

## **FREQUENTLY ASKED QUESTIONS**

### **Asian Income Fund**

#### **Q1. What is investment objective of Asian Income Fund?**

- A1. 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.

#### **Q2. What is the investment strategy?**

- A2. The sub-fund invest all or substantially all of its assets in Schroder International Opportunities Portfolio – Schroder Asian Income which is managed by Schroder Investment Management (Singapore) Ltd.

The underlying fund will actively allocate between Asian equities, Asian fixed income securities, cash and other permissible investments to achieve its objective.

The underlying fund will use a cyclical approach to asset allocation where the asset mix will be adjusted according to the four phases of the economic cycle – recovery, expansion, slowdown and recession – based on a combination of fundamental and quantitative factors such as asset class valuation, macroeconomic data and liquidity. Cash will be treated as a separate asset class and will be deployed if necessary to limit downside risk during adverse market conditions.

The underlying fund will also perform active security selection for its investments in Asian equities, Asian fixed income and other permissible investments. For the Asian equities portfolio, the underlying fund intends to focus on companies that are able to create true shareholder value, have a strong and stable earnings stream and have a strong sustainable dividend yield.

For the Asian fixed income portfolio, the underlying fund intends to select securities that deliver attractive yield and capital growth taking into account both fundamental and technical views such as valuation, demand/supply conditions and liquidity. The underlying fund will also manage the impact of interest rate movements on the value of the portfolio.

#### **Q3. Who is the manager of the sub-fund?**

A3. The sub-fund is managed by NTUC Income Insurance Co-operative Limited. It invests all or substantially all of its assets into Schroder International Opportunities Portfolio-Schroder Asian Income which is managed by Schroder Investment Management (Singapore) Ltd.

**Q4. Who should be considering this sub-fund for investment?**

A4. The sub-fund is suitable for investors who:

- seek medium to long-term capital growth;
- understand the risks associated with investing in Asian equities and Asian fixed income securities; and
- appreciate that the sub-fund is not a capital guaranteed fund, i.e. the amount of capital invested or return received is not guaranteed.

**Q5. How can I invest in Asian Income Fund?**

A5. You can invest in this sub-fund via any of the following ways:

- i. Purchase a new GrowthLink;
- ii. Topping up into an existing GrowthLink; or
- iii. Switching funds within an existing GrowthLink.

More information on GrowthLink can be found on GrowthLink's product page on our website.

**Q6. What are the Annual Management Charges for Asian Income Fund?**

A6. The annual management fee is currently set at 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 fund balance at any point of time.

**Q7. What is the frequency of distribution for Asian Income Fund?**

A7. We intend to make monthly distribution and will distribute all payouts received from the underlying fund within 45 days from the declaration date. The distribution is not guaranteed.

**A8. When is the declaration date for monthly distribution?**

A8. The declaration date is set on the last 2nd working day of the month. If these dates fall on a weekend/public holiday, the last business day before these dates will be taken as the declaration date. The declaration date is subject to review and the Manager has the sole discretion to determine the rate and frequency of the distribution.

**Q9. What happens to the unit price after distribution?**

A9. The unit price of the sub-fund will be reduced accordingly after the distribution. The number of units available will remain the same, unless the distribution is reinvested into this sub-fund.

**Q10. What options are available for distribution?**

A10. The default option for distribution is to reinvest them at bid price into Asian Income Fund.

If you wish to encash the distribution, you will need to either indicate your choice in the application form or notify us in writing at least 30 days before the Declaration Date. A cheque would be sent to you within 45 days from the Declaration Date.

However, any distribution below S\$50 has to be reinvested and encashment is not allowed. Also, any distribution from funds purchased using SRS monies, if applicable, will also be reinvested.

The unit prices for reinvestment will be determined on Payout date, which would be within 45 days from the Declaration Date.

**Q11. Will the distribution affect the insurance coverage provided by the ILP?**

A11. No, the insurance coverage is not affected by the distribution.

**Q12. What happens to the unit price of the sub-fund after distribution?**

A12. The unit price of the sub-fund will be reduced accordingly after the distribution. The number of units available will remain the same, unless the distribution is reinvested into the sub-fund.

**Q13. Will reinvestment of the distribution increase the insurance coverage provided by the ILP?**

A13. No, the reinvestment of distribution from the sub-fund does not increase the insurance coverage.

**Q14. Will withdrawal of funds after they have been reinvested, reduce the insurance coverage?**

A14. Yes, withdrawal funds after they have been reinvested will reduce the insurance coverage.

**Q15. What is the cut-off time used to determine pricing of the units?**

A15. All ILP funds are valued daily on an offer/bid basis. All transactions for ILP are based on forward pricing. The prices are updated on the website of NTUC Income on each working day.

For cash policy, all transactions submitted and premiums received by us by 3 pm (Singapore time) each day will be executed based on the unit prices of the same working day. For transactions submitted on a non working day (i.e. Saturday, Sunday or public holiday), the execution will be based on the prices valued for the following working day.

For SRS policy, all transactions received by us by 3 pm (Singapore time) each day will be executed based on the unit prices of the same working day. For transactions submitted on a non working day (i.e. Saturday, Sunday or public holiday), the execution will be based on the prices valued for the following working day.

We reserve the right to revise the cut-off time.

Life & Health Operations

**IMPORTANT NOTES**

This information is not to be construed as an offer or solicitation for the subscription, purchase or sale of any investment-linked plan (ILP) fund. The information and descriptions contained in this material are provided solely for general informational purposes and do not constitute any financial advice. It does not have regard to the specific investment objectives, financial situation and particular needs of any persons.

Investments are subject to investment risks including the possible loss of the principal amount invested. Past performance, as well as the prediction, projection or forecast on the economy, securities markets or the economic trends of the markets are not necessarily indicative of the future or likely performance of the ILP fund. The performance of the ILP fund is not guaranteed and the value of the units in the ILP fund and the income accruing to the units, if any, may fall or rise. A product summary and product highlights sheet(s) relating



to the ILP fund are available and can be obtained from your insurance adviser. A potential investor should read the product summary and product highlights sheet(s) before deciding whether to subscribe for units in the ILP fund.

Information is correct as of 03 April 2017.