

# Asian Bond Fund

Fund Summary  
as of 8 October 2021

## Investment Objective

The sub-fund aims to provide a medium to long-term rate of return by investing mainly in Asian fixed income securities.

## Investment Scope

The sub-fund intends to achieve this objective by investing in a portfolio of investment grade fixed income securities issued by governments, government agencies, supranational and companies domiciled in, or the main business of which is in Asian countries.

Prior to 17 August 2021, the sub-fund intends to achieve this objective by investing all or substantially all of its assets in BlackRock Global Funds – Asian Tiger Bond Fund (“underlying fund”) in A6 SGD Hedged Share Class. The underlying fund invests at least 70% of its total assets in the fixed income transferable securities of issuers domiciled in, or exercising the predominant part of their economic activity in, Asian Tiger countries (i.e. South Korea, the People’s Republic of China, Taiwan, Hong Kong, the Philippines, Thailand, Malaysia, Singapore, Vietnam, Cambodia, Laos, Myanmar, Indonesia, Macau, India and Pakistan). The underlying fund may also invest in the full spectrum of available securities, including non-investment grade. The underlying fund’s exposure to contingent convertible bonds is limited to 20% of total assets and the underlying fund’s exposure to distressed securities is limited to 10% of its total assets.

## Investment Approach

The Sub-Investment Manager uses a fundamental active investment approach that blends top-down macroeconomic analysis with bottom-up to credit selection. Quantitative tools will be used to support the investment process, notably in the areas of fair value assessments, portfolio construction and risk management. The Sub-Investment Manager seeks to generate additional alpha through off-benchmark allocations, including Asian local currency debt and investments in non-benchmark USD credit in the Asia Pacific region. Fixed Income derivatives may be used as alternative investments when compared on relative value basis against physical bonds. Diversification is a key element of the investment process. The Sub-Investment Manager believes that implementing a large number of diversified positions with low correlation results in superior risk adjusted returns. In addition to more quantitative risk management techniques, the team applies internal issuer limits to minimise credit specific idiosyncratic risks. The Sub-Investment Manager shall not engage in securities lending and repurchase transactions unless with the prior consent of the Manager.

Prior to 17 August 2021, the underlying fund seeks to invest in bonds issued by governments and companies in Asia excluding Japan. The currency exposure of the underlying fund is flexibly managed. The underlying fund may use financial derivative instruments for investment purposes and for purposes of efficient portfolio management. Please refer to the “Investment Objective, Policy and Strategy” section of the underlying fund’s Singapore Prospectus for further information. The Luxembourg Prospectus is available within the Singapore Prospectus at [www.blackrock.com/sg/en/literature/prospectus/bgf-singapore-prospectus-sg.pdf](http://www.blackrock.com/sg/en/literature/prospectus/bgf-singapore-prospectus-sg.pdf).

## Fund Details

<b>Launch Date</b>	3 May 2016
<b>Fund Manager</b>	NTUC Income Insurance Co-operative Limited
<b>Sub-Investment Manager</b>	BlackRock (Singapore) Limited from 17 August 2021
<b>Custodian</b>	The Bank of New York Mellon
<b>Dealing Frequency</b>	Every business day
<b>Premium Charge</b>	Please refer to “Fees and Charges” in section 4 of the Product Summary for ILP
<b>Annual Management Fee</b>	0.9% p.a. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time. Prior to 17 August 2021, the Annual Management Fee is 1.0% p.a. which includes management fee charged by the manager of the BlackRock Global Funds – Asian Tiger Bond Fund.

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<b>Inclusion in CPFIS</b>	Yes (CPF OA and CPF SA) Prior to 17 August 2021, the sub-fund is not a CPFIS-included fund
<b>CPFIS Risk Classification</b>	Low to Medium Risk, Narrowly Focused-Regional-Asia
<b>Structure</b>	Single Fund. The units in the sub-fund are not classified as Excluded Investment Products
<b>Benchmark</b>	JP Morgan Asia Credit Investment Grade Index (SGD Hedged) Prior to 17 August 2021, the benchmark is JP Morgan Asia Credit Index (SGD Hedged)
<b>Subscription Method</b>	Cash / SRS / CPF OA / CPF SA
<b>Financial Year End</b>	31 December
<b>Distribution</b>	The sub-fund does not intend to make any distribution payout

## Past Performance (as of 30 June 2021)

	1-month	3-month	6-month	1-year	3-year <sup>^</sup>	5-year <sup>^</sup>	Since inception <sup>^</sup>
<b>Asian Bond Fund</b>	0.08	0.69	-1.06	4.60	5.17	2.97	3.24
<b>Benchmark</b>	0.44	1.10	-0.09	3.81	5.96	3.86	4.08

With effect from 17 August 2021, the benchmark JP Morgan Asia Credit Index (SGD Hedged) is replaced by JP Morgan Asia Credit Investment Grade Index (SGD Hedged) to align with the fund scope to invest in a portfolio of investment grade fixed income securities.

The returns are calculated using bid-to-bid prices, in Singapore dollar terms, with dividends and distributions reinvested.

<sup>^</sup>Returns above one year are annualised. Past performance is not indicative of future performance. Fees & charges payable through deduction of premium or cancellation of units are excluded from this calculation.

## Fund Manager

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

### NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to make essential insurance accessible to all Singaporeans. Today, Income is the leading composite insurer in Singapore offering life, health and general insurance. Our wide network of financial advisers and partners provide value-added financial advisory that complements today's digital-first landscape, offering insurance products and services that serve the protection, savings and investment needs of customers at different stages and across all segments of society.

As of 31 December 2020, Income had S\$45.91 billion in assets under management. Our financial strength and diversified investment portfolio are reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline. Income is regulated by Monetary Authority of Singapore.

### BlackRock (Singapore) Limited

BlackRock (Singapore) Limited is domiciled in Singapore and regulated by Monetary Authority of Singapore. BlackRock (Singapore) Limited is a wholly owned subsidiary within the BlackRock Group and has been managing collective investment schemes or discretionary funds since 2001. As of 31 December 2020, BlackRock's assets under management total US\$8.68 trillion in assets on behalf of investors worldwide.

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## Risks

### Key Risks

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

The securities and instruments in which the sub-fund may invest are subject to market fluctuations and other risks inherent in such investments and there can be no assurance that any appreciation in value will occur.

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 risk factors may cause you to lose some or all of your investments. A description of the major risks is provided below. This is not an exhaustive list of risks.

### Market and Credit Risks

You are exposed to market risks. The value of investments by the sub-fund may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to interest rate risks. The sub-fund's investment in debt securities may be subject to the risk of interest rate fluctuations which may cause the price of debt securities to go up or down. In general, as nominal interest rates rise, the value of fixed income securities is likely to fall.

You are exposed to currency risks. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of the sub-fund's investments to diminish or increase. Currency exchange rates may fluctuate significantly over short periods of time. The Sub-Investment Manager will actively hedge the foreign currency exposure in order to manage the currency risk, but will not knowingly leverage in the foreign currency exposure.

You are exposed to credit risks. The value of the sub-fund will be negatively affected if the issuer or guarantor of a fixed income instrument, or counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.

You are exposed to sovereign debt risks. The sub-fund may invest in bonds issued or guaranteed by governments or authorities, which may involve political, economic, default or other risks.

You are exposed to emerging markets risks. Emerging markets will generally be subject to greater political, legal, counterparty and operational risks.

You are exposed to foreign investment restriction risks. Some countries prohibit or restrict investment, or the repatriation of income, capital or the proceeds from the sale of securities. The sub-fund may incur higher costs investing in these countries. Such restrictions may delay the investment or repatriation of capital of the sub-fund.

### Liquidity Risks

You are exposed to liquidity risks. There is no secondary market for the sub-fund. All redemption requests should be made to the Manager.

### Product-Specific Risks

You are exposed to derivatives risks. The sub-fund may invest in derivatives instruments including futures, options, forwards, swaps or credit derivatives for purposes of hedging and/or efficient portfolio management. Derivatives involve risks different from, and, in

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some cases, greater than, the risks presented by more traditional securities investments. The usage of derivatives may negatively impact the value of the sub-fund. The sub-fund's exposure to financial derivatives or embedded financial derivatives will be calculated in accordance with provisions of the Code on Collective Investment Schemes. The Manager will ensure that the risk management and compliance procedures are adequate and have been or will be implemented and that it has the necessary expertise to manage the risks relating to the use of financial derivatives.

You are exposed to high yield risks. The sub-fund may be subject to greater levels of interest rate, credit and liquidity risks than funds that do not invest in such securities.

## Expense and Turnover Ratio

### Asian Bond Fund

	Expense Ratio	Turnover Ratio
As of 31 December 2020	1.26%	73.00%
As of 31 December 2019	1.24%	102.04%

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.

## Soft Dollar Commission or Arrangement

### Income

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

### BlackRock

From time to time and consistent with applicable law and regulatory guidance, the Sub-Investment Manager will select broker-dealers that furnish the Sub-Investment Manager and their clients or their affiliates or personnel, directly or through third party or correspondent relationships, with research or execution services that provide, in the Sub-Investment Manager's view, lawful and appropriate assistance in the investment decision-making or trade execution processes (including such processes with respect to futures, fixed-price offerings, and over-the-counter transactions). The Sub-Investment Manager may use trading commissions to acquire research or execution services from broker-dealers in addition to the execution of trades known as "soft dollar" arrangements.

Subject to the duty to seek best execution, research or brokerage services obtained with client commissions or through soft dollar arrangements include, without limitation and to the extent permitted by applicable law and regulation: (i) research reports on companies, industries and securities; (ii) economic and financial data; (iii) financial publications; and (iv) quantitative analytical software. Services that can be acquired will be either proprietary (i.e., created and provided by the broker-dealer) or third party. In such soft dollar arrangements, the Sub-Investment Manager could pay, or be deemed to have paid, commission rates higher than it could have otherwise paid in order to obtain such research or brokerage services. Such higher commissions would be paid in accordance with Section 28(e) of the U.S. Exchange Act as interpreted by the U.S. Securities and Exchange Commission and its staff, which requires the Sub-Investment Manager to determine in good faith that the commissions paid are reasonable in relation to the value of the research or brokerage services received. The Sub-Investment Manager believes that using commission dollars to obtain the type of research and brokerage services mentioned above enhance their investment research and trading processes. Research products or brokerage services received by the Sub-Investment Manager might also be used for functions that are not research or brokerage related. Where a research product or brokerage service has a mixed use, the Sub-Investment Manager will make a

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reasonable allocation according to its use and will pay for the non-research and brokerage function in cash using its own funds. The receipt of such products and services and the determination of the appropriate allocation create a potential conflict.

While research or brokerage services obtained in this manner can be used in servicing any or all of the Sub-Investment Manager's client accounts, such products and services tend to disproportionately benefit one or more clients relative to others based on the amount of brokerage commissions paid, the nature of the research or brokerage products and services acquired and their relative use or value for particular accounts. For example, in some cases, the research or brokerage services that are paid through a client's commissions might not be used in managing that client's account. In addition, other BlackRock clients could receive the benefit, including disproportionate benefits, of economies of scale or price discounts in connection with products and services provided as a result of transactions executed on behalf of a client account for which such products and services are also used. To the extent that the Sub-Investment Manager uses client commission dollars to obtain research or brokerage services, it will not have to pay for those products and services itself.

The Sub-Investment Manager can also receive research or brokerage services that are bundled with trade execution, clearing, settlement, and/or other services provided by a particular broker-dealer. To the extent the Sub-Investment Manager receives research or brokerage services on this basis, many of the same potential conflicts related to receipt of these services through third-party arrangements exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing, and settlement services provided by the broker-dealer and will not be paid by the Sub-Investment Manager from its own assets.

## Conflicts of Interest

### Income

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

### BlackRock

The results of the investment activities provided to a BlackRock client can differ significantly from the results achieved by the Sub-Investment Manager for other current or future BlackRock clients. The Sub-Investment Manager will manage the assets of a BlackRock client in accordance with the investment mandate selected by such BlackRock client. However, members of the BlackRock Group (including the Sub-Investment Manager) may give advice and take action with respect to their own account or any other BlackRock client that competes or conflicts with the advice the Sub-Investment Manager may give to, or an investment action the Sub-Investment Manager may take on behalf of, a BlackRock client (or a group of BlackRock clients), or advice that may involve different timing than that of a BlackRock client. The potential conflicts include, in particular, members of the BlackRock Group and one or more BlackRock clients buying or selling positions while another BlackRock client is undertaking the same or a differing, including potentially opposite, strategy. Similarly, the Sub-Investment Manager's management of BlackRock client accounts may benefit members of the BlackRock Group including to the extent permitted by applicable law and contractual arrangements, investing BlackRock client accounts directly or indirectly in the securities of companies in which a member of the BlackRock Group or other BlackRock client, for itself or its clients, has an equity, debt, or other interest. In addition, to the extent permitted by applicable law and contractual arrangements, BlackRock clients may engage in investment transactions which may result in other BlackRock clients being relieved of obligations or otherwise have to divest or cause BlackRock clients to have to divest certain investments. In some instances, the purchase, holding, and sale, as well as voting of investments by BlackRock clients may enhance the profitability or increase or decrease the value of a BlackRock Group member's or other BlackRock clients' own investments in such companies. This may give rise to potential conflicts of interest.

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## 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

If you wish to track the performance of the sub-funds you have invested in, you can refer to the Semi Annual Fund Report and the Annual Fund Report for our ILP sub-funds.

The financial year-end of Income's ILP sub-funds is 31 December of each year. You can find the semi-annual financial statements in the Semi Annual Fund report, and the annual audited financial statements in the ILP Financial Statements. The Semi Annual Fund Report will be available by the end of August of each year, and the Annual Fund Report and annual audited financial statements by the end of March of the following year respectively.

The Semi Annual Fund Report and Annual Fund Report are available on Income's website at [www.income.com.sg/fund/coopprices.asp](http://www.income.com.sg/fund/coopprices.asp), and the annual audited financial statements are available at [www.income.com.sg/about-us/reports-publications](http://www.income.com.sg/about-us/reports-publications). Alternatively, you can also approach our insurance advisers, contact us at 6788 1122 / 6788 1777, or email [csquery@income.com.sg](mailto:csquery@income.com.sg) to request for a copy of the reports.

## IMPORTANT NOTES

The Asian Bond Fund is an Investment-Linked Policy (ILP) sub-fund issued by NTUC Income Insurance Co-operative Limited (Unique Entity Number No. S97CS0162D), a co-operative society registered in Singapore and having its registered address office at 75 Bras Basah Road, Income Centre, Singapore 189557. The information in this fund summary is for informational use only. A product summary relating to the sub-fund is available and may be obtained through Income. A potential investor should read the product summary before deciding whether to subscribe for units in the sub-fund. Investments are subject to investment risks including the possible loss of the principal amount invested. The sub-fund shall comply with the investment guidelines as set out in the Code of Collective Investment Schemes, CPF Investment Guidelines, internal investment restrictions, relevant laws and regulations. Past performance, as well as the prediction, projection or forecast on the economy, securities markets or the economic trends of the markets targeted by the sub-fund are not necessarily indicative of the future or likely performance of the sub-fund. The sub-fund returns are calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment. The performance of the sub-fund is not guaranteed and the value of units in the sub-fund and the income accruing to the units, if any, may fall or rise. Any opinion or estimate contained in this document is subject to change without notice.

Information correct as of 8 October 2021