major global central banks helped underpin US equity markets despite falling corporate earnings. Earnings weakness has spread beyond the energy and materials sectors to most sectors of the S&P. Slowing capital expenditures by members companies in the index is a source of concern regarding future profits.

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Market Outlook

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Japan: With monetary policy seemingly at its limits, structural reform is likely needed to sustain a further Japanese economic recovery. After winning a decisive victory in upper house elections in July, Prime Minister Abe announced his intention to seek a fiscal stimulus package worth an estimated ¥10

GLOBAL MANAGED FUND (CONSERVATIVE)

trillion. Earnings estimates are being revised lower as yen strength cuts into the earnings of exporters and hurts overall competitiveness.

Emerging Markets: Rebounding commodities prices and a likely delay in the Fed tightening cycle are tailwinds, but a lack of visibility on EM growth calls the sustainability of the rebound into question. The asset class has been inclined to respond to macro factors like exchange rates, financial conditions and trade flows, and has tended to do well when the US economy avoids recession but doesn't grow enough to prompt significant Fed tightening.

Singapore Equity

The Singapore market saw slight declines in 1st half of 2016. Amongst the FTSE STI stock constituents, gainers and losers were mixed, on the back of heightened volatility. 2016 began poorly off the back of depressed oil prices and concerns over a slowing China and the Eurozone. This caused the index to reach a post-2011 low in the months of January and February. However, there was reprieve in the market, as oil prices firmed up due to unexpected supply outages, whilst the European Central Bank carried out additional Quantitative Easing stimulus. Combined with a dovish US Federal Reserve (Fed) statement, these developments boosted the market towards an April peak. Brexit concerns in the latter months of 1st half of 2016 and weak macroeconomic and company data releases dragged the index lower to close at the half year mark -1.45%, outperforming Asia ex-Japan which was down -4.09%.

Underperformers largely came from the offshore and marine, property and China/trade-related sectors. Weakness was seen in Sembcorp Marine and Keppel Corp on the back of contract cancellations and lower new order wins. Global Logistics Properties, which is geared towards China's logistics industry, was also in the red on concerns of a slowdown in warehousing demand across some Chinese cities. Property stocks such as UOL Group and Capitaland also saw selling by investors on the sluggish property market outlook.

Outperformers for the period were dominated by the defensive names, in particular the REITs which saw a rerating on expectations of lowered likelihood of Fed rates hikes. Other yield play names such as Singtel and ST Engineering also benefited. Thai Beverage was the top performer with a 35.1% gain due to strong beer sales numbers.

On the macroeconomic front, Singapore's economy grew by 2.1% year-on-year (yoy) in 1st quarter of 2016 and 2.2% yoy (flash estimates) in 2nd quarter of 2016, reflecting a slight recovery from 2nd half of 2015. However, this was still well below the pace of growth seen in previous years. Signs of weakness were also seen in the lacklustre monthly Purchasing Managers Index and Non-Oil Domestic Exports numbers. In response, the Monetary Authority of Singapore adopted a monetary stance of "zero appreciation of the SGD NEER" in order to boost exports.

We are cautious on the Singapore market, due to the openness of its economy, and the negative impact of weakening global growth. The corporate earning downgrade cycles has also yet to see a turnaround. Risk of another US rate hike and the upcoming US presidential elections are also headwinds to the market. We believe that stock selection continues to be key, and we adopt a barbell strategy of investing in dividend paying defensive names and quality blue chip cyclicals.

Risks

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

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

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Expense and turnover ratio

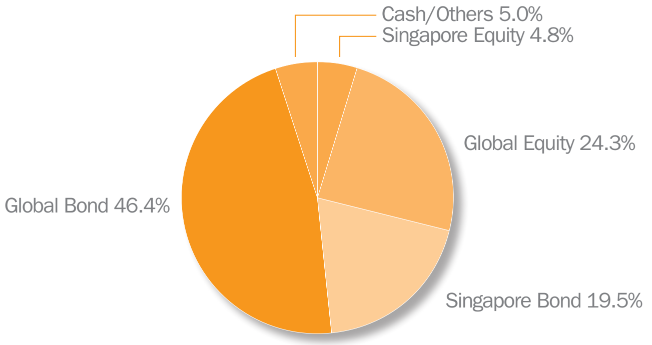
	Expense ratio	Turnover ratio
As of 30 June 2016	1.06%	3.71%
As of 30 June 2015	1.04%	1.25%

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

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

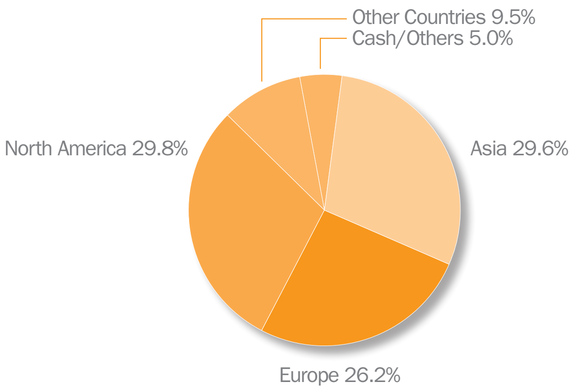
GLOBAL MANAGED FUND (CONSERVATIVE)

Asset allocation as of 30 June 2016



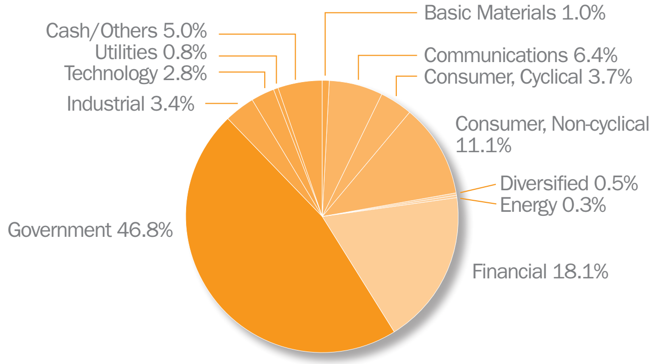
	S$ (mil)
Singapore Equity	0.6
Global Equity	2.9
Singapore Bond	2.3
Global Bond	5.5
Cash/Others	0.6
Total	11.9

Country allocation as of 30 June 2016



	S$ (mil)
Asia	3.5
Europe	3.1
North America	3.5
Other Countries	1.1
Cash/Others	0.6
Total	11.9

Sector allocation as of 30 June 2016



	S$ (mil)
Basic Materials	0.1
Communications	0.8
Consumer, Cyclical	0.4
Consumer, Non-cyclical	1.3
Diversified	0.1
Energy	0.0
Financial	2.2
Government	5.6
Industrial	0.4
Technology	0.3
Utilities	0.1
Cash/Others	0.6
Total	11.9

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	3.2	26.7
AA+	0.1	0.9
AA	0.5	4.1
AA-	0.0	0.4
A+	0.3	2.3
A	1.1	9.0
A-	0.5	4.2
BBB+	0.4	3.6
BBB	0.9	7.8
BBB-	0.2	2.0
BB+	0.2	1.9
Not rated	0.4	3.0
Total	7.8	65.9

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

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

GLOBAL MANAGED FUND (CONSERVATIVE)

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	11,841,954
Purchase of units	248,273
Redemption of units	(586,357)
Gain/(loss) on investments and other income	395,565
Management fee and other charges	(536)
Value of fund as of 30 June 2016	11,898,899

Units in issue	6,471,479
Net asset value per unit	
- at the beginning of the year	1.778
- as of 30 June 2016	1.839

Exposure to derivatives

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

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
Global Bond Fund	5.9	49.5
Global Equity Fund	3.0	25.1
Singapore Bond Fund	2.3	19.5
Singapore Equity Fund	0.6	5.1

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$536.

Soft dollar commission or arrangement

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

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

Conflicts of interest

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

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

Other parties

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

Material information

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

Reports

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

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

GLOBAL MANAGED FUND (GROWTH)

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	2 January 2003
Fund Size	S$235.72 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.005% per annum at sub-fund level Prior to 15 June 2016, the management fees were charged at core sub-fund levels
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Benchmark	15% FTSE Straits Times Index (FTSE STI) 55% MSCI World Index in Singapore Dollars 10% UOB Long Bond Index 20% Barclays Global Aggregate in Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Global Equity Fund^	130.2	55.3
Global Bond Fund	46.7	19.8
Singapore Equity Fund	35.8	15.2
Singapore Bond Fund	23.1	9.8

June 2015	S$ (mil)	% of Net Asset Value
Global Equity Fund^	137.1	55.5
Global Bond Fund	51.3	20.8
Singapore Equity Fund	35.1	14.2
Singapore Bond Fund	23.6	9.5

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

Fund manager

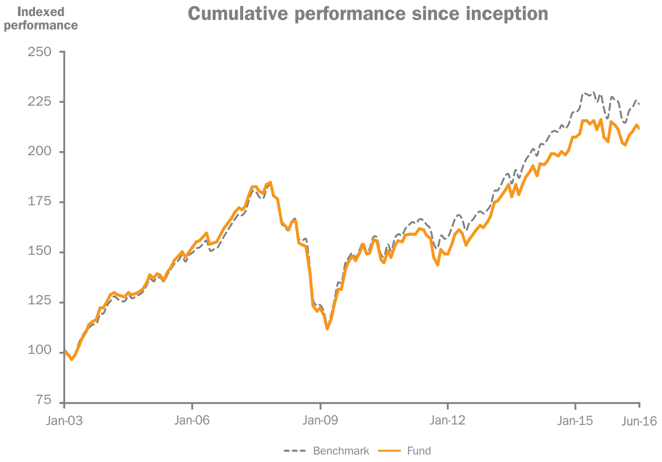
NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

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

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Growth)	-0.8%	1.6%	0.2%	0.3%	6.0%	6.0%	3.2%	5.7%
Benchmark	-0.9%	1.4%	-0.5%	-0.6%	6.7%	6.5%	4.0%	6.1%

GLOBAL MANAGED FUND (GROWTH)



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

Market review

Global Bond

Market Review

In 1st quarter of 2016, we witnessed a remarkable "V" shaped rally. After one of the worst Januarys in recent memory and a volatile but still difficult month for risk in February, March saw a significant rebound for the vast majority of risk assets with positive momentum right up until month end.

January started with global equity markets falling about 10.0% in the first fortnight on weak renminbi (RMB), turmoil in the Chinese equity markets, commodity prices falling lower generally and oil breaking below the US$30 per barrel floor specifically. In the absence of any circuit breaker, oil prices continued to tumble, RMB remained soft and the negative sentiment towards the banking sector was compounded repo rate cuts.

The catalyst for the robust rebound in the 2nd half of February was a rebound in oil prices on renewed rumours of production cuts, which propped up risk asset prices generally. This was further supported by the first communication in several months from the Governor of the People's Bank of China, aiming to reassure the market about the state of the Chinese economy. Oil continued to stabilise and US economic surprises started to significantly beat (low) expectations.

2nd quarter of 2016 started with risk assets doing well as good sentiment prevailed through April as Chinese data stabilised, the price of oil and commodities appeared to be recovering, capped off by a dovish US Federal Reserve (Fed). Elsewhere, the good sentiment was helped by easing actions by Sweden where Quantitative Easing was increased and by Australia which cut rates in the wake of weak commodity prices. In the UK, uncertainty started creeping in as the June 23rd referendum on whether the UK wanted to stay or leave the European Union (EU) became more prominent and signs of a pullback in investment started manifesting themselves in weaker gross domestic product (GDP) numbers such as the disappointing 1st quarter number of 0.4%. However, sentiments improved after Federal Open Market Committee minutes showed that the Fed was optimistic on the US economy and was possibly looking to hike again as soon as December 2016, which caused longer dated treasuries to rise.

In Europe, things were not as rosy as in the US; the European Commission downgraded the expected GDP for a number of countries and further reduced their inflation forecast for the year to 0.2%. UK gilts benefitted from ebbing confidence as the date of the referendum approached, and UK manufacturing Purchasing Managers Index numbers came in below 50, signalling a slowdown. Markets were left shocked after the results showed that the leave voters had a marginal victory over those wanting to remain in the EU. In the immediate aftermath, the Sterling fell to 30-year lows against the dollar as it went to around 1.30 USD per GBP. The UK 10-year yield fell from 1.3% to well below 1.0% by month-end as investors sought safe haven assets and also expected that the Bank of England would initiate some form of easing to stimulate the economy should it start to slow in the wake of the Brexit vote.

2nd quarter of 2016 was relatively uneventful in terms of activity from the Bank of Japan. However, a persistent disinflationary environment did help Japanese government bonds to perform through the quarter.

Market Outlook

We expect the weak global economic recovery to continue with the US growing at 2.0%-2.5% and the US inflation slowly increasing. Indeed this is supported by recent US economic data. The Brexit vote, however, presents a new source of downside risks that need to be analysed.

Brexit is a clear negative shock for the UK economy. The risk of recession is high and further monetary and fiscal easing is likely, but the UK represents only a small part of the global economy.

The downside risks to the global economy depends on how much Brexit drags down the Eurozone outlook. We do not expect a systemic crisis similar to those in 2008-09 or 2011-12. Eurozone growth will be dragged down because of UK trade linkages, but financial market contagion has been contained by the European Central Bank's sovereign and corporate bond purchases. The bigger risks to Eurozone growth come from politics with Italy's constitutional referendum in October and the French Presidential elections in 2017 presenting opportunities for a populist backlash.

The flip side of Brexit's uncertainty is that policymakers stand ready to provide further stimulus to the economy. In particular, it is highly unlikely that the Fed will look to raise rates until economic data confirms that Brexit is a localised shock for the UK. This makes a rate hike this year unlikely. Besides the UK, further stimulus in Japan is also likely this year. Further non-US monetary stimulus increases global liquidity and by forcing non-US yields lower, this makes long-dated US bonds more attractive to global investors. This lower cost of capital and high level of liquidity reinforces our expectation that corporate defaults will remain low and that credit is an attractive asset class.

Singapore Bond

We witnessed heightened volatility in financial markets in the 1st half of 2016 after the US Federal Reserve (Fed) commenced its rate hike cycle in December 2015 amid declining commodity prices. Although risk asset markets have subsequently recovered since mid-February, investors remain cautious given the political uncertainties in several countries and geo-political tensions in Asia Pacific. Taking such issues into account, economists of central banks and global agencies such as the International Monetary Fund and World Bank proceeded to revise their economic growth forecasts lower.

In April, faced with a less favourable external environment, the Monetary Authority of Singapore shifted to a neutral policy stance and set the rate of appreciation of the Singapore Dollar Nominal Effective Exchange Rate to zero. The idea of a second easing in 12 months is to maintain a monetary policy which is supportive of economic growth, while ensuring price stability in the medium-term. Subsequently in May, the Singaporean government retained its 2016 gross domestic product (GDP) growth forecast of between 1.0% and 3.0%, in-line with the 1.8% year-on-year GDP growth in the 1st quarter. Meanwhile Singapore's core inflation, which excludes costs of accommodation and private road transport, has remained at 1.0% or below since March 2015. Given weaker than expected demand globally, we are likely to see the current benign inflation environment to continue despite central banks' accommodative monetary policy.

In view of the latest developments in Europe which caused volatility in markets to spike, we foresee growth headwinds and uneasiness in financial market to remain. We expect the Fed to refrain from hiking rates further in the near-term and other Developed Market central banks to keep rates low for longer to cushion the negative sentiment. Longer duration, high credit quality assets are likely to perform well in this kind of market environment. Against this backdrop, we favour a cautious approach, keeping the Singapore Bond Fund invested mainly in highly rated and liquid bonds.

Global Equity

Market Review

Markets were volatile in the 1st half of 2016 with pressure from slowing growth and heavy capital outflows in China prompting the government to undertake significant stimulus measures to boost growth and restrain market volatility. As 2016 began, investors had expected a series of interest rate hikes from the US Federal Reserve (Fed), but those expectations diminished early in 2016 owing to the volatile global market environment and moderating gains in US labour market. Plunging commodity prices early in the year, particularly in the price of crude oil, increased deflationary pressures throughout the global economy, further restraining the Fed. The diminished threat of Fed hikes and fresh Chinese stimulus helped commodity prices to find a bottom in February and begin to rebound. Late in the 1st half, the United Kingdom's (UK) decision to exit the European Union (EU) added to market uncertainty, but also increased the odds of easier monetary policy ahead from the Bank of England.

The US S&P 500 Index returned -1.15% in Singapore Dollar terms for the 1st half of 2016. Diminishing fears of multiple Fed rate hikes along with continued easy monetary policies from major global central banks helped underpin US equity markets despite falling corporate earnings. Earnings weakness has spread beyond the energy and materials sectors to most sectors of the S&P. Slowing capital expenditures by members companies in the index is a source of concern regarding future profits.

European stocks, as measured by the STOXX 50 Index, returned -12.12% in Singapore Dollar terms during the 1st half of 2016. The European Central Bank expanded its asset purchase programme to include investment grade corporate debt, which drove yields on some of those securities into negative territory, where they join many European sovereign bonds. The combination of sluggish credit demand and very low interest rates made for particularly difficult conditions for the European banking sector. Fallout from the Brexit vote weighed on markets late in the 1st half, with a prolonged period of uncertainty foreseen as the UK and EU negotiate terms of separation while arranging for future trading relations. In May, the Greek bailout was extended, but worries persist that the country's debt level will ultimately prove unsustainable.

In Japan, the Nikkei Composite Index returned -7.95% in Singapore Dollar terms during the 1st half of 2016. Markets reacted negatively to the Bank of Japan's decision to introduce negative policy interest rates. Observers question whether monetary policy has reached its effective limits. Although manufacturers are benefiting from historically low energy costs and interest rates, the recent strength of the yen has been a growing headwind for exporters, pressuring corporate earnings.

The MSCI Emerging Markets (EM) Index returned 1.41% in the 1st half of the year in Singapore Dollar terms as commodity prices pulled out of their early 2016 dive and stimulus measures and closer currency management in China helped reverse the early risk-off environment that plagued the index at the beginning of the year. A delay in the Fed's rate-hiking cycle was a major boost to Emerging Markets, though slow global growth calls into question the sustainability of the asset class's rebound.

Market Outlook

Volatility is likely to stay high during the balance of 2016, making for challenging markets. Geopolitical risks, sub-par growth and low inflation will likely contribute to continued low returns.

United States: Earnings weakness is spreading from the energy and materials sectors to most market sectors, a cause for concern, especially with large capitalisation companies trading at full valuations. Rising unit labour costs and declining free cash flows may crimp profit margins and earnings unless top-line growth begins to accelerate again. A decline in capital expenditures is also a concern, as corporate investment tends to lead to future profits.

Europe: Valuations remain attractive compared with the US and Japan, though Developed Markets valuations look full overall. In the wake of the Brexit vote, UK-based multinationals have fared better than domestic-facing firms, and with a materially weaker pound sterling we expect multinationals to remain relatively attractive. Downward earnings pressure is expected in both the UK and Europe, driven by lower growth and investment associated with the uncertainty surrounding the Brexit referendum, which side-lined activity this spring. This is a condition that will likely persist for some months to come. Expect equity risk premia to remain elevated given ongoing uncertainty facing Europe amid growing populist sentiment.

Japan: With monetary policy seemingly at its limits, structural reform is likely needed to sustain a further Japanese economic recovery. After winning a decisive victory in upper house elections in July, Prime Minister Abe announced his intention to seek a fiscal stimulus package worth an estimated ¥10 trillion. Earnings estimates are being revised lower as yen

GLOBAL MANAGED FUND (GROWTH)

strength cuts into the earnings of exporters and hurts overall competitiveness.

Emerging Markets: Rebounding commodities prices and a likely delay in the Fed tightening cycle are tailwinds, but a lack of visibility on EM growth calls the sustainability of the rebound into question. The asset class has been inclined to respond to macro factors like exchange rates, financial conditions and trade flows, and has tended to do well when the US economy avoids recession but doesn't grow enough to prompt significant Fed tightening.

Singapore Equity

The Singapore market saw slight declines in 1st half of 2016. Amongst the FTSE STI stock constituents, gainers and losers were mixed, on the back of heightened volatility. 2016 began poorly off the back of depressed oil prices and concerns over a slowing China and the Eurozone. This caused the index to reach a post-2011 low in the months of January and February. However, there was reprieve in the market, as oil prices firmed up due to unexpected supply outages, whilst the European Central Bank carried out additional Quantitative Easing stimulus. Combined with a dovish US Federal Reserve (Fed) statement, these developments boosted the market towards an April peak. Brexit concerns in the latter months of 1st half of 2016 and weak macroeconomic and company data releases dragged the index lower to close at the half year mark -1.45%, outperforming Asia ex-Japan which was down -4.09%.

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Risks

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Expense and turnover ratio

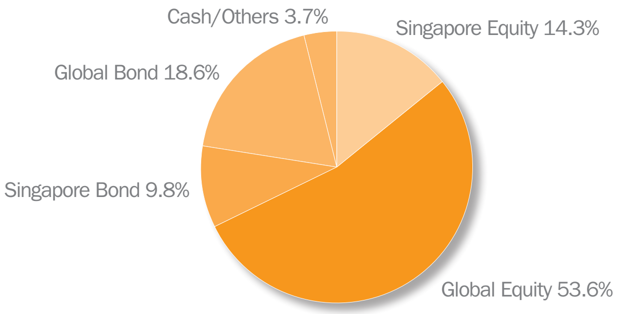
	Expense ratio	Turnover ratio
As of 30 June 2016	1.22%	5.84%
As of 30 June 2015	1.21%	2.52%

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

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

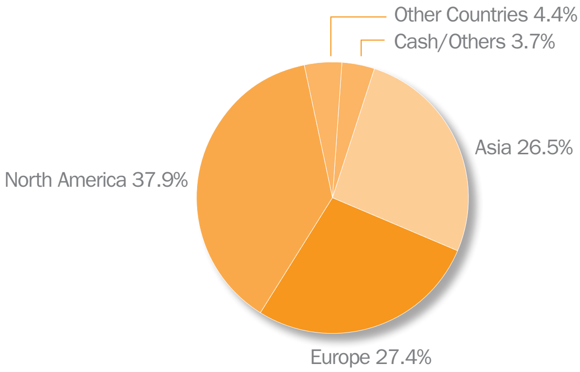
GLOBAL MANAGED FUND (GROWTH)

Asset allocation as of 30 June 2016



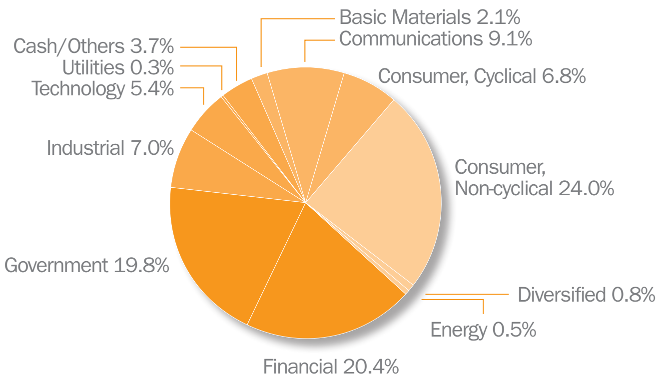
	S$ (mil)
Singapore Equity	33.7
Global Equity	126.3
Singapore Bond	23.1
Global Bond	43.9
Cash/Others	8.8
Total	235.7

Country allocation as of 30 June 2016



	S$ (mil)
Asia	62.6
Europe	64.7
North America	89.3
Other Countries	10.4
Cash/Others	8.8
Total	235.7

Sector allocation as of 30 June 2016



	S$ (mil)
Basic Materials	4.9
Communications	21.4
Consumer, Cyclical	16.0
Consumer, Non-cyclical	56.7
Diversified	1.8
Energy	1.2
Financial	48.0
Government	46.7
Industrial	16.5
Technology	12.8
Utilities	0.8
Cash/Others	8.8
Total	235.7

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	27.6	11.7
AA+	0.8	0.4
AA	4.0	1.7
AA-	0.4	0.2
A+	2.5	1.1
A	8.8	3.7
A-	4.1	1.7
BBB+	3.6	1.5
BBB	7.7	3.3
BBB-	2.1	0.9
BB+	1.8	0.8
Not rated	3.6	1.5
Total	67.0	28.4

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

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

GLOBAL MANAGED FUND (GROWTH)

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	240,801,927
Purchase of units	5,582,506
Redemption of units	(11,197,246)
Gain/(loss) on investments and other income	541,740
Management fee and other charges	(13,840)
Value of fund as of 30 June 2016	235,715,087

Units in issue	111,355,512
Net asset value per unit	
- at the beginning of the year	2.112
- as of 30 June 2016	2.117

Exposure to derivatives

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

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
Global Equity Fund	130.2	55.3
Global Bond Fund	46.7	19.8
Singapore Equity Fund	35.8	15.2
Singapore Bond Fund	23.1	9.8

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$13,840.

Soft dollar commission or arrangement

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

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

Conflicts of interest

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

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

Other parties

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

Material information

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

Reports

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

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

SINGAPORE MANAGED FUND

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	1 May 1994
Fund Size	S$80.73 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Narrowly Focused – Country – Singapore
Benchmark	60% FTSE Straits Times Index (FTSE STI) 40% Singapore 3-month Deposit Rate
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	33.3	41.2
Singapore Telecommunications Ltd	6.6	8.2
DBS Group Holdings Ltd	6.5	8.1
Oversea-Chinese Banking Corp	5.2	6.5
United Overseas Bank Ltd	3.5	4.3
Thai Beverage PCL	2.2	2.7
CapitaLand Ltd	2.0	2.5
Singapore Airlines Ltd	1.9	2.4
Hongkong Land Holdings Ltd	1.9	2.3
Keppel Corp Ltd	1.8	2.3

June 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	31.1	36.3
DBS Group Holdings Ltd	7.4	8.7
Singapore Telecommunications Ltd	6.4	7.4
Oversea-Chinese Banking Corp	5.8	6.8
United Overseas Bank Ltd	4.9	5.7
Jardine Matheson Holdings	3.1	3.7
CapitaLand Ltd	2.8	3.2
Hongkong Land Holdings Ltd	2.4	2.8
Global Logistic Properties Ltd	2.0	2.4
Thai Beverage PCL	1.9	2.2

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

Fund manager

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

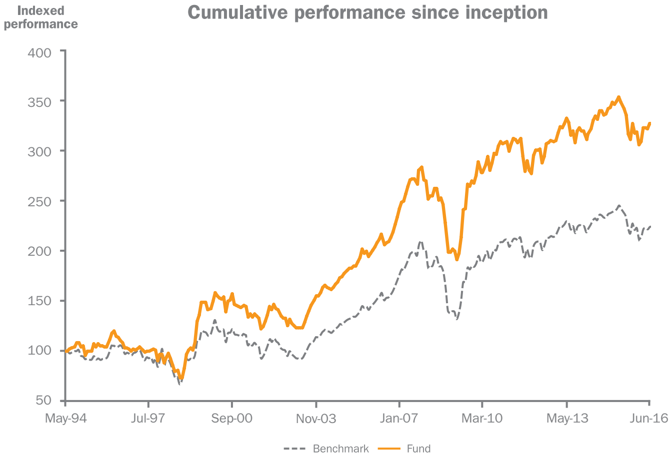
As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Managed Fund	1.9%	1.3%	2.8%	-4.3%	1.2%	1.3%	4.6%	5.5%
Benchmark	1.1%	1.0%	0.5%	-6.1%	0.4%	1.3%	3.9%	3.7%

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

SINGAPORE MANAGED FUND



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

Market review

The Singapore market saw slight declines in 1st half of 2016. Amongst the FTSE STI stock constituents, gainers and losers were mixed, on the back of heightened volatility. 2016 began poorly off the back of depressed oil prices and concerns over a slowing China and the Eurozone. This caused the index to reach a post-2011 low in the months of January and February. However, there was reprieve in the market, as oil prices firmed up due to unexpected supply outages, whilst the European Central Bank carried out additional Quantitative Easing stimulus. Combined with a dovish US Federal Reserve (Fed) statement, these developments boosted the market towards an April peak. Brexit concerns in the latter months of 1st half of 2016 and weak macroeconomic and company data releases dragged the index lower to close at the half year mark -1.45%, outperforming Asia ex-Japan which was down -4.09%.

Underperformers largely came from the offshore and marine, property and China/trade-related sectors. Weakness was seen in Sembcorp Marine and Keppel Corp on the back of contract cancellations and lower new order wins. Global Logistics Properties, which is geared towards China's logistics industry, was also in the red on concerns of a slowdown in warehousing demand across some Chinese cities. Property stocks such as UOL Group and Capitaland also saw selling by investors on the sluggish property market outlook.

Outperformers for the period were dominated by the defensive names, in particular the REITs which saw a rerating on expectations of lowered likelihood of Fed rates hikes. Other yield play names such as Singtel and ST Engineering also benefited. Thai Beverage was the top performer with a 35.1% gain due to strong beer sales numbers.

On the macroeconomic front, Singapore's economy grew by 2.1% year-on-year (yoy) in 1st quarter of 2016 and 2.2% yoy (flash estimates) in 2nd quarter of 2016, reflecting a slight recovery from 2nd half of 2015. However, this was still well below the pace of growth seen in previous years. Signs of weakness were also seen in the lacklustre monthly Purchasing Managers Index and Non-Oil Domestic Exports numbers. In response, the Monetary Authority of Singapore adopted a monetary stance of "zero appreciation of the SGD NEER" in order to boost exports.

We are cautious on the Singapore market, due to the openness of its economy, and the negative impact of weakening global growth. The corporate earning downgrade cycles has also yet to see a turnaround. Risk of another US rate hike and the upcoming US presidential elections are also headwinds to the market. We believe that stock selection continues to be key, and we adopt a barbell strategy of investing in dividend paying defensive names and quality blue chip cyclicals.

Risks

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

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

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

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

Expense and turnover ratio

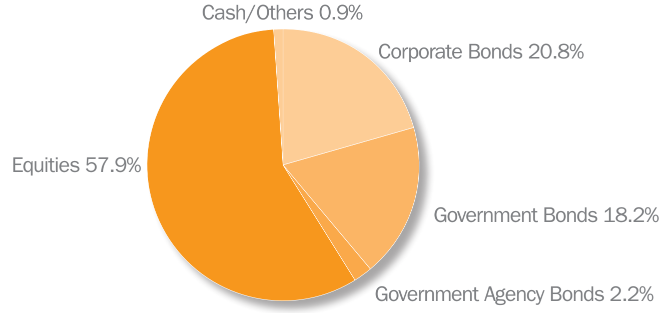
	Expense ratio	Turnover ratio
As of 30 June 2016	0.86%	15.00%
As of 30 June 2015	0.90%	4.96%

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

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

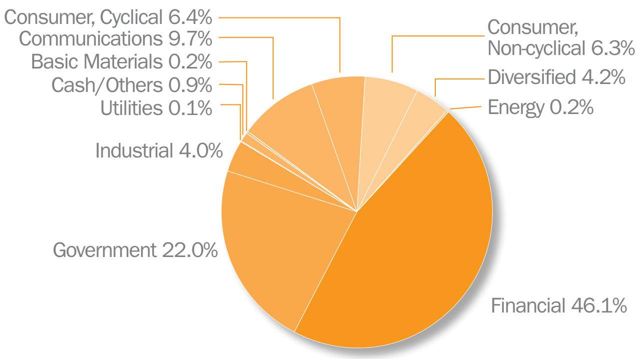
SINGAPORE MANAGED FUND

Asset allocation as of 30 June 2016



	S$ (mil)
Corporate Bonds	16.8
Government Bonds	14.7
Government Agency Bonds	1.8
Equities	46.8
Cash/Others	0.7
Total	80.7

Sector allocation as of 30 June 2016



	S$ (mil)
Basic Materials	0.1
Communications	7.8
Consumer, Cyclical	5.2
Consumer, Non-cyclical	5.1
Diversified	3.4
Energy	0.2
Financial	37.2
Government	17.7
Industrial	3.2
Utilities	0.1
Cash/Others	0.7
Total	80.7

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	16.8	20.8
AA	0.5	0.6
AA-	0.1	0.2
A+	2.7	3.4
A	1.9	2.3
A-	0.9	1.2
BBB+	1.4	1.7
BBB	2.3	2.8
BBB-	1.2	1.5
BB+	0.3	0.4
Not rated	5.1	6.4
Total	33.3	41.2

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

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

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	78,923,917
Purchase of units	2,431,702
Redemption of units	(2,844,276)
Gain/(loss) on investments and other income	2,452,006
Management fee and other charges	(235,365)
Value of fund as of 30 June 2016	80,727,984

Units in issue	31,010,181
Net asset value per unit	
- at the beginning of the year	2.533
- as of 30 June 2016	2.603

Exposure to derivatives

Nil.

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	33.3	41.2
CapitaLand Mall Trust (REIT)	1.4	1.7
Ascendas REIT	1.0	1.3
Frasers Logistics & Industrial Trust	1.0	1.2
CapitaLand Retail China Trust (REIT)	0.7	0.9
Hutchison Port Holdings Trust	0.2	0.3
CapitaLand Commercial Trust	0.2	0.3

SINGAPORE MANAGED FUND

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$235,365.

Soft dollar commission or arrangement

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

Conflicts of interest

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

Other parties

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

Material information

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

Reports

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

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

AIM NOW

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 distribution of up to 2% of the net asset value on 31 May and 30 November every year, or a total potential distribution of 4% per annum.

Investment scope

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

Fund details as of 30 June 2016

Launch Date	25 September 2009
Fund Size	S$113.62 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.85% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Broadly Diversified
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars UOB Singapore Government Bond Index (All) 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

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	42.7	37.5
Schroder Asian Investment Grade Credit	19.1	16.8
Schroder ISF Global Corporate Bond	11.7	10.3
Schroder ISF Global Inflation Linked Bond	9.1	8.0
Schroder ISF Global Bond	7.0	6.2
Schroder ISF Global Equity	4.0	3.6
Schroder ISF Asian Opportunities	3.4	3.0
SPDR Gold Trust	2.7	2.3
Schroder ISF Asian Bond Absolute Return	1.1	1.0
Singapore Equity Fund	0.8	0.7

June 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	39.2	31.2
Schroder Asian Investment Grade Credit	20.7	16.4
Schroder ISF Global Corporate Bond	10.3	8.2
Schroder ISF Global Bond	9.4	7.4
Schroder ISF Asian Opportunities	8.5	6.7
Schroder ISF Global Inflation Linked Bond	6.9	5.5
Schroder ISF Global Equity	6.2	4.9
Schroder ISF Asian Bond Absolute Return	4.9	3.9
Monetary Authority of Singapore Bills 310715	4.0	3.1
Singapore Equity Fund	2.5	2.0

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

Fund manager

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

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.

AIM NOW

As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

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

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$459.6 billion (as of 30 June 2016).

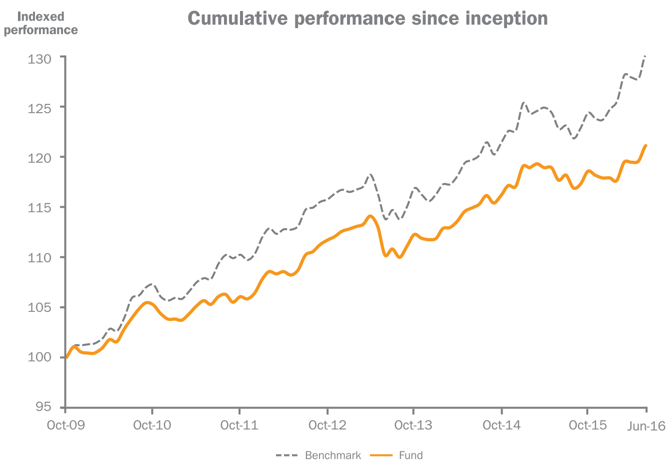
Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
AIM NOW	1.3%	1.4%	2.7%	2.9%
Benchmark	1.9%	1.7%	5.3%	6.1%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM NOW	3.2%	2.8%	N.A.	2.9%
Benchmark	4.6%	4.0%	N.A.	4.0%

Changes to benchmarks during the life of the sub-fund: 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



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

Market review

Global equities had a volatile 1st half of 2016, with instability in the Chinese equity market, growing US recession fears, central bank activity and Brexit dominating volatility. Equity markets gave mixed returns with European equities, as represented by the EuroStoxx 50 index, down around -12.0% in local terms amid worries over the impact of the UK's Brexit vote. Japanese equities suffered considerable losses on the back of negative interest rate policy by the Bank of Japan and a sharp appreciation of the Japanese Yen. On the other hand, US equities rose as macroeconomic news generally improved over the period. A weaker US Dollar from deferred rate hike expectations proved supportive for Emerging Markets (EM), which also lifted commodity prices.

Bond markets outperformed equities over the period. A combination of a dovish US Federal Reserve (Fed), mixed US economic data and heightened global risk aversion saw government bond yields falling across the board to an all-time low, with both German Bunds and Japanese government bonds dipping into the negative territory. In riskier bonds, high yield debt was the best performer as the stabilisation in oil prices provided support to the sector.

In currency markets, the Singapore Dollar appreciated against most major currencies, including the US Dollar as investors expect US interest rates to stay lower for longer. The British Sterling suffered the most and depreciated by more than -14.0% following the country's surprise decision to leave the European Union (EU). On the other hand, the Japanese Yen was up 11.0% as investors piled into the perceived safe-haven currency.

Market Outlook
In the aftermath of Brexit, global interest rates have declined on concerns that the global economic slowdown may intensify. Investors' earlier expectation of an imminent Fed hike has been re-priced to reflect a low likelihood of higher Fed funds rates in 2016. This was encouraged by strong signals from the Bank of England and the European Central Bank that more liquidity would be forthcoming. On the back of a much firmer US employment data, the equity markets have stabilised, with the Asian equity markets recovering above their pre-Brexit levels and the US S&P 500 establishing record highs in early July.

Within equities, US has historically been a more defensive market compared to other regions. In Europe, the near-term impact from Brexit is negative. UK consumers' sentiment has fallen sharply and corporates have to re-think their business model with the UK leaving the EU. Within EM, there exists concern over renewed weakness in the Chinese Yuan. This coincides with more incidents of defaults among Chinese debt issuers, which points to deeper and structural challenge faced by China.

Within fixed income, US 10 year bond yields reached a record low of 1.38% post Brexit. This resulted from a downward shift in Fed hike expectation and investors' flight to safe-haven assets. Bond yields have been following the trajectory of US rates and fallen globally. At these levels, bonds are expensive. The bond markets remained supported by central banks' very accommodative stance. US inflation linked bonds are currently undervalued due to depressed inflation expectations despite the recent recovery in commodity prices. On one hand, high quality Asian credit is supported by solid corporate fundamentals and robust demand-supply conditions, but on the

other hand, credit market has performed well and the spreads relative to government bonds have narrowed.

Commodities are recovering from mid-February lows with oil production falling and capital expenditure cuts. Despite years of massive declines in oil price, the politics among the oil producing nations continues to be a source of volatility. Gold remains speculative as markets struggle between easier interest rates and the possibility of a Fed hike before year-end.

Risks

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

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

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

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

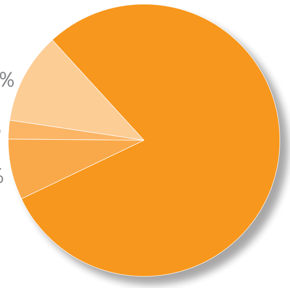
Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	0.95%	32.72%
As of 30 June 2015	0.99%	13.51%

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

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

Asset allocation as of 30 June 2016



	S$ (mil)
Bonds	90.6
Equities	8.2
Alternatives	2.7
Cash/Others	12.1
Total	113.6

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

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	116,668,972
Purchase of units	7,101,875
Redemption of units	(11,531,126)
Dividend distribution	(1,750,899)
Gain/(loss) on investments and other income	3,519,443
Management fee and other charges	(383,870)
Value of fund as of 30 June 2016	113,624,395

Units in issue	123,798,982
Net asset value per unit	
- at the beginning of the year	0.907
- as of 30 June 2016	0.918

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	612,136	0.54	(20,808)	709,109

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	42.7	37.5
Schroder Asian Investment Grade Credit	19.1	16.8
Schroder ISF Global Corporate Bond	11.7	10.3
Schroder ISF Global Inflation Linked Bond	9.1	8.0
Schroder ISF Global Bond	7.0	6.2
Schroder ISF Global Equity	4.0	3.6
Schroder ISF Asian Opportunities	3.4	3.0
SPDR Gold Trust	2.7	2.3
Schroder ISF Asian Bond Absolute Return	1.1	1.0
Singapore Equity Fund	0.8	0.7

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$383,870.

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

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.

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

Other parties

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

Material information

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

Reports

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

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

AIM 2025

Investment objective

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

Investment scope

The sub-fund intends to achieve this objective by investing in a diversified portfolio of asset classes including fixed income, equities and alternatives. The allocation between the asset classes will become more conservative as the portfolio approaches its maturity date, reflecting the need for reduced investment risks and volatility as retirement approaches. It is intended for the assets to be switched into the AIM Now portfolio once the portfolio reaches its maturity date for investors to enjoy a steady income and stable capital value after retirement.

Fund details as of 30 June 2016

Launch Date	25 September 2009
Fund Size	S$13.76 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.00% p.a.
Inclusion in CPFIS	Yes(CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars UOB Singapore Government Bond Index (All) MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) FTSE EPRA/NAREIT Developed Real Estate Index in Singapore Dollars DJ UBS Commodity hedged to Singapore Dollars Gold Spot hedged to Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Asian Opportunities	2.5	18.0
Schroder ISF Global Equity	1.9	13.5
Schroder ISF Global Bond	1.4	10.3
Schroder ISF Global Corporate Bond	1.4	10.2
Singapore Bond Fund	1.4	10.2
Schroder Asian Investment Grade Credit	1.2	8.7
Singapore Equity Fund	0.6	4.7
Schroder ISF Asia Pacific Property Securities	0.6	4.6
Schroder ISF Global Inflation Linked Bond	0.6	4.5
Monetary Authority of Singapore Bills 220716	0.4	3.0

June 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Asian Opportunities	2.5	19.8
Schroder ISF Global Equity	2.3	18.2
Schroder Asian Investment Grade Credit	1.2	9.1
Singapore Bond Fund	1.1	8.9
Schroder ISF Global Bond	1.0	8.2
Schroder ISF Global Corporate Bond	0.9	7.2
Singapore Equity Fund	0.6	4.6
Schroder ISF Global Smaller Companies	0.5	4.2
Schroder ISF Asia Pacific Property Securities	0.5	4.0
Schroder ISF Global Inflation Linked Bond	0.5	3.6

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

Fund manager

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

NTUC Income Insurance Co-operative Limited (Income)

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

AIM 2025

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

As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

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

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$459.6 billion (as of 30 June 2016).

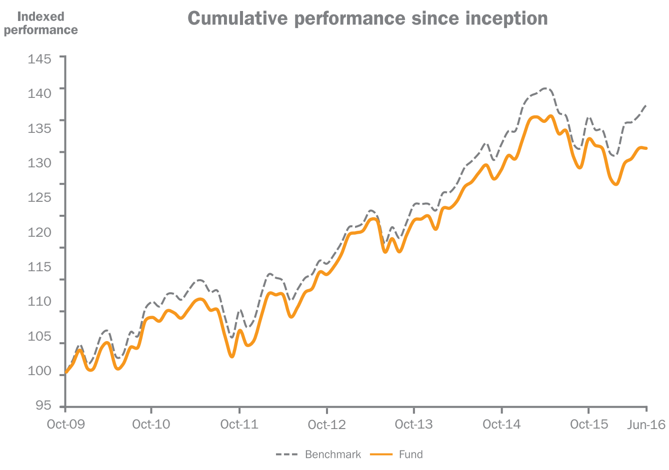
Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
AIM 2025	0.0%	1.7%	0.1%	-1.5%
Benchmark	1.0%	2.0%	2.6%	0.7%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2025	4.0%	3.9%	N.A.	4.2%
Benchmark	5.2%	4.4%	N.A.	4.9%

Changes to benchmarks during the life of the sub-fund: 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



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

Market review

Global equities had a volatile 1st half of 2016, with instability in the Chinese equity market, growing US recession fears, central bank activity and Brexit dominating volatility. Equity markets gave mixed returns with European equities, as represented by the EuroStoxx 50 index, down around -12.0% in local terms amid worries over the impact of the UK's Brexit vote. Japanese equities suffered considerable losses on the back of negative interest rate policy by the Bank of Japan and a sharp appreciation of the Japanese Yen. On the other hand, US equities rose as macroeconomic news generally improved over the period. A weaker US Dollar from deferred rate hike expectations proved supportive for Emerging Markets (EM), which also lifted commodity prices.

Bond markets outperformed equities over the period. A combination of a dovish US Federal Reserve (Fed), mixed US economic data and heightened global risk aversion saw government bond yields falling across the board to an all-time low, with both German Bunds and Japanese government bonds dipping into the negative territory. In riskier bonds, high yield debt was the best performer as the stabilisation in oil prices provided support to the sector.

In currency markets, the Singapore Dollar appreciated against most major currencies, including the US Dollar as investors expect US interest rates to stay lower for longer. The British Sterling suffered the most and depreciated by more than -14.0% following the country's surprise decision to leave the European Union(EU). On the other hand, the Japanese Yen was up 11.0% as investors piled into the perceived safe-haven currency.

Market Outlook
In the aftermath of Brexit, global interest rates have declined on concerns that the global economic slowdown may intensify. Investors' earlier expectation of an imminent Fed hike has been re-priced to reflect a low likelihood of higher Fed funds rates in 2016. This was encouraged by strong signals from the Bank of England and the European Central Bank that more liquidity would be forthcoming. On the back of a much firmer US employment data, the equity markets have stabilised, with the Asian equity markets recovering above their pre-Brexit levels and the US S&P 500 establishing record highs in early July.

Within equities, US has historically been a more defensive market compared to other regions. In Europe, the near-term impact from Brexit is negative. UK consumers' sentiment has fallen sharply and corporates have to re-think their business model with the UK leaving the EU. Within EM, there exists concern over renewed weakness in the Chinese Yuan. This coincides with more incidents of defaults among Chinese debt issuers, which points to deeper and structural challenge faced by China.

Within fixed income, US 10 year bond yields reached a record low of 1.38% post Brexit. This resulted from a downward shift in Fed hike expectation and investors' flight to safe-haven assets. Bond yields have been following the trajectory of US rates and fallen globally. At these levels, bonds are expensive. The bond markets remained supported by central banks' very accommodative stance. US inflation linked bonds are currently undervalued due to depressed inflation expectations despite the recent recovery in commodity prices. On one hand, high quality Asian credit is supported by solid corporate fundamentals and robust demand-supply conditions, but on the

other hand, credit market has performed well and the spreads relative to government bonds have narrowed.

Commodities are recovering from mid-February lows with oil production falling and capital expenditure cuts. Despite years of massive declines in oil price, the politics among the oil producing nations continues to be a source of volatility. Gold remains speculative as markets struggle between easier interest rates and the possibility of a Fed hike before year-end.

Risks

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

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

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

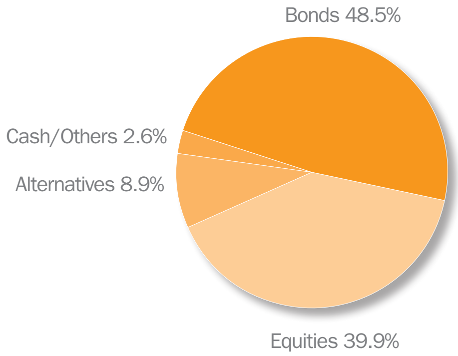
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	1.13%	31.93%
As of 30 June 2015	1.15%	18.42%

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

Asset allocation as of 30 June 2016



	S$ (mil)
Bonds	6.7
Equities	5.5
Alternatives	1.2
Cash/Others	0.4
Total	13.8

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

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	13,852,336
Purchase of units	714,169
Redemption of units	(810,602)
Gain/(loss) on investments and other income	65,275
Management fee and other charges	(61,660)
Value of fund as of 30 June 2016	13,759,518

Units in issue	10,808,325
Net asset value per unit	
- at the beginning of the year	1.272
- as of 30 June 2016	1.273

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	87,790	0.64	28,033	92,872

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Asian Opportunities	2.5	18.0
Schroder ISF Global Equity	1.9	13.5
Schroder ISF Global Bond	1.4	10.3
Schroder ISF Global Corporate Bond	1.4	10.2
Singapore Bond Fund	1.4	10.2
Schroder Asian Investment Grade Credit	1.2	8.7
Singapore Equity Fund	0.6	4.7
Schroder ISF Asia Pacific Property Securities	0.6	4.6
Schroder ISF Global Inflation Linked Bond	0.6	4.5
Schroder Alt Solutions Commodity	0.3	2.3
SPDR Gold Trust	0.3	2.0
Schroder ISF Emerging Markets	0.3	2.0
Schroder ISF Global Smaller Companies	0.2	1.7
Schroder ISF Asian Bond Absolute Return	0.2	1.6

Borrowings
Nil.

Related party disclosure
Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$61,660.

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
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.

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

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

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

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

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

Investment objective

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

Investment scope

The sub-fund intends to achieve this objective by investing in a diversified portfolio of asset classes including fixed income, equities and alternatives. The allocation between the asset classes will become more conservative as the portfolio approaches its maturity date, reflecting the need for reduced investment risks and volatility as retirement approaches. It is intended for the assets to be switched into the AIM Now portfolio once the portfolio reaches its maturity date for investors to enjoy a steady income and stable capital value after retirement.

Fund details as of 30 June 2016

Launch Date	25 September 2009
Fund Size	S$17.44 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.00% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) FTSE EPRA/NAREIT Developed Real Estate Index in Singapore Dollars DJ UBS Commodity hedged to Singapore Dollars Gold Spot hedged to Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

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

June 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	4.3	25.4
Schroder ISF Asian Opportunities	3.8	22.1
Schroder ISF Global Bond	1.5	8.9
Singapore Equity Fund	1.1	6.5
Schroder Asian Investment Grade Credit	1.1	6.2
Schroder ISF Global Smaller Companies	1.0	6.0
Schroder ISF Global Corporate Bond	0.9	5.1
Schroder ISF Emerging Markets	0.8	4.9
Schroder ISF Asia Pacific Property Securities	0.8	4.7
Schroder ISF Asian Bond Absolute Return	0.4	2.1

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

Fund manager

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

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

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$459.6 billion (as of 30 June 2016).

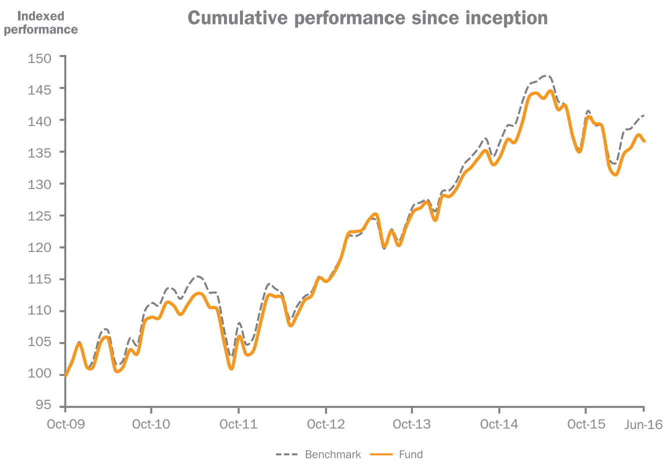
Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
AIM 2035	-0.8%	1.5%	-1.7%	-3.5%
Benchmark	0.6%	1.9%	1.3%	-1.5%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2035	4.3%	4.3%	N.A.	4.8%
Benchmark	5.5%	4.5%	N.A.	5.3%

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



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

Market review

Global equities had a volatile 1st half of 2016, with instability in the Chinese equity market, growing US recession fears, central bank activity and Brexit dominating volatility. Equity markets gave mixed returns with European equities, as represented by the EuroStoxx 50 index, down around -12.0% in local terms amid worries over the impact of the UK's Brexit vote. Japanese equities suffered considerable losses on the back of negative interest rate policy by the Bank of Japan and a sharp appreciation of the Japanese Yen. On the other hand, US equities rose as macroeconomic news generally improved over the period. A weaker US Dollar from deferred rate hike expectations proved supportive for Emerging Markets (EM), which also lifted commodity prices.

Bond markets outperformed equities over the period. A combination of a dovish US Federal Reserve (Fed), mixed US economic data and heightened global risk aversion saw government bond yields falling across the board to an all-time low, with both German Bunds and Japanese government bonds dipping into the negative territory. In riskier bonds, high yield debt was the best performer as the stabilisation in oil prices provided support to the sector.

In currency markets, the Singapore Dollar appreciated against most major currencies, including the US Dollar as investors expect US interest rates to stay lower for longer. The British Sterling suffered the most and depreciated by more than -14.0% following the country's surprise decision to leave the European Union(EU). On the other hand, the Japanese Yen was up 11.0% as investors piled into the perceived safe-haven currency.

Market Outlook
In the aftermath of Brexit, global interest rates have declined on concerns that the global economic slowdown may intensify. Investors' earlier expectation of an imminent Fed hike has been re-priced to reflect a low likelihood of higher Fed funds rates in 2016. This was encouraged by strong signals from the Bank of England and the European Central Bank that more liquidity would be forthcoming. On the back of a much firmer US employment data, the equity markets have stabilised, with the Asian equity markets recovering above their pre-Brexit levels and the US S&P 500 establishing record highs in early July.

Within equities, US has historically been a more defensive market compared to other regions. In Europe, the near-term impact from Brexit is negative. UK consumers' sentiment has fallen sharply and corporates have to re-think their business model with the UK leaving the EU. Within EM, there exists concern over renewed weakness in the Chinese Yuan. This coincides with more incidents of defaults among Chinese debt issuers, which points to deeper and structural challenge faced by China.

Within fixed income, US 10 year bond yields reached a record low of 1.38% post Brexit. This resulted from a downward shift in Fed hike expectation and investors' flight to safe-haven assets. Bond yields have been following the trajectory of US rates and fallen globally. At these levels, bonds are expensive. The bond markets remained supported by central banks' very accommodative stance. US inflation linked bonds are currently undervalued due to depressed inflation expectations despite the recent recovery in commodity prices. On one hand, high quality Asian credit is supported by solid corporate fundamentals and robust demand-supply conditions, but on the other hand, credit market has performed well and the spreads relative to government bonds have narrowed.

Commodities are recovering from mid-February lows with oil production falling and capital expenditure cuts. Despite years of massive declines in oil price, the politics among the oil producing nations continues to be a source of volatility. Gold remains speculative as markets struggle between easier interest rates and the possibility of a Fed hike before year-end.

Risks

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

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

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

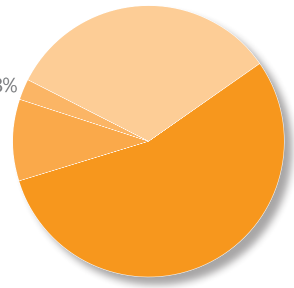
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	1.13%	31.80%
As of 30 June 2015	1.14%	20.62%

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

Asset allocation as of 30 June 2016



	S$ (mil)
Bonds	5.7
Equities	9.6
Alternatives	1.7
Cash/Others	0.4
Total	17.4

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

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	17,315,160
Purchase of units	1,037,278
Redemption of units	(626,516)
Gain/(loss) on investments and other income	(206,964)
Management fee and other charges	(80,917)
Value of fund as of 30 June 2016	17,438,041

Units in issue	13,221,957
Net asset value per unit	
- at the beginning of the year	1.342
- as of 30 June 2016	1.319

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	92,542	0.53	24,087	101,480

AIM 2035

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Asian Opportunities	3.8	21.8
Schroder ISF Global Equity	3.5	19.8
Schroder ISF Global Bond	1.7	10.0
Schroder ISF Global Corporate Bond	1.4	8.0
Singapore Equity Fund	1.2	6.7
Schroder Asian Investment Grade Credit	1.0	5.8
Schroder ISF Asia Pacific Property Securities	1.0	5.5
Schroder ISF Global Smaller Companies	0.6	3.7
Schroder ISF Global Inflation Linked Bond	0.5	3.0
Schroder ISF Emerging Markets	0.5	3.0
Schroder Alt Solutions Commodity	0.4	2.2
Schroder ISF Asian Bond Absolute Return	0.4	2.1
SPDR Gold Trust	0.4	2.1

Borrowings
Nil.

Related party disclosure
Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$80,917.

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
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.

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

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

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

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

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

Investment objective

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

Investment scope

The sub-fund intends to achieve this objective by investing in a diversified portfolio of asset classes including fixed income, equities and alternatives. The allocation between the asset classes will become more conservative as the portfolio approaches its maturity date, reflecting the need for reduced investment risks and volatility as retirement approaches. It is intended for the assets to be switched into the AIM Now portfolio once the portfolio reaches its maturity date for investors to enjoy a steady income and stable capital value after retirement.

Fund details as of 30 June 2016

Launch Date	25 September 2009
Fund Size	S$18.28 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.00% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) FTSE EPRA/NAREIT Developed Real Estate Index in Singapore Dollars DJ UBS Commodity hedged to Singapore Dollars Gold Spot hedged to Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Asian Opportunities	4.6	25.0
Schroder ISF Global Equity	3.5	19.3
Singapore Equity Fund	1.4	7.5
Schroder ISF Global Corporate Bond	1.3	6.9
Schroder ISF Asia Pacific Property Securities	1.2	6.4
Schroder ISF Global Bond	1.1	6.0
Schroder Asian Investment Grade Credit	1.0	5.5
Schroder ISF Global Smaller Companies	1.0	5.4
Monetary Authority of Singapore Bills 220716	0.7	3.9
Schroder ISF Emerging Markets	0.7	3.9

June 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	4.3	25.5
Schroder ISF Asian Opportunities	4.1	24.2
Schroder ISF Global Smaller Companies	1.4	8.2
Singapore Equity Fund	1.3	7.9
Schroder ISF Emerging Markets	1.2	7.0
Schroder ISF Asia Pacific Property Securities	1.0	6.1
Schroder Asian Investment Grade Credit	1.0	5.8
Schroder ISF Global Corporate Bond	0.8	4.6
Schroder ISF Global Bond	0.6	3.8
Schroder ISF Asian Bond Absolute Return	0.3	1.9

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

Fund manager

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

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.

AIM 2045

As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

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

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$459.6 billion (as of 30 June 2016).

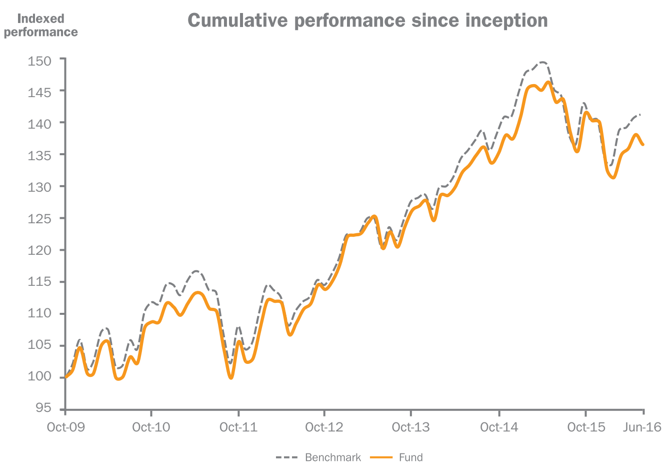
Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
AIM 2045	-1.1%	1.2%	-2.4%	-4.6%
Benchmark	0.4%	1.8%	0.6%	-2.7%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2045	4.3%	4.3%	N.A.	4.8%
Benchmark	5.5%	4.4%	N.A.	5.3%

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



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

Market review

Global equities had a volatile 1st half of 2016, with instability in the Chinese equity market, growing US recession fears, central bank activity and Brexit dominating volatility. Equity markets gave mixed returns with European equities, as represented by the EuroStoxx 50 index, down around -12.0% in local terms amid worries over the impact of the UK's Brexit vote. Japanese equities suffered considerable losses on the back of negative interest rate policy by the Bank of Japan and a sharp appreciation of the Japanese Yen. On the other hand, US equities rose as macroeconomic news generally improved over the period. A weaker US Dollar from deferred rate hike expectations proved supportive for Emerging Markets (EM), which also lifted commodity prices.

Bond markets outperformed equities over the period. A combination of a dovish US Federal Reserve (Fed), mixed US economic data and heightened global risk aversion saw government bond yields falling across the board to an all-time low, with both German Bunds and Japanese government bonds dipping into the negative territory. In riskier bonds, high yield debt was the best performer as the stabilisation in oil prices provided support to the sector.

In currency markets, the Singapore Dollar appreciated against most major currencies, including the US Dollar as investors expect US interest rates to stay lower for longer. The British Sterling suffered the most and depreciated by more than -14.0% following the country's surprise decision to leave the European Union (EU). On the other hand, the Japanese Yen was up 11.0% as investors piled into the perceived safe-haven currency.

Market Outlook
In the aftermath of Brexit, global interest rates have declined on concerns that the global economic slowdown may intensify. Investors' earlier expectation of an imminent Fed hike has been re-priced to reflect a low likelihood of higher Fed funds rates in 2016. This was encouraged by strong signals from the Bank of England and the European Central Bank that more liquidity would be forthcoming. On the back of a much firmer US employment data, the equity markets have stabilised, with the Asian equity markets recovering above their pre-Brexit levels and the US S&P 500 establishing record highs in early July.

Within equities, US has historically been a more defensive market compared to other regions. In Europe, the near-term impact from Brexit is negative. UK consumers' sentiment has fallen sharply and corporates have to re-think their business model with the UK leaving the EU. Within EM, there exists concern over renewed weakness in the Chinese Yuan. This coincides with more incidents of defaults among Chinese debt issuers, which points to deeper and structural challenge faced by China.

Within fixed income, US 10 year bond yields reached a record low of 1.38% post Brexit. This resulted from a downward shift in Fed hike expectation and investors' flight to safe-haven assets. Bond yields have been following the trajectory of US rates and fallen globally. At these levels, bonds are expensive. The bond markets remained supported by central banks' very accommodative stance. US inflation linked bonds are currently undervalued due to depressed inflation expectations despite the recent recovery in commodity prices. On one hand, high quality Asian credit is supported by solid corporate fundamentals and robust demand-supply conditions, but on the

other hand, credit market has performed well and the spreads relative to government bonds have narrowed.

Commodities are recovering from mid-February lows with oil production falling and capital expenditure cuts. Despite years of massive declines in oil price, the politics among the oil producing nations continues to be a source of volatility. Gold remains speculative as markets struggle between easier interest rates and the possibility of a Fed hike before year-end.

Risks

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

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

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

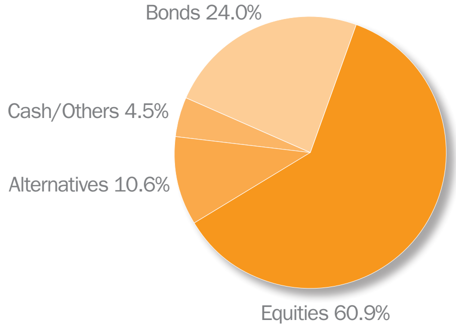
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	1.13%	32.07%
As of 30 June 2015	1.15%	25.28%

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

Asset allocation as of 30 June 2016



	S$ (mil)
Bonds	4.4
Equities	11.1
Alternatives	1.9
Cash/Others	0.8
Total	18.3

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

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	17,878,528
Purchase of units	1,754,460
Redemption of units	(928,295)
Gain/(loss) on investments and other income	(345,656)
Management fee and other charges	(82,591)
Value of fund as of 30 June 2016	18,276,446

Units in issue	13,878,160
Net asset value per unit	
- at the beginning of the year	1.350
- as of 30 June 2016	1.317

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	56,405	0.31	16,695	59,988

AIM 2045

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Asian Opportunities	4.6	25.0
Schroder ISF Global Equity	3.5	19.3
Singapore Equity Fund	1.4	7.5
Schroder ISF Global Corporate Bond	1.3	6.9
Schroder ISF Asia Pacific Property Securities	1.2	6.4
Schroder ISF Global Bond	1.1	6.0
Schroder Asian Investment Grade Credit	1.0	5.5
Schroder ISF Global Smaller Companies	1.0	5.4
Schroder ISF Emerging Markets	0.7	3.9
Schroder Alt Solutions Commodity	0.4	2.2
SPDR Gold Trust	0.4	1.9
Schroder ISF Asian Bond Absolute Return	0.3	1.7

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$82,591.

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

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.

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

Other parties

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

Material information

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

Reports

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

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

MONEY MARKET FUND

Investment objective

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

Investment scope

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

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

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

Fund details as of 30 June 2016

Launch Date	1 May 2006
Fund Size	S$18.88 million
Annual Management Fee	0.25% p.a.
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Benchmark	Singapore 3-month Interbank Bid Rate
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Ooredoo International 3.375% 141016	1.4	7.2
Public Utilities Board 2.42% 151216	1.3	6.7
Hutchison Whampoa Int 3.5% 130117	1.0	5.5
Sun Hung Kai Properties 3.5% 021116	1.0	5.4
Bk of Communications HK 2.1% 240717	1.0	5.3
Malayan Banking 1.85% 100417	1.0	5.3
SMRT Capital Pte Ltd 1.2% 051017	1.0	5.3
Singapore Bus Services 1.8% 120917	1.0	5.3
Singapore Government Bonds 0.5% 010418	1.0	5.3
Monetary Authority of Singapore Bills 080716	0.7	4.0

June 2015	S$ (mil)	% of Net Asset Value
Public Utilities Board 2.42% 151216	1.3	6.6
PSA Corp Ltd 2.83% 060715	1.3	6.6
SP PowerAssets 4.19% 180815	1.0	5.3
ANZ NATL INTL 2.95% 270715	1.0	5.3
Housing & Development Board 2.0225% 220216	1.0	5.3
Singapore Government Bonds 1.125% 010416	1.0	5.2
Monetary Authority of Singapore Bills 200715	1.0	5.2
CNOOC FIN 2013 1.125% 090516	0.8	4.2
HK Land Treasury 3.65% 051015	0.8	4.0
Singapore Airlines Ltd 2.15% 300915	0.7	3.7

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

Fund manager

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

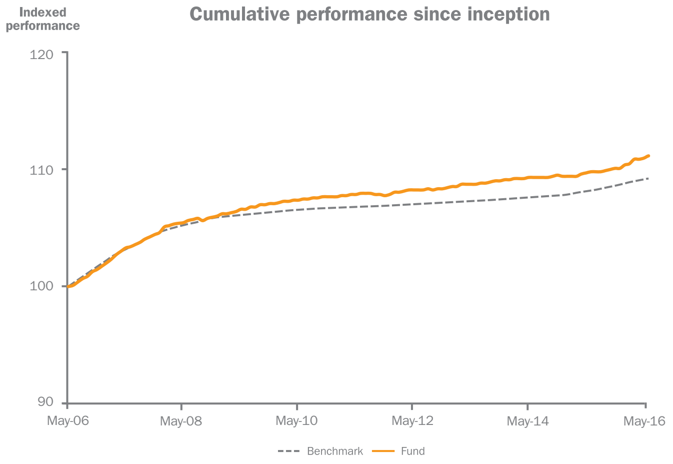
As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

MONEY MARKET FUND

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
Money Market Fund	0.2%	0.3%	1.0%	1.2%
Benchmark	0.1%	0.2%	0.5%	0.9%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Money Market Fund	0.7%	0.6%	1.1%	1.1%
Benchmark	0.6%	0.4%	0.9%	0.9%



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

Market review

Money market rates retraced some of the 2015 ascent in the 1st half of 2016 with the 3-month Singapore Interbank Bid rate ending 25 basis points lower at 0.8125%. We witnessed heightened volatility in financial markets in the 1st half of 2016 after the US Federal Reserve (Fed) commenced its rate hike cycle in December 2015 amid declining commodity prices. Although risk asset markets have subsequently recovered since mid-February, investors remain cautious given the political uncertainties in several countries and geo-political tensions in Asia Pacific. Taking such issues into account, economists of central banks and global agencies such as the International Monetary Fund and World Bank proceeded to revise their economic growth forecasts lower.

In April, faced with a less favourable external environment, the Monetary Authority of Singapore shifted to a neutral policy stance and set the rate of appreciation of the Singapore Dollar Nominal Effective Exchange Rate to zero. The idea of a second easing in 12 months is to maintain a monetary policy which is supportive of economic growth, while ensuring price stability in the medium-term. Subsequently in May, the Singaporean government retained its 2016 gross domestic product (GDP) growth forecast of between 1.0% and 3.0%, in-line with the 1.8% year-on-year GDP growth in the 1st quarter. Meanwhile Singapore's core inflation, which excludes costs of accommodation and private road transport, has remained at 1.0% or below since March 2015. Given weaker than expected demand globally, we are likely to see the current benign inflation environment to continue despite central banks' accommodative monetary policy.

In view of the latest developments in Europe which caused volatility in markets to spike, we foresee growth headwinds and uneasiness in financial market to remain. We expect the Fed to refrain from hiking rates further in the near-term and other Developed Market central banks to keep rates low for longer to cushion the negative sentiment.

We continue to favour short-term corporate bonds for yield pick-up. The environment for quality credits remains constructive as moderate growth, corporate deleveraging and accommodative policy stance of central banks continue to underpin investors' search for yield.

Risks

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

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

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

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

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

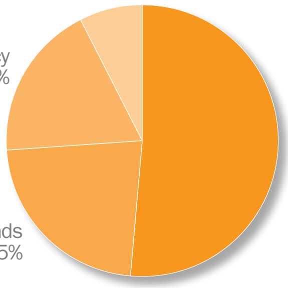
Income's ILP sub-funds are not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	0.27%	6.71%
As of 30 June 2015	0.30%	5.81%

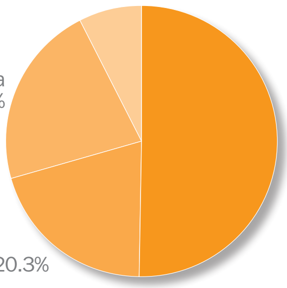
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 30 June 2016



	S$ (mil)
Corporate Bonds	9.8
Government Bonds	4.2
Government Agency Bonds	3.5
Cash/Others	1.4
Total	18.9

Country allocation as of 30 June 2016



	S$ (mil)
Singapore	9.5
Asia	3.8
North America	4.1
Cash/Others	1.4
Total	18.9

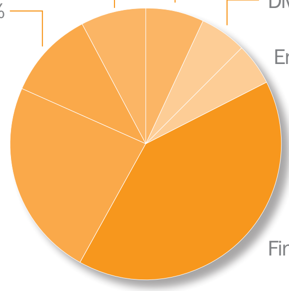
Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	2.0	10.6
AA-	1.5	7.8
A+	0.7	3.6
A	3.4	18.0
A-	3.4	18.0
Not rated	6.5	34.5
Total	17.5	92.5

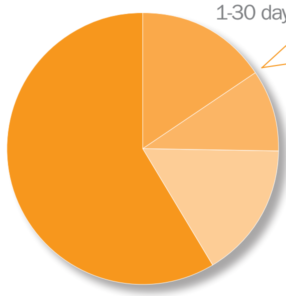
'Not rated' refers to debt securities which are not rated by S&P or other equivalent rating agencies, including but not limited to treasury bills, bonds issued by government, government agency, statutory board or corporate.

Sector allocation as of 30 June 2016



	S$ (mil)
Communications	1.4
Diversified	1.0
Energy	1.0
Financial	7.7
Government	4.5
Industrial	2.0
Cash/Others	1.4
Total	18.9

Term to maturity of investments



Term to maturity	S$ (mil)
1-30 days	2.7
31-60 days	0.0
61-90 days	0.0
91-120 days	1.7
121-180 days	2.8
>180 days	10.2
Total	17.5

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

MONEY MARKET FUND

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	18,515,133
Purchase of units	33,031,240
Redemption of units	(32,846,403)
Gain/(loss) on investments and other income	200,474
Management fee and other charges	(23,015)
Value of fund as of 30 June 2016	18,877,429

Units in issue	16,469,477
Net asset value per unit	
- at the beginning of the year	1.135
- as of 30 June 2016	1.146

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	239,084	1.27	(31,975)	424,046

Investment in collective investment schemes
Nil.

Borrowings
Nil.

Related party disclosures
Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$23,015.

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

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

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

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

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

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

ASIAN INCOME FUND

Investment objective

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

The sub-fund offers a monthly pay-out feature, with a potential distribution of 5% to 6% per annum. The sub-fund is not a capital guaranteed fund, i.e. the amount of capital invested or return received is not guaranteed. The sub-fund is denominated in Singapore Dollars.

Investment scope

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

Fund details as of 30 June 2016

Launch Date	12 May 2014
Fund Size	S$295.10 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% per annum, which includes management fee charged by the investment manager of Schroder Asian Income Fund. This 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.
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Reference Benchmark	The fund is neither constrained to nor is it targeting any specific benchmark. However, as an indication of the performance of such a strategy, investors can consider the performance of a reference benchmark comprising 50% MSCI AC Asia Pacific ex Japan Net and 50% JP Morgan Asia Credit Index.
Structure	Single Fund

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

Top 10 holdings

Asian Income Fund

June 2016	S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio – Schroder Asian Income	295.5	100.1

June 2015	S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio – Schroder Asian Income	196.6	99.7

Schroder International Opportunities Portfolio - Schroder Asian Income^

June 2016	S$ (mil)	% of Net Asset Value
SISF - Global Multi-Asset Income I Accumulation Share Class	80.3	3.9
Link REIT	46.8	2.3
HK Electric Investments and HK Electric Investments Ltd Stapled Shares	46.6	2.2
Ascendas Real Estate Investment Trust	41.0	2.0
Telstra Corp Ltd	39.7	1.9
Singapore Telecommunications Ltd	38.9	1.9
Duet Group	37.9	1.8
Mapletree Greater China Commercial Trust	37.0	1.8
Mapletree Commercial Trust	36.5	1.8
Spark New Zealand Ltd	36.4	1.8

June 2015	S$ (mil)	% of Net Asset Value
SISF - Global Multi-Asset Income I Accumulation Share Class	137.7	7.7
Link REIT	31.5	1.8
HK Electric Investments and HK Electric Investments Ltd Stapled Shares	31.4	1.8
Ascendas Real Estate Investment Trust	30.7	1.7
Singapore Telecommunications Ltd	30.5	1.7
Telstra Corp Ltd	29.6	1.7
National Australia Bank Ltd	28.7	1.6
Stockland	26.9	1.5
SK Telecom Co Ltd	25.7	1.4
HKT Trust and HKT Ltd Stapled Shares	25.7	1.4

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

ASIAN INCOME FUND

Fund manager

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

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

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

As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

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

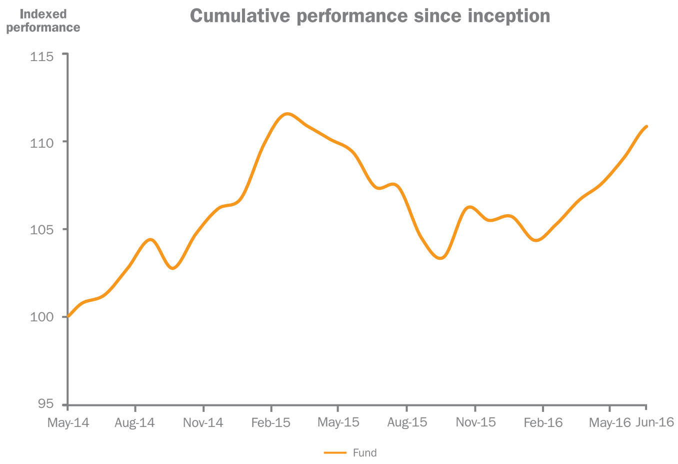
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$459.6 billion (as of 30 June 2016).

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

	1-month	3-month	6-month	1-year
Asian Income Fund	1.6%	3.9%	4.9%	3.2%
Benchmark	N.A.	N.A.	N.A.	N.A.

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Income Fund	N.A.	N.A.	N.A.	4.9%
Benchmark	N.A.	N.A.	N.A.	N.A.



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

Market review

Throughout the 1st half of 2016, the fund maintained a preference for equities over bonds and cash. The cyclical environment of modest growth and lack of inflation pressure presented a sweet spot for equities, while sentiment for fixed income was dented by the expectation of a rate-hike in the US. Despite the strong performance of Asian credit, the fund's exposure in Asian equities outperformed credit by around +2.0% in SGD mainly due to high dividend stock selection in REITs, utilities and telecoms, with investors chasing income assets as more and more government bond yields are pushed into negative territory. The fund's low exposure to Chinese equities which suffered from growth concerns also helped. Therefore, the decision to overweight equities added value.

In the global sleeve, the bias towards high dividend stocks performed better than the broad market, with the credit allocation and our duration strategy also performing well. Since March 2016, the fund has been adding Asian equities and Asian credit at the expense of global assets as Asian assets are considered to have better valuations.

Equity security selection added most of the value. The Hong Kong and Singapore REITs names were up double digits over this period. The sector rallied especially in June, benefiting from record low government bond yields as investors sought safe-haven from "Brexit" risks. In Hong Kong and Singapore, the telecom names also added value due to sound fundamentals. The utility companies in Australia performed well with improving commodities prices and strong cash flow. Elsewhere, the electricity providers in Thailand posted double digit returns as the country's power consumption rose, supported by strong demand from commercial and residential users. In Indonesia, the fund's telecom holding delivered a strong return after the government announced potential industry consolidation into 4 operators by 2019 which will benefit the larger players.

In fixed income, the portfolio also rose by 6.0% in SGD and performed in line with the broad Asian credit market, with return mainly coming from the declining treasury yields while spreads also tightened slightly. In China, real estate added most of value as sales data remains strong and credit conditions remain benign. Chinese quasi-sovereigns and financials also contributed to returns due to strong local demand. Indonesia sovereigns and quasi-sovereigns were among the best performers thanks to the strong macro story and positive reforms. The fund's Indonesia local currency government bonds also rallied given the appreciation of IDR by 4.0% against USD. The fixed income portfolio continued to deliver stable yield and has delivered a yield of around 4.6% on average.

Market outlook

In Asia, the immediate fundamental impact of "Brexit" is likely to be limited as most corporates' business profiles are Asian-focused and the region as a whole has limited trade link exposures to the UK. The UK is not hugely important for Asian exports or imports, which remains below 2.0% of the trade flows. The biggest Brexit exposure is faced by central and eastern Europe. So a scenario in which only UK growth and demand is hit would not be too problematic for Asia. However, should Brexit deal a larger blow to broader European growth, the consequences for Asia become more noticeable, as a trade share of over 15.0% for the EU in Asia means a European slowdown would still impact the fortunes of their exporters, if not their gross domestic product. Central banks seem ready to respond with ample liquidity and monetary tools to calm the markets, with the Bank of England expected to cut interest rates and the European Central Bank standing ready to ease further.

While the fund retains its cautious stance towards the near-term market outlook, it favours companies paying consistent dividends in Asia. In contrast to the sharp declining bond yields, the dividend yields of Asian stocks have come down only slightly and remain around 5.0% in USD terms. Forward Price/Earnings ratio ended largely unchanged, with valuations remaining fair. The current deflationary environment is supportive for dividends while Asia is one of the highest-yielding regions globally, only second to Europe but with better fundamentals, less political risks and improving sentiment. The search for good companies with sustainable dividends and potential for capital growth will continue.

For Asian credits, spreads have retraced from their highs in mid-February 2016, and still remain slightly above the average level of the past three years. However, credit fundamentals remain challenged in some markets such as China, and thus the fund continues to prefer investment grade corporates which have stable leverage and ample liquidity on their balance sheets. Fund flows continue to be supportive as the asset class is backed by the demand for income from investors in the region. Although the strong local demand in the Asian credit market and a lower-for-longer interest rate environment would continue to support Asian credit investing, credit selection will become more important as we see more defaults given the weak macroeconomic backdrop. As such, the fund remains disciplined on credit selection and has a bias for high quality names with attractive yields.

Risks

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

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

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

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

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

Expense and turnover ratio

Asian Income Fund

	Expense ratio	Turnover ratio
As of 30 June 2016	1.49%	8.22%
As of 30 June 2015	1.58%	7.98%

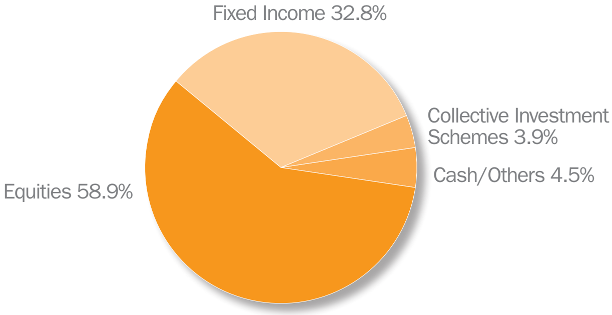
Schroder International Opportunities Portfolio - Schroder Asian Income

	Expense ratio	Turnover ratio
As of 30 June 2016	1.47%	31.24%
As of 30 June 2015	1.47%	28.41%

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

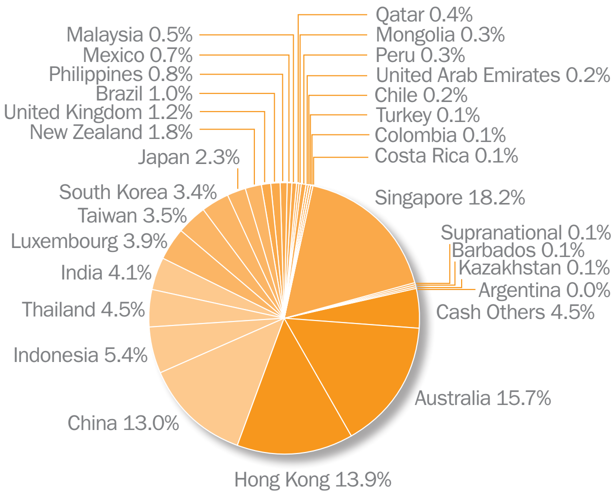
ASIAN INCOME FUND

Asset allocation^ as of 30 June 2016



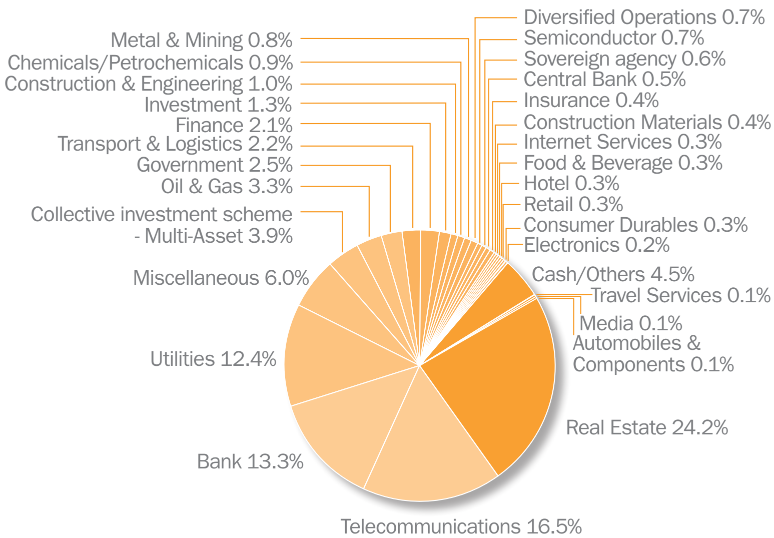
	S$ (mil)
Equities	1,224.4
Fixed Income	682.5
Collective Investment Schemes	80.3
Cash/Others	93.2
Total	2,080.4

Country allocation^ as of 30 June 2016



	S$ (mil)
Singapore	377.6
Australia	327.2
Hong Kong	289.0
China	270.6
Indonesia	111.7
Thailand	92.8
India	85.6
Luxembourg	80.3
Taiwan	71.9
South Korea	70.0
Japan	47.1
New Zealand	36.4
United Kingdom	24.4
Brazil	20.2
Philippines	17.1
Mexico	13.6
Malaysia	9.9
Qatar	8.1
Mongolia	7.1
Peru	6.9
United Arab Emirates	4.9
Chile	3.7
Turkey	2.5
Colombia	1.9
Costa Rica	1.6
Supranational	1.6
Kazakhstan	1.5
Barbados	1.4
Argentina	0.6
Cash/Others	93.2
Total	2,080.4

Sector allocation^ as of 30 June 2016



	S$ (mil)
Real Estate	503.1
Telecommunications	343.2
Bank	277.1
Utilities	257.2
Miscellaneous	125.6
Collective investment scheme - Multi-Asset	80.3
Oil & Gas	67.7
Government	52.7
Transport & Logistics	46.1
Finance	42.4
Investment	26.6
Construction & Engineering	19.7
Chemicals/Petrochemicals	19.4
Metals & Mining	15.9
Diversified Operations	15.4
Semiconductor	14.6
Sovereign agency	11.8
Central Bank	10.0
Insurance	9.2
Construction Materials	8.5
Internet Services	6.8
Food & Beverage	6.7

Hotel	6.2
Retail	6.0
Consumer Durables	5.4
Electronics	4.8
Travel Services	2.0
Automobiles & Components	1.7
Media	1.4
Cash/Others	93.2
Total	2,080.4

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

^Information extracted from the underlying Schroder International Opportunities Portfolio – Schroder Asian Income. Source: Schroder Investment Manager (Singapore) Ltd.

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	236,174,270
Purchase of units	60,482,090
Redemption of units	(7,938,625)
Dividend distribution	(7,021,040)
Gain/(loss) on investments and other income	13,403,258
Value of fund as of 30 June 2016	295,099,953

Units in issue	309,159,092
Net asset value per unit	
- at the beginning of the year	0.935
- as of 30 June 2016	0.955

Exposure to derivatives

Nil.

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio – Schroder Asian Income	295.5	100.1

Borrowings

Nil.

Related party disclosures

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, no management fee was paid or payable by the sub-fund to the Investment Manager.

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. The Manager also did not receive soft dollars for the sub-fund.

Conflicts of interest

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

Other parties

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

Material information

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

Reports

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

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

GLOBAL INCOME FUND

Investment objective

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

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

Investment scope

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

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

Fund details as of 30 June 2016

Launch Date	26 March 2015
Fund Size	S$63.80 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% per annum, which includes management fee charged by the investment manager of Schroder International Selection Fund Global Multi-Asset Income. The annual management fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Reference Benchmark	The Global Income Fund is unconstrained and therefore not managed with reference to a benchmark.
Structure	Single Fund

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

Top 10 holdings

Global Income Fund

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

June 2015	S$ (mil)	% of Net Asset Value
Schroder International Selection Fund – Global Multi Asset Income	56.1	99.9

Schroder International Selection Fund Global Multi-Asset Income^

June 2016	S$ (mil)	% of Net Asset Value
Indonesia Government 6.125% 150528	36.2	0.6
GCP Infrastructure Investments Ltd	30.2	0.5
International Public Partnerships Ltd	30.2	0.5
Italy BTPS 5.5% 010922	30.2	0.5
Nota Do Tesouro Nacional 10% 010123	30.2	0.5
South Africa (Republic of) 6.25% 310336	30.2	0.5
Starwood European Real Estate Finance Ltd	30.2	0.5
Thailand Government Bond 3.65% 171221	30.2	0.5
Mexican Bonos De Desarrollo 7.75% 290531	24.2	0.4
Schroder European Real Estate Investment Trust Plc	24.2	0.4

June 2015	S$ (mil)	% of Net Asset Value
Brazil 10% 010117	93.7	1.1
Telecom Italia 144A 5.303% 300524	51.1	0.6
Hungary Government Bond 2.5% 220618	42.6	0.5
Poland Government Bond 1.5% 250420	42.6	0.5
Schroder Real Estate Investment Trust	34.1	0.4
GCP Infrastructure Investments	34.1	0.4
Mex Bonos de Desarrollo Fix Rt 5% 111219	34.1	0.4
South Africa 6.5% 280241	34.1	0.4
Calpine 5.75% 150125	34.1	0.4
Russia Government Bond - OFZ 6.2% 310118	34.1	0.4

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

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

Fund manager

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management Limited

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

Schroder Investment Management (Singapore) Limited

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

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$459.6 billion (as of 30 June 2016).

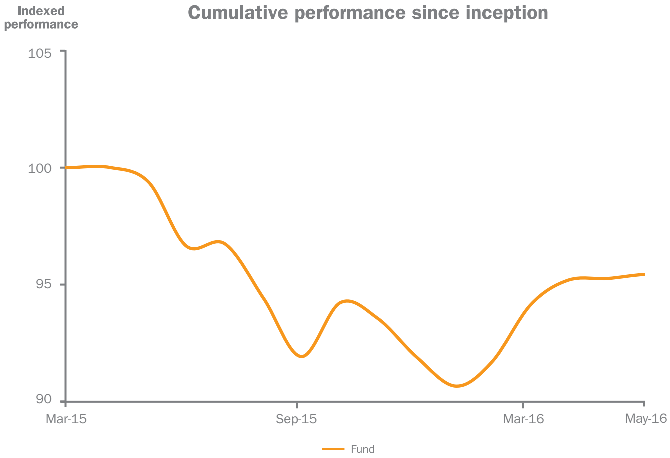
Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company, and over 430 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

Fund performance

	1-month	3-month	6-month	1-year
Global Income Fund	0.2%	1.4%	3.9%	-1.3%
Benchmark	N.A.	N.A.	N.A.	N.A.

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Income Fund	N.A.	N.A.	N.A.	-3.6%
Benchmark	N.A.	N.A.	N.A.	N.A.

GLOBAL INCOME FUND



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

Market review

Equity markets' trajectory during 1st quarter of 2016 was V-shaped, initially plunging to multi-year lows then rebounding sharply over the final six weeks. The actions of central banks and a recovery in the oil price were important contributors to the market turnaround amid a marked recovery in investors' appetite for risk. The market responded positively as forecasts for additional increases in US interest rates were deferred following dovish comments from US Federal Reserve (Fed) chair Janet Yellen. Meanwhile, the European Central Bank announced fresh monetary policy easing in early March.

Markets made a confident start to 2nd quarter of 2016 but the UK's vote to leave the European Union (EU) overshadowed other market drivers by the end of June. Equity market performance was mixed, while government bond yields were sharply lower. Despite severe volatility in the run-up to and immediate aftermath of the UK's referendum on its EU membership, the FTSE All-Share was one of the strongest equity markets in 2nd quarter. The sharp depreciation seen in sterling following the surprise vote was interpreted as advantageous to a stock market comprising predominantly overseas earners.

Elsewhere, Japanese equities posted considerable declines as the benchmark TOPIX delivered negative returns on the back of Brexit fears and continued weaker-than-expected data. As a result of US rate rise expectations being pushed out, the dollar was weaker in trade-weighted terms, which helped the MSCI Emerging Markets (EM) Index. Brazilian equities were up sharply as the real rallied strongly against a backdrop of easing political risk while China modestly underperformed as stimulus measures announced earlier in the year appeared to wane.

Since the end of December 2015, the fund's net exposure to equities has decreased, the defensive positioning a reflection of the caution on the quality of the recent rally given the stage of the global economic and earnings cycle. Post-brexit, we remain cautious given the current stage of the global economic and earnings cycle but acknowledge that accommodative monetary and fiscal policies from global central banks could provide some support to excessive valuations.

Over the period, the fund's allocation to fixed income assets was increased, while the composition of the allocation changed quite significantly, balancing between high yielding asset classes such as EM debt and high yield, and government bonds, which were added in December as a source of diversification against deflationary risks.

The fund's allocation to investment grade was reduced as this area of the market was no longer offering value, in favour of opportunities in government bonds, EM debt and US high yield. The allocation to government bonds was reduced towards the end of the period as valuations became less attractive following the rally year to date while the risk of an inflation surprise to the upside reduced the attractiveness of the asset class. Both US Dollar and local currency denominated EM debt benefit from attractive risk adjusted yields, positive momentum and accommodative central bank policies, offering better long-term prospects and thus contributed positively to returns over the quarter.

Market Outlook

Brexit does not alter the fund's cautious outlook for global economic growth as we expect volatility to remain elevated in financial markets. The fund maintains its preference for high risk adjusted carry strategies as income is likely to be the largest component of total returns for investors this year. The portfolio remains defensively positioned with a preference for credit over equities. And maintains the necessary flexibility to navigate this market environment. In this context, the fund has rotated some of its government bond exposure into EM debt which is more attractively valued.

Risks

The risk in the sub-fund is diversified by investing in global equities and global fixed income securities directly or indirectly through the use of Investment Funds or financial derivative instruments (including, but not limited to, futures, options and credit default swaps). As the sub-fund has direct/indirect investments in equities and bonds, it is subject to (1) equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk; and (2) debt risk which includes interest rate sensitivity, credit risks, changes in debt rating and credit rating, non-investment grade risk, currency risks and sovereign risks. This is not an exhaustive list of risks.

The sub-fund may use financial derivative instruments for efficient portfolio management and hedging purpose only. The sub-fund does not use financial derivative instruments for optimizing returns. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. The sub-fund's ability to use such instruments successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the financial derivative instruments do not work as anticipated, the sub-fund could suffer greater loss than if the sub-fund had not used such instruments. The underlying fund's global exposure relating to financial derivative instruments will be calculated using a commitment approach. Under the commitment approach, financial derivative positions are converted into equivalent positions in the underlying asset, using market price or future price/notional value when more conservative. The underlying fund employs a risk-management process which enables it, with the underlying fund's Investment Manager, to monitor and measure at any time the risk of the positions, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of the underlying fund. The underlying fund or the underlying fund's Investment Manager will employ, if applicable, a process for an accurate and independent assessment of the value of any OTC derivative instruments. The management company of the underlying fund will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the requisite expertise and experience to manage and contain such investment risks.

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

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

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

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

Expense and turnover ratio

Global Income Fund

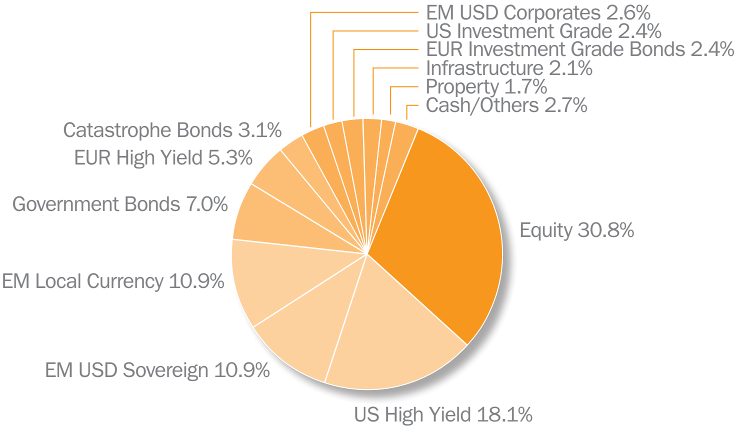
	Expense Ratio	Turnover Ratio
As of 30 June 2016	1.59%	22.33%
As of 30 June 2015	1.60%	16.92%

Schroder International Selection Fund Global Multi-Asset Income

	Expense Ratio	Turnover Ratio
As of 30 June 2016	1.55%	96.47%
As of 30 June 2015	1.55%	127.67%

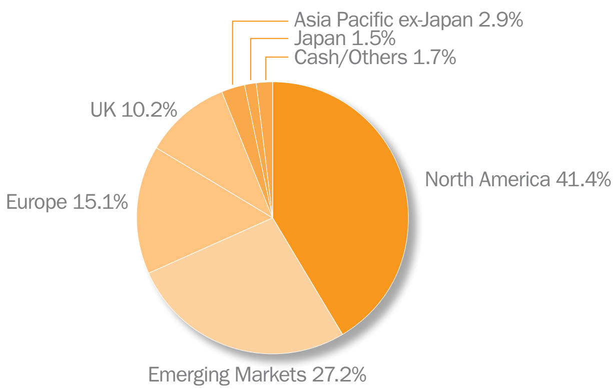
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation^ as of 30 June 2016



	S$ (mil)
Equity	1,860.1
US High Yield	1,093.1
EM USD Sovereign	658.3
EM Local Currency	658.3
Government Bonds	422.8
EUR High Yield	320.1
Catastrophe Bonds	187.2
EM USD Corporates	157.0
US Investment Grade	144.9
EUR Investment Grade Bonds	144.9
Infrastructure	126.8
Property	102.7
Cash/Others	163.1
Total	6,039.4

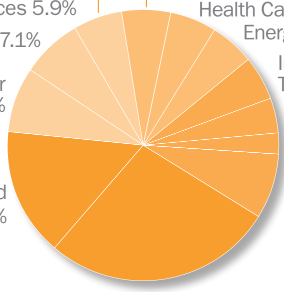
Country allocation^ as of 30 June 2016



	S$ (mil)
North America	2,500.3
Emerging Markets	1,642.7
Europe	912.0
UK	616.0
Asia Pacific ex-Japan	175.1
Japan	90.6
Cash/Others	102.7
Total	6,039.4

GLOBAL INCOME FUND

Sector allocation^ as of 30 June 2016



	S$ (mil)
Government	1,660.8
Diversified Financials	924.0
Consumer Discretionary	483.2
Industrials	428.8
Telecommunication Services	356.3
Consumer Staples	344.2
Health Care	344.2
Energy	314.0
Information Technology	314.0
Materials	253.7
Utilities	151.0
Transportation	6.0
Cash/Others	459.0
Total	6,039.4

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

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

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	65,137,080
Purchase of units	5,271,458
Redemption of units	(7,410,596)
Dividend distribution	(1,602,754)
Gain/(loss) on investments and other income	2,400,350
Value of fund as of 30 June 2016	63,795,538

Units in issue	73,666,502
Net asset value per unit	
- at the beginning of the year	0.855
- as of 30 June 2016	0.866

Exposure to derivatives

Nil.

Investment in collective investment schemes

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

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, there is no management fee paid or payable by the sub-fund to the Investment Manager.

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. The Manager also did not receive soft dollars for the sub-fund.

Conflicts of interest

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

Other parties

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

Material information

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

Reports

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

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

GLOBAL TECHNOLOGY FUND

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	1 August 2000
Fund Size	S$63.03 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Narrowly Focused – Sector – Technology
Benchmark	MSCI World Information Technology Index (with net dividends reinvested) in Singapore Dollars
Structure	Single Fund

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

With effect from 29 April 2016, the benchmark, Merrill Lynch 100 Technology Index in Singapore Dollars, was replaced with MSCI World Information Technology Index (with net dividends reinvested) in Singapore Dollars. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Alphabet Inc Class A	5.8	9.2
Amazon.com Inc	3.5	5.5
Facebook Inc	2.7	4.3
Microsoft Corp	2.2	3.5
Broadcom Ltd	2.0	3.2
Apple Inc	1.9	2.9
Microchip Technology Inc	1.7	2.7
Electronic Arts Inc	1.6	2.6
Global Payments Inc	1.6	2.6
Akamai Technologies Inc	1.6	2.5

June 2015	S$ (mil)	% of Net Asset Value
Amazon.com Inc	3.6	5.0
Alliance Data Systems	3.1	4.3
Twitter Inc	3.0	4.3
Splunk Inc	2.9	4.1
Workday Inc	2.9	4.0
LinkedIn Corp	2.8	4.0
ServiceNow Inc	2.8	3.9
Tyler Technologies Inc	2.8	3.9
FireEye Inc	2.6	3.7
Cornerstone OnDemand Inc	2.3	3.3

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

Fund manager

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. The sub-fund is sub-managed by Wellington Management Singapore Pte Ltd.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Wellington Management Singapore Pte Ltd (WMS)*

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$969 billion in assets under management, WMC serves as an investment adviser to over 2,100 clients located in more than 55 countries, as of 30 June 2016. 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

GLOBAL TECHNOLOGY FUND

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.

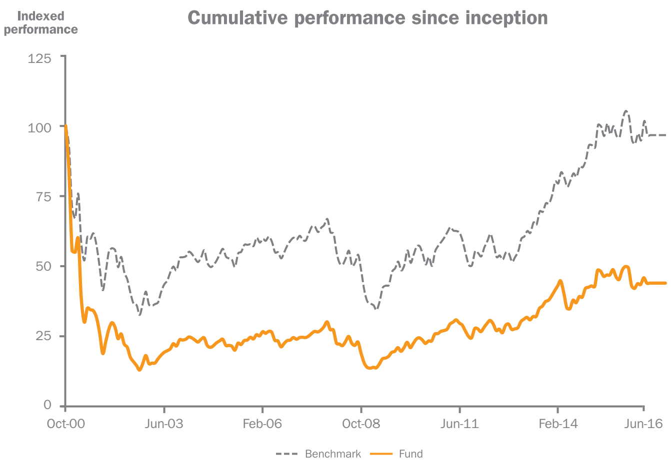
Fund performance vs benchmark

	1-month	3-month	6-month	1-year
Global Technology Fund	-4.1%	0.5%	-11.0%	-6.2%
Benchmark	-4.9%	-0.5%	-6.4%	-0.3%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Technology Fund	11.1%	8.7%	6.5%	-5.1%
Benchmark	14.3%	10.4%	5.8%	-0.2%

Changes to benchmarks during the life of the sub-fund: Since inception to Mar 2009 - 100% NASDAQ Composite Index

From Mar 2009 to 29 April 2016, the benchmark has been changed to Merrill Lynch 100 Technology Index in Singapore Dollar. With effect from 29 April 2016, the benchmark has been changed to MSCI World Information Technology Index in Singapore Dollars unhedged



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

Market Review

2016 got off to volatile start as Chinese stocks plunged in early January, sparking a global risk-off trade. Along with ongoing worries about a hard landing in China, the world's second largest economy, fears that yuan weakness could unleash a wave of global deflationary pressure resurfaced. Once again, extended monetary policy accommodation by major central banks helped support risk assets. The Bank of Japan followed the lead of central banks in Europe by cutting its benchmark rate to negative territory in January. In February, the People's Bank of China lowered the reserve-requirement ratio by 50 basis points (bps) in an effort to boost growth. Finally, while European Central Bank (ECB) President Mario Draghi previously hinted more stimulus was coming, he over-delivered at the March meeting. In addition to cutting the deposit rate by 10 bps to -0.40%, the ECB increased its monthly asset purchase programme to €80 billion (a 33.0% increase) and unexpectedly cut the main refinancing and marginal lending rates by 5 bps to 0% and 0.25%, respectively. Draghi signalled an important shift in ECB policy by de-emphasising euro weakness as a means to stimulate higher inflation. Instead, this wave of ECB policy is focused on increasing bank lending and easing domestic credit conditions.

In the 2nd quarter, risk assets remained resilient despite uncertainties about global growth prospects and the unexpected Brexit. Following a long period of closer European integration, this historic event marks a profound change in how the UK will interact with the rest of Europe. While the outcome of the vote is now behind us, we are entering a new period of uncertainty regarding the implementation of the outcome, which may heighten near-term volatility.

Overshadowed by the Brexit vote was a promising European economic backdrop and the ECB's reaffirmation of its dovish policy stance. In the US, solid economic data helped investors shrug off the US Federal Reserve's ramped-up hawkish rhetoric during May. Market participants were also encouraged by improving signs from China's economic data releases and Beijing's increased emphasis on currency stability. Despite a very volatile quarter, seven out of ten global equity sectors registered positive results with energy, health care and utilities outperforming. The technology sector however, was one of the worst performers in 2nd quarter, weighed down by the technology hardware and storage subsector.

Market Outlook

Post the Brexit vote, the fund made some adjustments to the portfolio by selling out some companies which are vulnerable to European exposure, and prefers to hold companies likely to be less impacted by any potential European slowdown.

The fund continues to find plenty of names that have attractiveness versus the market with good growth outlooks. It is focused on secular growth stories that can work in this cyclically challenging environment, independent of macro-economic headwinds. While pockets of over-valuation exist, on the whole, fundamentals and valuations for growth technology companies remain attractive. Longer term, the fund will continue to structure the portfolio to benefit from the key growth opportunities in technology, which include cloud computing, monetising mobility, electrification of automobiles, the miniaturisation of smartphone components and the Internet of Things.

Risks

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

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

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

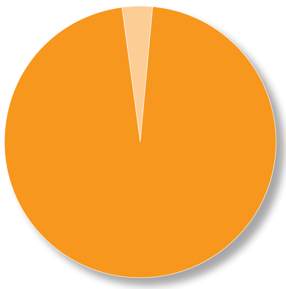
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	1.29%	235.61%
As of 30 June 2015	1.31%	14.18%

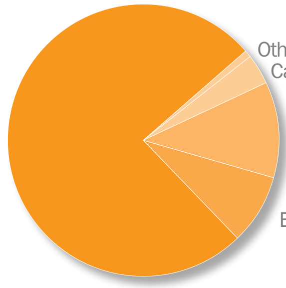
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 30 June 2016



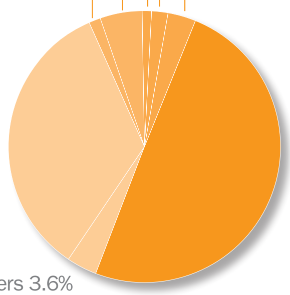
	S$ (mil)
Equities	60.7
Cash/Others	2.3
Total	63.0

Country allocation as of 30 June 2016



	S$ (mil)
Asia	7.2
Europe	5.4
North America	47.7
Other Countries	0.5
Cash/Others	2.3
Total	63.0

Sector allocation as of 30 June 2016



	S$ (mil)
Communications	21.5
Consumer, Cyclical	0.8
Consumer, Non-cyclical	3.2
Energy	0.7
Financial	1.1
Industrial	2.1
Technology	31.3
Cash/Others	2.3
Total	63.0

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

GLOBAL TECHNOLOGY FUND

Credit rating of debt securities

There are no debt securities under the Global Technology Fund.

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	73,106,190
Purchase of units	1,360,736
Redemption of units	(3,485,091)
Gain/(loss) on investments and other income	(7,562,560)
Management fee and other charges	(385,764)
Value of fund as of 30 June 2016	63,033,511

Units in issue	143,591,589
Net asset value per unit	
- at the beginning of the year	0.493
- as of 30 June 2016	0.439

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	-	-	(7,831)	-

Investment in collective investment schemes

Nil.

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$385,764.

Soft dollar commission or arrangement

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

Conflicts of interest

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

Other parties

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

Material information

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

Reports

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

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

PRIME FUND

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	2 August 1973
Fund Size	S$211.52 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Narrowly Focused – Regional – Asia
Benchmark	30% FTSE Straits Times Index (FTSE STI) 20% Hang Seng Index in Singapore Dollars 10% Stock Exchange of Thailand Index in Singapore Dollars 40% Singapore 3-month Deposit Rate
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	82.0	38.8
Singapore Telecommunications Ltd	9.2	4.4
DBS Group Holdings Ltd	9.1	4.3
Oversea-Chinese Banking Corp	7.3	3.4
Tencent Holdings Ltd	6.6	3.1
United Overseas Bank Ltd	4.9	2.3
AIA Group Ltd	4.5	2.1
China Mobile Ltd	4.4	2.1
Singapore Airlines Ltd	3.1	1.5
CapitaLand Ltd	2.8	1.3

June 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	86.4	38.7
DBS Group Holdings Ltd	8.0	3.6
Singapore Telecommunications Ltd	6.9	3.1
Oversea-Chinese Banking Corp	6.1	2.7
HSBC Holdings Plc	5.3	2.4
United Overseas Bank Ltd	5.2	2.3
Tencent Holdings Ltd	4.8	2.2
AIA Group Ltd	4.4	2.0
Industrial & Commercial Bank of China	4.0	1.8
China Mobile Ltd	3.7	1.7

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

Fund manager

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

PRIME FUND

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
Prime Fund	1.2%	1.3%	2.2%	-5.5%
Benchmark	0.5%	1.4%	0.0%	-6.8%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Prime Fund	3.4%	2.6%	4.9%	8.4%
Benchmark	1.8%	2.8%	4.5%	N.A.

Changes to benchmarks during the life of the sub-fund: 31 Dec 94 to 31 Mar 98 - 33.33% DBS50, 33.33% KLCI, 33.33% Singapore 3-Month Deposit rate

Important: The comparison to the benchmark commenced from December 1994 even though the inception date for Prime fund was August 1973.

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

Market review

1st half of the year saw wide divergence in performance across Singapore, Hong Kong and Thailand markets. Unexpected depreciation of renminbi (RMB) in late 2015 and early 2016 and uncertainty in the Eurozone dragged both Singapore and Hong Kong markets, which are relatively more exposed to the Chinese economy as well as the overall global economy, into the red. Thailand market, on the other hand, staged a strong recovery as investors' optimism rose on the prospects of accelerating infrastructure spending and improving tourist arrivals. Volatility of the markets remained high as macroeconomic events such as Brexit and a dovish US Federal Reserve (Fed) statement continue to swing earnings outlook and investor sentiments.

The Singapore market saw slight declines in 1st half of 2016. Amongst the FTSE STI stock constituents, gainers and losers were mixed, on the back of heightened volatility. 2016 began poorly off the back of depressed oil prices and concerns over a slowing China and the Eurozone. This caused the index to reach a post-2011 low in the months of January and February. However, there was reprieve in the market, as oil prices firmed up due to unexpected supply outages, whilst the European Central Bank carried out additional Quantitative Easing stimulus. Combined with a dovish Fed statement, these developments boosted the market towards an April peak. Brexit concerns in the latter months of 1st half of 2016 and weak macroeconomic and company data releases dragged the index lower to close at the half year mark -1.45%, outperforming Asia ex-Japan which was down -4.09%.

Underperformers largely came from the offshore and marine, property and China/trade-related sectors. Weakness was seen in Sembcorp Marine and Keppel Corp on the back of contract cancellations and lower new order wins. Global Logistics Properties, which is geared towards China's logistics industry, was also in the red on concerns of a slowdown in warehousing demand across some Chinese cities. Property stocks such as UOL Group and Capitaland also saw selling by investors on the sluggish property market outlook.

Outperformers for the period were dominated by the defensive names, in particular the REITs which saw a rerating on expectations of lowered likelihood of Fed rates hikes. Other yield play names such as Singtel and ST Engineering also benefited. Thai Beverage was the top performer with a 35.1% gain due to strong beer sales numbers.

The Hang Seng Index fell 5.1% in the 1st half of 2016 on concerns over the depreciation of RMB. Only 17 of the 50 stocks in the index posted positive returns with China H-shares underperforming the Hong Kong shares. The HSCEI index plunged 3.6% on the first trading day of the year as accelerated selling in the A-share market, triggered by circuit breaker rules, spilled over into the H-share market. In terms of sector performance, Financials led the decline with China Life Insurance (-33.7%) and HSBC (-23.5%) being the worst performers. Post-Brexit, earnings were downgraded for HSBC due to its significant exposure to UK. Energy was the best performing sector in the 1st half of 2016 as a rebound in crude oil prices lifted producers such as Sinopec (+19.7%) and CNOOC (+19.2%).

Hong Kong's economy contracted 0.4% in 1st quarter, dragged down by decline in exports and lower household spending. Despite tight labour market and growing wages, private consumption growth is the weakest since 2009, due to the property market downturn. Private property prices have fallen by 9.9% since the peak in September last year. The Chinese economy, on the other hand, showed signs of stabilisation in 1st half of 2016 as the property market recovery broadened on the back of supportive government policies. Residential sales grew 22% year-on-year (yoy) in May with the strong demand spilling over to construction starts. Private consumption remained robust with passenger car sales up 18.0% yoy and overall retail sales up 10.6% yoy in June.

The SET index performed well in 1st half of 2016 providing investors a price return of 12.2%. Foreign investors reversed last year's outflow with a net buy of US$1billion in Thailand for the 1st half of 2016. In terms of sectors, Energy and Utilities performed the best with PTT Exploration and Production leading the way (46.3%) followed by PTT (28.3%). Recovery in oil prices helped lift sentiments on these names. The worst performing segment was Insurers. Bangkok Life Assurance was the worst performer (-17.7%) amid a challenging operating environment.

On the economic front, 1st quarter gross domestic product (GDP) saw a slightly better than expected 3.2% growth led primarily by service sectors while manufacturing and agricultural output contracted. Tourism continues to be the bright spot in the Thai economy with tourist arrivals growing 12.3% in the first 5 months of the year. The Bank of Thailand continued its easing bias maintaining rates at 1.5% just above its historical lows of 1.25%.

Growth for Thailand continues to remain muted for 2016, with exports still remaining weak coupled with poor consumer spending. GDP growth for 2016 is expected to be 3.0% driven primarily by government infrastructure spending as well as tourism. Several infrastructure projects have been announced such as the Bangkok Airport expansion as well as the MRT Orange line which could drive the construction sector as well as corporate loan growth.

Amidst challenging global economic environment and heightened policy risks as China undertakes painful reforms, we expect the markets to remain volatile. Risk of another US rate hike and the upcoming US presidential elections are also headwinds to the market. We believe that stock selection continues to be key, and we adopt a barbell strategy of investing in dividend paying defensive names and quality cyclical businesses trading at attractive valuations.

Risks

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

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

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

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

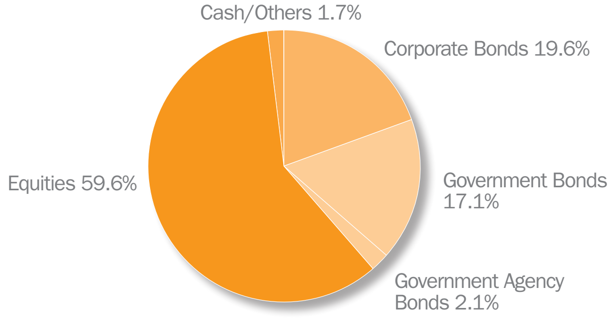
Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 30 June 2016	0.84%	26.67%
As of 30 June 2015	0.90%	13.07%

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

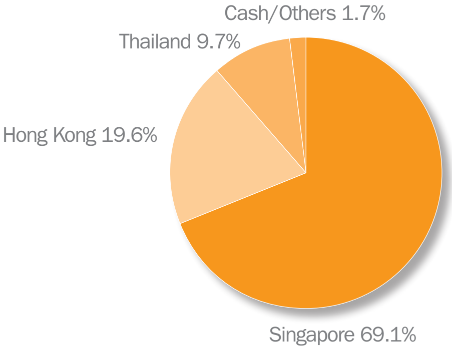
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 30 June 2016



	S$ (mil)
Corporate Bonds	41.4
Government Bonds	36.2
Government Agency Bonds	4.4
Equities	126.1
Cash/Others	3.5
Total	211.5

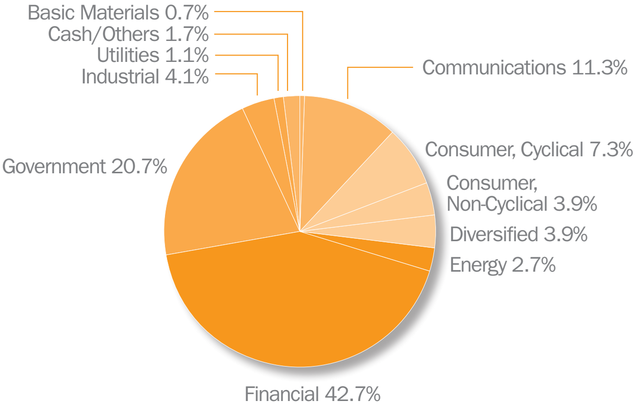
Country allocation as of 30 June 2016



	S$ (mil)
Singapore	146.1
Hong Kong	41.4
Thailand	20.5
Cash/Others	3.5
Total	211.5

PRIME FUND

Sector allocation as of 30 June 2016



	S$ (mil)
Basic Materials	1.4
Communications	23.9
Consumer, Cyclical	15.4
Consumer, Non-cyclical	8.2
Diversified	8.3
Energy	5.7
Financial	90.3
Government	43.7
Industrial	8.8
Utilities	2.4
Cash/Others	3.5
Total	211.5

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	41.4	19.6
AA	1.2	0.5
AA-	0.3	0.1
A+	6.7	3.2
A	4.7	2.2
A-	2.3	1.1
BBB+	3.4	1.6
BBB	5.6	2.7
BBB-	3.0	1.4
BB+	0.7	0.3
Not rated	12.7	6.0
Total	82.0	38.8

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

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

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	207,269,557
Purchase of units	6,611,538
Redemption of units	(6,954,644)
Gain/(loss) on investments and other income	5,211,049
Management fee and other charges	(619,633)
Value of fund as of 30 June 2016	211,517,867

Units in issue	29,374,689
Net asset value per unit	
- at the beginning of the year	7.045
- as of 30 June 2016	7.201

Exposure to derivatives

Nil.

Investment in collective investment schemes

June 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	82.0	38.8
Frasers Logistics & Industrial Trust	2.7	1.3
CapitaLand Mall Trust (REIT)	1.7	0.8
CapitaLand Retail China Trust (REIT)	1.0	0.5
Ascendas REIT	0.9	0.4
CapitaLand Commercial Trust	0.3	0.1

Borrowings

Nil.

Related party disclosures

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$619,633.

Soft dollar commission or arrangement

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

Conflicts of interest

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

Other parties

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

Material information

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

Reports

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

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

TAKAFUL FUND

Investment objective

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

Investment scope

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

Fund details as of 30 June 2016

Launch Date	1 September 1995
Fund Size	S$17.96 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Benchmark	S&P BMI Global Shari'ah Index in Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

June 2016	S$ (mil)	% of Net Asset Value
Alphabet Inc Class A	0.5	3.0
Bristol-Myers Squibb Co	0.4	2.1
Apple Inc	0.4	2.0
Exxon Mobil	0.3	1.9
Mondelez International Inc	0.3	1.8
Pepsico Inc	0.3	1.6
Visa Inc	0.3	1.5
Colgate-Palmolive Co	0.3	1.4
Eli Lilly & Co	0.3	1.4
Facebook Inc	0.3	1.4

June 2015	S$ (mil)	% of Net Asset Value
Apple Inc	1.0	4.9
Google Inc - Class A	0.5	2.6
Bristol-Myers Squibb Co	0.5	2.3
Mondelez International Inc	0.4	1.8
Eli Lilly & Co	0.3	1.6
Facebook Inc	0.3	1.5
Exxon Mobil	0.3	1.5
Home Depot Inc	0.3	1.4
Regeneron Pharmaceuticals	0.3	1.4
Lowe's Cos Inc	0.3	1.4

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

Fund manager

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. Wellington Management Singapore Pte Ltd is the Sub-Investment Manager of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2016, Income had S$31.54 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Wellington Management Singapore Pte Ltd (WMS)

WMS is the Investment Manager of the Global Islamic Research Equity Strategy. WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$969 billion in assets under management, WMC serves as an investment adviser to over 2,100 clients located in more than 55 countries, as of 30 June 2016. 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	-2.7%	2.2%	-3.8%	-0.5%
Benchmark[1]	-2.3%	1.6%	-2.6%	-0.2%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Takaful Fund	12.3%	9.4%	6.7%	1.4%
Benchmark[1]	10.8%	9.1%	6.4%	2.8%

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

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

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

Market review

Markets were volatile in the 1st half of 2016 with pressure from slowing growth and heavy capital outflows in China prompting the government to undertake significant stimulus measures to boost growth and restrain market volatility. As 2016 began, investors had expected a series of interest rate hikes from the US Federal Reserve (Fed), but those expectations diminished early in 2016 owing to the volatile global market environment and moderating gains in US labour market. Plunging commodity prices early in the year, particularly in the price of crude oil, increased deflationary pressures throughout the global economy, further restraining the Fed. The diminished threat of Fed hikes and fresh Chinese stimulus helped commodity prices to find a bottom in February and begin to rebound. Late in the 1st half, the United Kingdom's (UK) decision to exit the European Union (EU) added to market uncertainty, but also increased the odds of easier monetary policy ahead from the Bank of England.

The US S&P 500 Index returned -1.15% in Singapore Dollar terms for the 1st half of 2016. Diminishing fears of multiple Fed rate hikes along with continued easy monetary policies from major global central banks helped underpin US equity markets despite falling corporate earnings. Earnings weakness has spread beyond the energy and materials sectors to most sectors of the S&P. Slowing capital expenditures by members companies in the index is a source of concern regarding future profits.

European stocks, as measured by the STOXX 50 Index, returned -12.12% in Singapore Dollar terms during the 1st half of 2016. The European Central Bank expanded its asset purchase programme to include investment grade corporate debt, which drove yields on some of those securities into negative territory, where they join many European sovereign bonds. The combination of sluggish credit demand and very low interest rates made for particularly difficult conditions for the European banking sector. Fallout from the Brexit vote weighed on markets late in the 1st half, with a prolonged period of uncertainty foreseen as the UK and EU negotiate terms of separation while arranging for future trading relations. In May, the Greek bailout was extended, but worries persist that the country's debt level will ultimately prove unsustainable.

In Japan, the Nikkei Composite Index returned -7.95% in Singapore Dollar terms during the 1st half of 2016. Markets reacted negatively to the Bank of Japan's decision to introduce negative policy interest rates. Observers question whether monetary policy has reached its effective limits. Although manufacturers are benefiting from historically low energy costs and interest rates, the recent strength of the yen has been a growing headwind for exporters, pressuring corporate earnings.

The MSCI Emerging Markets (EM) Index returned 1.41% in the 1st half of the year in Singapore Dollar terms as commodity prices pulled out of their early 2016 dive and stimulus measures and closer currency management in China helped reverse the early risk-off environment that plagued the index at the beginning of the year. A delay in the Fed's rate-hiking cycle was a major boost to Emerging Markets, though slow global growth calls into question the sustainability of the asset class's rebound.

Market Outlook
Volatility is likely to stay high during the balance of 2016, making for challenging markets. Geopolitical risks, sub-par growth and low inflation will likely contribute to continued low returns.

United States: Earnings weakness is spreading from the energy and materials sectors to most market sectors, a cause for concern, especially with large capitalisation companies trading at full valuations. Rising unit labour costs and declining free cash flows may crimp profit margins and earnings unless

TAKAFUL FUND

top-line growth begins to accelerate again. A decline in capital expenditures is also a concern, as corporate investment tends to lead to future profits.

Europe: Valuations remain attractive compared with the US and Japan, though Developed Markets valuations look full overall. In the wake of the Brexit vote, UK-based multinationals have fared better than domestic-facing firms, and with a materially weaker pound sterling we expect multinationals to remain relatively attractive. Downward earnings pressure is expected in both the UK and Europe, driven by lower growth and investment associated with the uncertainty surrounding the Brexit referendum, which side-lined activity this spring. This is a condition that will likely persist for some months to come. Expect equity risk premia to remain elevated given ongoing uncertainty facing Europe amid growing populist sentiment.

Japan: With monetary policy seemingly at its limits, structural reform is likely needed to sustain a further Japanese economic recovery. After winning a decisive victory in upper house elections in July, Prime Minister Abe announced his intention to seek a fiscal stimulus package worth an estimated ¥10 trillion. Earnings estimates are being revised lower as yen strength cuts into the earnings of exporters and hurts overall competitiveness.

Emerging Markets: Rebounding commodities prices and a likely delay in the Fed tightening cycle are tailwinds, but a lack of visibility on EM growth calls the sustainability of the rebound into question. The asset class has been inclined to respond to macro factors like exchange rates, financial conditions and trade flows, and has tended to do well when the US economy avoids recession but doesn't grow enough to prompt significant Fed tightening.

Risks

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

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

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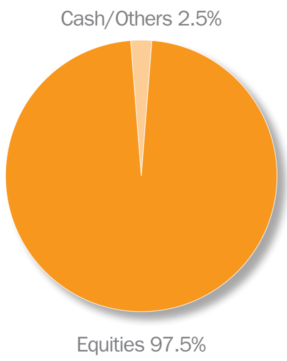
Expense and turnover ratio

	Expense Ratio	Turnover Ratio
As of 30 June 2016	1.16%	47.39%
As of 30 June 2015	1.14%	52.70%

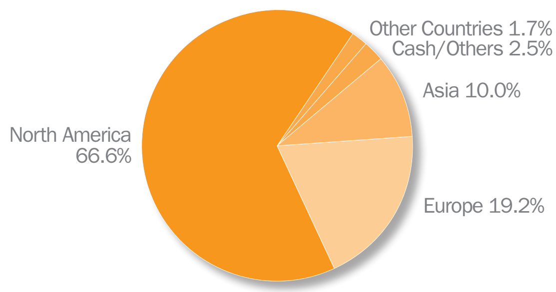
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 30 June 2016



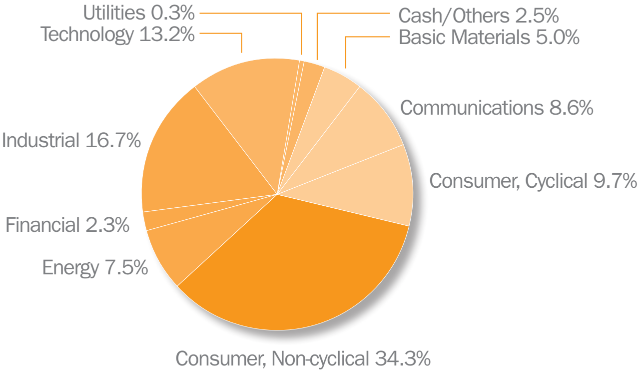
	S$ (mil)
Equities	17.5
Cash/Others	0.4
Total	18.0

Country allocation as of 30 June 2016



	S$ (mil)
Asia	1.8
Europe	3.4
North America	12.0
Other Countries	0.3
Cash/Others	0.4
Total	18.0

Sector allocation as of 30 June 2016



	S$ (mil)
Basic Materials	0.9
Communications	1.5
Consumer, Cyclical	1.7
Consumer, Non-cyclical	6.2
Energy	1.3
Financial	0.4
Industrial	3.0
Technology	2.4
Utilities	0.1
Cash/Others	0.4
Total	18.0

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

Credit rating of debt securities

There are no debt securities under the Takaful Fund.

Summarised financial statement as of 30 June 2016

	S$
Value of fund as of 1 January 2016	19,473,334
Purchase of units	379,359
Redemption of units	(1,136,561)
Gain/(loss) on investments and other income	(670,092)
Management fee and other charges	(90,002)
Value of fund as of 30 June 2016	17,956,038

Units in issue	16,334,898
Net asset value per unit	
- at the beginning of the year	1.143
- as of 30 June 2016	1.099

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	-	-	(2,152)	136

Investment in collective investment schemes

Nil.

Borrowings

Nil.

Related party disclosure

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$90,002.

Soft dollar commission or arrangement

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

Conflicts of interest

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

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

Other parties

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

Material information

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

Reports

The financial year end of the 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.

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 2016	124,369,841	244,630,412	275,998,401	144,061,082
Purchase of units	913,257	7,526,823	4,590,434	15,949,950
Redemption of units	(14,419,097)	(6,886,508)	(23,975,515)	(9,037,813)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	7,449,746	(5,992,727)	16,636,927	927,721
Management fees and other charges	(519,651)	(1,370,918)	(689,689)	(431,512)
Value of fund as of 30 June 2016	117,794,096	237,907,082	272,560,558	151,469,428

	Aim Now S$	Aim 2025 S$	Aim 2035 S$	Aim 2045 S$
Value of fund as of 1 January 2016	116,668,972	13,852,336	17,315,160	17,878,528
Purchase of units	7,101,875	714,169	1,037,278	1,754,460
Redemption of units	(11,531,126)	(810,602)	(626,516)	(928,295)
Dividend distribution	(1,750,899)	-	-	-
Gain/(loss) on investments and other income	3,519,443	65,275	(206,964)	(345,656)
Management fees and other charges	(383,870)	(61,660)	(80,917)	(82,591)
Value of fund as of 30 June 2016	113,624,395	13,759,518	17,438,041	18,276,446

	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 2016	96,207,908	171,791,379	11,841,954	240,801,927
Purchase of units	2,248,271	2,244,607	248,273	5,582,506
Redemption of units	(4,738,936)	(6,832,357)	(586,357)	(11,197,246)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	205,555	3,090,271	395,565	541,740
Management fees and other charges	(89,322)	(9,207)	(536)	(13,840)
Value of fund as of 30 June 2016	93,833,476	170,284,693	11,898,899	235,715,087

CAPITAL AND INCOME ACCOUNT

	Prime Fund S$	Singapore Managed Fund S$	Takaful Fund S$	Global Technology Fund S$
Value of fund as of 1 January 2016	207,269,557	78,923,917	19,473,334	73,106,190
Purchase of units	6,611,538	2,431,702	379,359	1,360,736
Redemption of units	(6,954,644)	(2,844,276)	(1,136,561)	(3,485,091)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	5,211,049	2,452,006	(670,092)	(7,562,560)
Management fees and other charges	(619,633)	(235,365)	(90,002)	(385,764)
Value of fund as of 30 June 2016	211,517,867	80,727,984	17,956,038	63,033,511

	Money Market Fund S$	Asian Income Fund S$	Global Income Fund S$
Value of fund as of 1 January 2016	18,515,133	236,174,270	65,137,080
Purchase of units	33,031,240	60,482,090	5,271,458
Redemption of units	(32,846,403)	(7,938,625)	(7,410,596)
Dividend distribution	-	(7,021,040)	(1,602,754)
Gain/(loss) on investments and other income	200,474	13,403,258	2,400,350
Management fees and other charges	(23,015)	-	-
Value of fund as of 30 June 2016	18,877,429	295,099,953	63,795,538

FINANCIAL STATEMENTS

BALANCE SHEET

	Global Bond Fund S$	Global Equity Fund S$	Singapore Bond Fund S$	Singapore Equity Fund S$	Aim Now S$
ASSETS					
Financial assets					
Equities	-	230,704,409	-	142,425,397	101,527,011
Debt securities	110,558,620	-	272,310,370	-	-
Financial derivatives	2,442,329	42	397,169	42,438	784,823
Other receivables and assets	3,830,563	6,026,352	5,082,188	7,757,443	943,326
Cash and cash equivalents	16,265,645	2,079,282	928,759	1,492,206	11,279,704
Total assets	**133,097,157**	**238,810,085**	**278,718,486**	**151,717,484**	**114,534,864**
LIABILITIES					
Financial liabilities					
Financial derivatives	2,324,261	-	119,651	-	172,687
Other payables and liabilities	12,978,800	903,003	6,038,277	248,056	737,782
Total liabilities	**15,303,061**	**903,003**	**6,157,928**	**248,056**	**910,469**
Value of fund	**117,794,096**	**237,907,082**	**272,560,558**	**151,469,428**	**113,624,395**
Units in issue	**72,813,595**	**89,756,640**	**153,436,653**	**55,122,391**	**123,798,982**
Net asset value per unit					
- at the beginning of the year	**1.529**	**2.735**	**1.677**	**2.742**	**0.907**
- as of 30 June 2016	**1.618**	**2.651**	**1.776**	**2.748**	**0.918**

	Aim 2025 S$	Aim 2035 S$	Aim 2045 S$	Asia Managed Fund S$	Global Managed Fund (Balanced) S$
ASSETS					
Financial assets					
Equities	12,983,095	16,333,630	16,736,761	94,719,691	170,225,271
Debt securities	411,868	694,778	716,771	-	-
Financial derivatives	106,300	115,750	92,668	-	-
Other receivables and assets	1,471	31,814	35,230	1,325,333	6,156,557
Cash and cash equivalents	325,605	326,422	776,284	181,444	199,999
Total assets	**13,828,339**	**17,502,394**	**18,357,714**	**96,226,468**	**176,581,827**
LIABILITIES					
Financial liabilities					
Financial derivatives	18,509	23,208	36,263	-	-
Other payables and liabilities	50,312	41,145	45,005	2,392,992	6,297,134
Total liabilities	**68,821**	**64,353**	**81,268**	**2,392,992**	**6,297,134**
Value of fund	**13,759,518**	**17,438,041**	**18,276,446**	**93,833,476**	**170,284,693**
Units in issue	**10,808,325**	**13,221,957**	**13,878,160**	**40,353,710**	**84,887,226**
Net asset value per unit					
- at the beginning of the year	**1.272**	**1.342**	**1.350**	**2.321**	**1.970**
- as of 30 June 2016	**1.273**	**1.319**	**1.317**	**2.325**	**2.006**

BALANCE SHEET

	Global Managed Fund (Conservative) S$	Global Managed Fund (Growth) S$	Prime Fund S$	Singapore Managed Fund S$	Takaful Fund S$
ASSETS					
Financial assets					
Equities	11,793,751	235,918,540	208,093,465	80,069,354	17,510,541
Debt securities	-	-	-	-	-
Financial derivatives	-	-	-	-	-
Other receivables and assets	315,228	7,318,993	895,628	99,785	201,306
Cash and cash equivalents	126,722	199,999	2,910,601	650,148	428,046
Total assets	**12,235,701**	**243,437,532**	**211,899,694**	**80,819,287**	**18,139,893**
LIABILITIES					
Financial liabilities					
Financial derivatives	-	-	-	-	-
Other payables and liabilities	336,802	7,722,445	381,827	91,303	183,855
Total liabilities	**336,802**	**7,722,445**	**381,827**	**91,303**	**183,855**
Value of fund	**11,898,899**	**235,715,087**	**211,517,867**	**80,727,984**	**17,956,038**
Units in issue	**6,471,479**	**111,355,512**	**29,374,689**	**31,010,181**	**16,334,898**
Net asset value per unit					
- at the beginning of the year	**1.778**	**2.112**	**7.045**	**2.533**	**1.143**
- as of 30 June 2016	**1.839**	**2.117**	**7.201**	**2.603**	**1.099**

	Global Technology Fund S$	Money Market Fund S$	Asian Income Fund S$	Global Income Fund S$
ASSETS				
Financial assets				
Equities	60,748,969	-	295,469,867	63,820,894
Debt securities	-	17,460,960	-	-
Financial derivatives	-	239,084	-	-
Other receivables and assets	110,005	1,703,527	1,846,801	332,656
Cash and cash equivalents	2,869,521	1,296,707	541,892	9,834
Total assets	**63,728,495**	**20,700,278**	**297,858,560**	**64,163,384**
LIABILITIES				
Financial liabilities				
Financial derivatives	-	-	-	-
Other payables and liabilities	694,984	1,822,849	2,758,607	367,846
Total liabilities	**694,984**	**1,822,849**	**2,758,607**	**367,846**
Value of fund	**63,033,511**	**18,877,429**	**295,099,953**	**63,795,538**
Units in issue	**143,591,589**	**16,469,477**	**309,159,092**	**73,666,502**
Net asset value per unit				
- at the beginning of the year	**0.493**	**1.135**	**0.935**	**0.855**
- as of 30 June 2016	**0.439**	**1.146**	**0.955**	**0.866**

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

1 Significant Accounting Policies

(a) Basis of preparation

The financial statements of the NTUC Income (Income) sub-funds have been prepared on the historical cost basis, except for investments and derivatives which are stated at fair value.

The financial statements of the Income sub-funds are expressed in Singapore Dollar.

(b) Recognition of income and expenses

Dividend income is recognised when the right to receive payment is established.

Interest income on bank deposits is recognised on a time-proportionate basis using the effective interest method.

Expenses are recognised on an accrual basis.

(c) Investments

All purchases of investments are recognised on their trade dates, the date the commitment exists to purchase the investments. The investments are initially recorded at fair value, being the consideration given and excluding acquisition charges associated with the investments. These acquisition charges are recognised in the Capital and Income Account when incurred. After initial recognition, the unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account. The quoted market price at the close of trading is adopted for all equity investments. Equity investments comprise the direct investments in equity securities and investments in funds. The bid price has been adopted for all fixed income investments. Unquoted fixed income securities are valued at bid prices quoted by banks, inclusive of accrued interest.

(d) Derivative financial instruments

Derivative financial instruments are measured at initial recognition, and subsequently, at fair value and changes in fair value are recognised in the Capital and Income Account. Transaction costs incurred in buying and selling derivative instruments are recognised in the Capital and Income Account when incurred. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The fair value of a derivative financial instrument is determined by reference to its quoted price if quoted prices are regularly available from an exchange, dealer, or broker and there are regularly recurring market transactions in the instrument.

(e) Realised gains/losses from sale of investments

All sales of investments are recognised on their trade dates, the date the sub-fund commits to sell the investments.

Realised gains/losses from the sale of investments are taken to the Capital and Income Account.

(f) Foreign currency transactions

Foreign currency transactions are translated into the functional currency, Singapore Dollar, at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date.

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

GUIDE TO YOUR INVESTMENT-LINKED POLICY STATEMENT

We provide a policy statement to keep you updated on your investment(s) twice a year. Here is a guide to help you understand your statement better.

Description of Transaction Details

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

Frequently Asked Questions

Q1 Where can I check the latest fund prices?
A1 Our Investment-Linked Policy (ILP) funds are valued daily. The latest prices of our ILP funds are available on Income's website at www.income.com.sg/fund/coopprices.asp.

Q2 Where can I get updated financial reports on my fund?
A2 The financial year end of Income's ILP funds is 31 December of each year.

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

Q3 How do I make additional investment(s) to existing or new funds?
A3 You will be required to complete and submit the 'Top-up form for Investment-Linked Policy' at any of our branches or you can fax the form to us at 6338 1500.

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

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

Q4 How do I switch to another fund?
A4 You will be required to complete and submit the 'Switching form for Investment-Linked Policy' at any of our branches or you can fax the form to us at 6338 1500.

Alternatively, you can approach your insurance adviser for advice.

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

Q5 How do I make a withdrawal?
A5 You will be required to complete and submit the 'Application for Withdrawal of Investment-Linked Policy Form' at any of our branches.

Alternatively, you can access me@income via www.income.com.sg or approach your insurance adviser for advice.
The minimum amount to be maintained in the policy is $2,000 or $3,500 depending on your plan type. For FlexiCash policy, the minimum to be maintained in the policy is $5,000.

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