income made yours

# ANNUAL FUND REPORT

FOR THE FINANCIAL YEAR AS OF 31 DECEMBER 2021

# Contents



## Core Funds



## Managed Funds



## Specialised Funds



## Thematic Funds



## Financial Statements

# CIO Message

25th March 2022

Dear Policyholder

2021 was a year of recovery with heightened uncertainty revolving around COVID-19. While the distribution of vaccines and easing of lockdowns brought about an economic rebound, the emergence of new COVID-19 variants posed a setback to the recovery.

Despite these challenges, global stock markets continued to climb higher in 2021, ending the year with strong returns due to the strong earnings and easy monetary policies in developed markets. On the other hand, Asian markets corrected with policy risks from China which impacted risk sentiment significantly. However, Singapore equity market rallied as it had large weighting in the banking sector which benefited from higher interest rates. Bond markets suffered losses in 2021 as interest rates rose from very low levels due to inflationary pressures and US Federal Reserve's (Fed) monetary tightening stance.

Looking to 2022, we expect developed equity markets to still deliver conservative positive returns with improving fundamentals and flushed liquidity. However, equity markets are likely to face more volatility given that the Fed is tightening monetary policy. In Asian equity markets, although the Chinese monetary policies are loosening, regulatory risks and negative developments in the property sector would continue to weigh on the economy. In the bond markets, interest rates are likely to rise further on the back of monetary policy rate hike and high inflationary pressures. In this uncertain market environment, our strategy is to further diversify our investment portfolios and focus on delivering long-term investment returns to our policyholders.

We are glad to share that we had successfully launched a new ILP sub-fund, Asian Equity Fund in August 2021. This ILP sub-fund aims to provide investors with long-term capital growth by investing primarily in securities of companies quoted on stock markets in Asia, including Australia and New Zealand but excluding Japan. Additionally, it offers investors access to attractive long-term growth potential across Asia Pacific ex-Japan which is broadly diversified. In Income, we regularly review and make changes to our ILP sub-funds to ensure that our ILP sub-funds remain competitive and offer quality investment options to our policyholders for the long run.

The latest Annual Fund Report for the financial period ended 31 December 2021 can be downloaded at https://www.income.com.sg/fund/factsheet/2021dec.pdf. You may also access your ILP statement via me@income, our online customer portal at www.income.com.sg.

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

Mark Shi Minkang
Chief Investment Officer

# Fund Changes for the financial year as of 31 December 2021

## 1. Restructuring of Asian Bond Fund, Global Bond Fund and Asia Managed Fund

An overview of the changes that have been made to the Asian Bond Fund, the Global Bond Fund and the Asia Managed Fund on 17 August 2021 is listed below:

a. Asian Bond Fund

As part of enhancing our existing range of ILP sub-funds, the Asian Bond Fund was restructured to be a newly included CPFIS fund for our policyholders as an added choice within the bond funds range. Asian Bond Fund has been restructured to invest directly into a portfolio of investment grade fixed income securities which will be sub-managed by BlackRock (Singapore) Limited. Prior to 17 August 2021, the sub-fund invests all or substantially all of its assets in BlackRock Global Funds – Asian Tiger Bond Fund in A6 SGD Hedged Share Class. The annual management fee was reduced from 1.00% p.a. to 0.90% p.a. with effect from 17 August 2021. The monthly pay-out feature of the Asian Bond Fund will be discontinued after the last distribution declaration on 28 July 2021.

b. Global Bond Fund

Invesco Asset Management Singapore Ltd has been appointed as another sub-investment manager for the Global Bond Fund in addition to PIMCO Asia Pte Ltd. There will be no change to the investment objective, focus and approach of the Global Bond Fund. Please note that the annual management fee will increase from 0.85% p.a. to 0.90% p.a. which will take effect from 17 August 2022. If policyholders have invested in the Global Bond Fund indirectly through the Global Managed Funds, which include the Global Managed Fund (Conservative), Global Managed Fund (Balanced) and Global Managed Fund (Growth), please be assured that the annual management fee will remain unchanged.

c. Asia Managed Fund

In order to further tap on the investment opportunities in Asian countries, Asia Managed Fund has been restructured to invest primarily into the Asian Equity Fund (feeds into underlying fund of Singapore-domiciled Schroder Asian Growth Fund managed by Schroder Investment Management (Singapore) Ltd) in relation to the equity portion (60%) and Asian Bond Fund (sub-managed by BlackRock (Singapore) Ltd) in relation to the fixed income portion (40%). Prior to 17 August 2021, the sub-fund invests all or substantially all of its assets in the Singapore-domiciled Schroder Asian Growth Fund (managed by Schroder Investment Management (Singapore) Ltd) in relation to the equity portion (70%) and Singapore Bond Fund (sub-managed by Fullerton Fund Management Company Ltd) in relation to the fixed income portion (30%). This will help expand the universe of the ILP sub-fund beyond Singapore and provide diversification benefits in delivering consistent long-term investment returns. The annual management fee of the Asia Managed Fund will increase from 1.00% p.a. to 1.30% p.a. which will take effect from 17 August 2022.

## 2. Launch of Asian Equity Fund

The new Asian Equity Fund (“Fund”) was launched on 17 August 2021. It aims to provide investors with long-term capital growth by investing primarily in securities of companies quoted on stock markets in Asia, including Australia and New Zealand but excluding Japan. Asian Equity Fund will invest all or substantially all of its assets in Singapore-domiciled Schroder Asian Growth Fund (underlying fund) in SGD N accumulation share class. With the CPFIS risk classification as a “Higher Risk, Narrowly Focused – Regional – Asia” sub-fund, the Fund will be available to subscription via Cash, SRS and CFPIS-OA. The annual management fee is 1.50% p.a. and may be reviewed from time to time.

For more information on the above fund changes, please refer to the respective Fund Summary or the Product Highlight Sheet (PHS) which are available at https://www.income.com.sg/funds/reports-and-downloads.

# Summary of Fund Performance as of 31 December 2021

| | 1 Year | 3 Years* | 5 Years* | 10 Years* | Since Inception* |
|---|---|---|---|---|---|
| **Core Funds** | | | | | |
| Global Bond Fund | -1.92% | 4.14% | 2.85% | 2.81% | 3.11% |
| Global Equity Fund | 20.64% | 20.19% | 13.64% | 12.93% | 6.34% |
| Asian Bond Fund | -2.65% | 4.36% | 2.95% | N.A. | 2.65% |
| **Managed Funds** | | | | | |
| Asia Managed Fund | -2.31% | 11.53% | 10.72% | 9.11% | 6.36% |
| **Specialised Funds** | | | | | |
| Money Market Fund | 0.16% | 0.95% | 1.10% | 0.90% | 1.06% |
| **Thematic Funds** | | | | | |
| Asian Income Fund | 4.77% | 5.50% | 4.10% | N.A. | 4.31% |
| Global Income Fund | 4.31% | 5.79% | 3.17% | N.A. | 2.19% |
| Global Technology Fund | 21.82% | 37.26% | 26.19% | 20.56% | 2.60% |
| Takaful Fund | 22.65% | 25.13% | 16.69% | 14.96% | 4.56% |

*Annualised Returns

Notes:

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

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 sub-fund is not indicative of future performance. Annualised Returns are not guaranteed as the value of the units may rise or fall as the performance of the sub-fund changes.

# Global Bond Fund

## INVESTMENT OBJECTIVE

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

## INVESTMENT SCOPE

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

## FUND DETAILS AS OF 31 DECEMBER 2021

| | |
|---|---|
| **Launch Date** | 2 January 2003 |
| **Fund Size** | S$136.07 million |
| **Initial Sales Charge** | Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP. |
| **Annual Management Fee** | 0.85% p.a. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point in time. The annual management fee will be 0.90% p.a. from 17 August 2022 |
| **Custodian** | The Bank of New York Mellon |
| **Dealing Frequency** | Every business day |
| **Inclusion in CPFIS** | Yes (CPF OA and CPF SA) |
| **CPFIS Risk Classification** | Low to Medium Risk, Broadly Diversified |
| **Fund Manager** | NTUC Income Insurance Co-operative Limited |
| **Sub-Investment Managers** | PIMCO Asia Pte Ltd<br>Invesco Asset Management Singapore Ltd (with effect from 17 August 2021) |
| **Benchmark** | Bloomberg Barclays Global Aggregate Credit Index (SGD Hedged) |
| **Structure** | Single Fund |

With effect from 3 August 2020, the benchmark has been changed from Barclays Global Aggregate Index (SGD Hedged) to Bloomberg Barclays Global Aggregate Credit Index (SGD Hedged).

## TOP 10 HOLDINGS

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Bank of America Corp Perp 3.648% 310329 | 1.02 | 0.75 | Bank of America Corp Perp 3.648% 310329 | 2.46 | 1.86 |
| Lloyds Banking Group Plc 4.55% 160828 | 0.93 | 0.69 | JPMorgan Chase 1.09% 110327 | 2.08 | 1.57 |
| Boeing Company 5.15% 010530 | 0.87 | 0.64 | Citigroup Inc 2.572% 030631 | 1.13 | 0.85 |
| Mizuho Financial Group 2.226% 250526 | 0.82 | 0.60 | Lloyds Banking Group Plc 4.55% 160828 | 0.97 | 0.73 |
| US Treasury Note 1.75% 150841 | 0.79 | 0.58 | Boeing Company 5.15% 010530 | 0.97 | 0.73 |
| Volkswagen Financial 1.625% 100224 | 0.74 | 0.55 | UK Treasury Gilt 0.875% 221029 | 0.96 | 0.73 |
| Deutsche Bank NY 2.129% 241126 | 0.67 | 0.50 | HSBC Holdings Plc 2.633% 071125 | 0.85 | 0.64 |
| US Treasury Bill 100322 | 0.67 | 0.50 | Barclays Plc 3% 080526 | 0.80 | 0.61 |
| Anheuser-Busch InBev SA/NV 1.65% 280331 | 0.67 | 0.49 | State of Israel Bonds 3.8% 130560 | 0.79 | 0.59 |
| Standard Chartered 1.456% 140127 | 0.66 | 0.48 | UK Treasury Index Linked Gilt 0.125% 220346 | 0.77 | 0.58 |

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

# Global Bond Fund

## FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. PIMCO Asia Pte Ltd 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 advisors 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 2021, Income had S$45.53 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.

### PIMCO Asia Pte Ltd

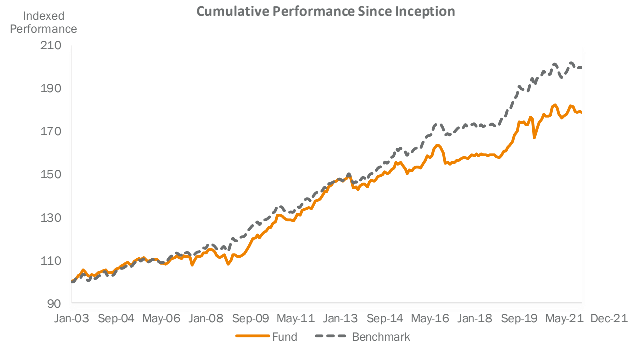
PIMCO Asia Pte Ltd is incorporated in Singapore and regulated by the Monetary Authority of Singapore as a holder of a capital market services license and an exempt financial advisor. Pacific Investment Management Company LLC (PIMCO) is the parent company of PIMCO Asia Pte Ltd which is headquartered in Newport Beach, California. As of 31 December 2021, PIMCO's professionals work in 21 offices across the globe, united by a single purpose which is creating opportunities for investors for every environment. PIMCO managed US$2.20 trillion in assets, including US$1.71 trillion in third-party client assets as of 31 December 2021. Assets include US$19.8 billion in assets of clients contracted with Gurtin Fixed Income Management, LLC and $81.9 billion in assets (as of September 30, 2021) of clients contracted with Allianz Real Estate, affiliates and wholly-owned subsidiaries of PIMCO and PIMCO Europe GmbH.

### Invesco Asset Management Singapore Ltd

Invesco Asset Management Singapore Ltd (IAMSL) is incorporated in Singapore and regulated by the Monetary Authority of Singapore. Invesco Ltd (Invesco) is the parent company of IAMSL which is an independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. With more than 8,000 employees worldwide, Invesco manages US$1,610.9 billion of assets around the globe, serving clients in more than 120 countries as at 31 December 2021. Invesco was established in 1935 and today operates in 25 countries. The firm is currently listed on the New York Stock Exchange under the symbol IVZ. Invesco is an independent firm, solely focused on investment management. Invesco directs all its intellectual capital, global strength and operational stability towards helping investors achieve their long-term financial objectives.

## FUND PERFORMANCE VS BENCHMARK

| | 1-month | 3-month | 6-month | 1-year |
|---|---|---|---|---|
| Global Bond Fund | -0.06% | -0.22% | -0.44% | -1.92% |
| Benchmark | -0.09% | 0.07% | 0.15% | -0.85% |
| | 3-year annualised | 5-year annualised | 10-year annualised | Since inception annualised |
| Global Bond Fund | 4.14% | 2.85% | 2.81% | 3.11% |
| Benchmark | 4.42% | 3.40% | 3.63% | 3.71% |




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 and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

### Volatility

| | 3-year (annualised) |
|---|---|
| Global Bond Fund | 4.83% |

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

## MARKET REVIEW

### Market Review

Having started with some warning of a more challenging year for investors after a remarkable market recovery following the COVID-19 crisis of March 2020, 2021 proved to be a vintage year for many risk assets. Global economies continued to rebound from COVID-19 slowdowns with the help of mass vaccinations, boosting cyclically oriented assets.

The S&P 500 and MSCI World equity indices were up +28.7%, and +20.1%, respectively, while West Texas Intermediate (WTI) crude oil prices rose +58.9%. Within high yield credit markets, US and European spreads tightened sharply by -77bps and -40bps, respectively.

This came at the expense of a sell-off in safe havens such as gold (down -3.6%) and government bonds across most developed markets (DM): 10Y US Treasuries, German bunds, UK gilts and Japanese government bond yields rose +60bps, +39bps, +78bps and +5bps, respectively. Emerging markets (EM) assets also struggled due to slower vaccinations, supply chain issues, and a stronger US dollar, with EM external spreads widening by +7bps and EM equities down -2.5%.

# Global Bond Fund

Meanwhile performance in investment grade credit was mixed, with US spreads tightening modestly by –5bps, while European spreads widened at the margin by +3bps.

Inflation was another key story in 2021. Due to high demand for goods and COVID-19 related constraints across supply chains, consumer price inflation (CPI) picked up with year-on-year CPI prints hitting up to 6.8% in major DM. Uncertainty around inflation growth and the future path of interest rates resulted in an ongoing debate amongst investors; those in the 'transitory' camp saw high inflation prints as temporary effects of COVID-19 on economies, meanwhile the opposing party argued that inflation would last longer due to extraordinary monetary policy, geopolitics, demographic changes and higher wage demands. In response to higher inflation risks, central banks generally brought forward the timing of rises in interest rates, which contributed to the aforementioned rates sell-off and led to increased volatility across asset classes.

In one way, 2021 ended just as it started as investors grappling with the consequences of yet another COVID-19 variant for the global economy, markets and policy. Governments remain diverged in terms of their responses, with more liberal approaches seen in some countries such as the US and the UK, which are relying on booster vaccinations, and stricter approaches seen from others such as China, which is following a zero-COVID policy.

### Market Outlook

We are maintaining our cautious view towards both interest rates and corporate credit, with a focus on relative value positions and diversified alpha strategies. Within our broader risk exposures, we maintain tactical tilts that aim to benefit across a variety of scenarios given the current point of the cycle.

We hold an overall underweight duration position, focusing on relative value between regions. The exposure focuses on the intermediate portion of the yield curve where we see the most attractive opportunities. We are near neutral on duration within the Dollar Block (Australia and Canada), and underweight UK duration given the low levels of yield on a relative basis. The portfolio also holds a short position to Japanese duration, as it provides a hedge against global rates recalibrating higher.

We continue to like financials given better fundamentals and among the sectors most affected by the pandemic, such as the travel and leisure sector, we remain highly selective. At current spread levels, we see attractive opportunities in issuers with diversified geographical exposures and strong liquidity profiles. With vaccines in deployment and the economic recovery expected to continue, spreads in these hardest-hit sectors may be poised to outperform and offer further upside, particularly the more resilient issuers that have ample liquidity. Conversely, we are underweight tight trading non-cyclical issuers with limited upside and maintain a cautious approach in secularly challenged sectors, including retail and wirelines.

In EM, the portfolio plans to retain exposure to sovereigns and quasi-sovereign bonds in select countries with strong initial conditions and high quality balance sheets. We also hold modest exposure to local EM rates as diversifying sources of duration.

Currency positions continue to be act as a modest diversifying strategy in the portfolio as currencies can be more volatile than other asset classes. We remain tactical in our currency positioning, holding a modest exposure to EM rates as diversifying sources of duration. We also maintain exposure to a basket of DM currencies (NOK, CAD) that should benefit from the cyclical recovery.

## 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 suits your risk appetite. You may wish to consult your financial advisor before investing in any ILP sub-fund.

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

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

## EXPENSE AND TURNOVER RATIO

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 0.87% | 108.35% |
| As of 31 December 2020 | 0.87% | 188.01% |

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

## ASSET ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Corporate Bonds | 122.13 | 89.75 |
| Government Bonds | 10.43 | 7.67 |
| Other Structured Bonds | 0.46 | 0.34 |
| Cash & Others | 3.05 | 2.24 |
| Total | 136.07 | 100.00 |

# Global Bond Fund

## COUNTRY ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Belgium | 1.28 | 0.94 |
| Britain | 12.07 | 8.87 |
| Canada | 1.58 | 1.16 |
| China | 6.74 | 4.95 |
| France | 8.76 | 6.44 |
| Germany | 2.63 | 1.93 |
| Hong Kong | 2.10 | 1.55 |
| Italy | 1.54 | 1.13 |
| Japan | 5.54 | 4.07 |
| Luxembourg | 3.64 | 2.67 |
| Mexico | 1.31 | 0.96 |
| Netherlands | 9.79 | 7.20 |
| Saudi Arabia | 0.46 | 0.34 |
| Singapore | 1.23 | 0.91 |
| Spain | 1.44 | 1.06 |
| Switzerland | 1.77 | 1.30 |
| United States | 50.64 | 37.21 |
| Others | 20.50 | 15.07 |
| Cash & Others | 3.05 | 2.24 |
| Total | 136.07 | 100.00 |

## SECTOR ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Asset Backed Securities | 0.18 | 0.14 |
| Basic Materials | 1.65 | 1.21 |
| Communications | 11.00 | 8.08 |
| Consumer Cyclical | 7.21 | 5.30 |
| Consumer Non-cyclical | 12.85 | 9.43 |
| Energy | 6.68 | 4.91 |
| Financial | 63.28 | 46.51 |
| Government | 10.36 | 7.62 |
| Industrial | 5.33 | 3.92 |
| Mortgage Securities | 0.27 | 0.20 |
| Technology | 5.91 | 4.34 |
| Utilities | 8.30 | 6.10 |
| Cash & Others | 3.05 | 2.24 |
| Total | 136.07 | 100.00 |

## CREDIT RATINGS OF DEBT SECURITIES

| S&P rating or its equivalent | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| AAA | 3.05 | 2.25 |
| AA+ | 0.77 | 0.56 |
| AA | 2.16 | 1.58 |
| AA- | 2.44 | 1.80 |
| A+ | 5.76 | 4.23 |
| A | 6.87 | 5.05 |
| A- | 18.70 | 13.74 |
| BBB+ | 32.54 | 23.91 |
| BBB | 28.15 | 20.69 |
| BBB- | 31.67 | 23.27 |
| BB+ | 0.34 | 0.25 |
| BB | 0.27 | 0.20 |
| Not rated | 0.31 | 0.23 |
| Total | 133.03 | 97.76 |

'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 difference in the total and percentage of the Net Asset Value is the result of rounding.

## SUBSCRIPTIONS AND REDEMPTIONS AS OF 31 DECEMBER 2021

| | S$ |
|---|---|
| Subscriptions | 140,447,206 |
| Redemptions | (134,458,538) |

## EXPOSURE TO DERIVATIVES

| | Market Value S$ | % of Net Asset Value | Realised Gains/ (Losses) S$ | Unrealised Gains/ (Losses) S$ |
|---|---|---|---|---|
| Forwards | 1,441,701 | 1.06 | 99,649 | 1,441,701 |
| Futures | (952) | <0.01 | 368,349 | (952) |
| Swaps | (121,276) | 0.09 | 13,147 | (121,276) |

## INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

## BORROWINGS

Nil.

## RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2021, management fee paid or payable by the sub-fund to the Investment Manager is S$1,141,277.

# Global Bond Fund

## 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.

### PIMCO

The Sub-Investment Manager did not receive soft dollars or retain cash or commission rebates.

### Invesco

Invesco believes that client commission arrangements are an important component of acquiring research and ensuring its investors can serve the best interests of the firm's clients. All of Invesco's subsidiary's practices conform to local regulations and associated regulatory pronouncements.

The firm believes that the addition of external research provides a diverse perspective on financial markets and therefore improves the quality of investment advice to all funds. Research services received are available for the general benefit of all accounts managed. These services are either paid for using a portion of the commissions paid to brokers to execute portfolio transactions (client commission arrangements) or in return for cash payments made by Invesco. The payment method is determined by the procedures and regulations of the local jurisdiction under which the relevant Invesco subsidiary operates. In the case of research paid via commissions this can be paid to a full service broker where the cost of research is embedded in the commission paid or by way of a commission sharing arrangement where a portion of the commission is paid by the broker to third-party providers of research services.

Invesco's research payment processes are governed in line with the local requirements of the region in which the Invesco subsidiary operates. For example, all research services used by IAML are paid for by IAML as opposed to being paid for from full service trading or Commission Sharing Agreements.

## CONFLICTS OF INTEREST

### Income

As the Manager of various Income's 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.

### PIMCO

There are no conflicts of interest in relation to the management of the portfolio which Income should be made aware of.

### Invesco

Invesco's approach to conflicts management is to have appropriate measures in place to effectively identify and manage conflicts ensuring the interests of clients are not adversely impacted. The conflicts framework across EMEA has been harmonised to ensure a single consistent framework is used to identify, record and manage conflicts.

This include:

- Enhanced Conflicts register
- Enhancements to the conflicts procedures and assessments
- Introduction of a tailored risk based training approach
- Expanding the remit of the Conflicts Committee to cover EMEA
- Enhanced MI and reporting to the Conflicts Committee and Boards

In addition, in our 2020 annual report - https://s21.q4cdn.com/954047929/files/doc_financials/2020/ar/2020-Annual-Report.pdf, p.16 also shows the below paragraph:

Our business also requires us to continuously manage actual and potential conflicts of interest, including situations where our services to a particular client conflict, or are perceived to conflict, with the interests of other clients or those of Invesco. The willingness of clients to enter into transactions in which such a conflict might arise may be affected if we fail - or appear to fail - to deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions.

## OTHER PARTIES

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

## MATERIAL INFORMATION

Nil.

# Global Equity Fund

## INVESTMENT OBJECTIVE

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

## INVESTMENT SCOPE

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

## FUND DETAILS AS OF 31 DECEMBER 2021

| | |
|---|---|
| **Launch Date** | 1 April 1998 |
| **Fund Size** | S$306.59 million |
| **Initial Sales Charge** | Please refer to “Fees and Charges” in section 4 of the Product Summary for ILP. |
| **Annual Management Fee** | 1.25% p.a. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point in time. |
| **Custodian** | The Bank of New York Mellon |
| **Dealing Frequency** | Every business day |
| **Inclusion in CPFIS** | Yes (CPF OA) |
| **CPFIS Risk Classification** | Higher Risk, Broadly Diversified |
| **Fund Manager** | NTUC Income Insurance Co-operative Limited |
| **Sub-Investment Managers** | Morgan Stanley Investment Management Company<br>MFS International Singapore Pte Ltd and<br>Wellington Management Singapore Pte Ltd |
| **Benchmark** | MSCI World Index in Singapore Dollars |
| **Structure** | Single Fund |

## TOP 10 HOLDINGS

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Microsoft Corporation | 13.08 | 4.27 | Microsoft Corporation | 10.60 | 3.80 |
| Accenture Plc | 9.51 | 3.10 | Visa Inc | 9.05 | 3.24 |
| Thermo Fisher Scientific Inc | 7.49 | 2.44 | Reckitt Benckiser Group | 7.56 | 2.71 |
| Visa Inc | 6.84 | 2.23 | Thermo Fisher Scientific Inc | 7.35 | 2.63 |
| Reckitt Benckiser Group | 6.09 | 1.98 | Accenture Plc | 6.28 | 2.25 |
| Philip Morris International Inc | 5.32 | 1.74 | Philip Morris International Inc | 5.84 | 2.09 |
| Alphabet Inc | 5.32 | 1.74 | Apple Inc | 4.53 | 1.62 |
| Schneider Electric SE | 5.27 | 1.72 | Abbott Laboratories | 4.38 | 1.57 |
| Nestle SA | 5.26 | 1.72 | Danaher Corporation | 4.19 | 1.50 |
| Danaher Corporation | 5.15 | 1.68 | Fidelity National Information Services Inc | 4.02 | 1.44 |

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

# Global Equity Fund

## 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 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 advisors 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 2021, Income had S$45.53 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.

### Morgan Stanley Investment Management Company (MSIM)

MSIM was established in 1975 as a subsidiary of Morgan Stanley Group Inc. As of 31 December 2021, MSIM employs 767 investment professionals worldwide in 22 countries and offers its clients personalised attention, the intelligence and creativity of some of the brightest professionals in the industry and access to the global resources of Morgan Stanley. As of 31 December 2021, MSIM managed US$1.56 trillion in assets for its clients.

In 1 March 2021, Morgan Stanley completed the acquisition of Eaton Vance, including its market-leading affiliates Calvert Research and Management and Parametric Portfolio Associates LLC, allowing the Firm to bring even more value to clients through an expanded array of diverse and complementary investment offerings across public and private markets.

### MFS International Singapore Pte Ltd^

MFS International Singapore Pte Ltd is incorporated in Singapore and is authorised under a capital markets service license with the Monetary Authority of Singapore to provide fund management services. MFS has been managing pooled vehicles/investment funds and/or discretionary funds in Singapore since 1997. MFS Investment Management (parent company of MFS International Singapore Pte Ltd) was founded in 1924. Assets under management totalled US$692.8 billion as of 31 December 2021. 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, Sao Paulo, Singapore and Sydney.

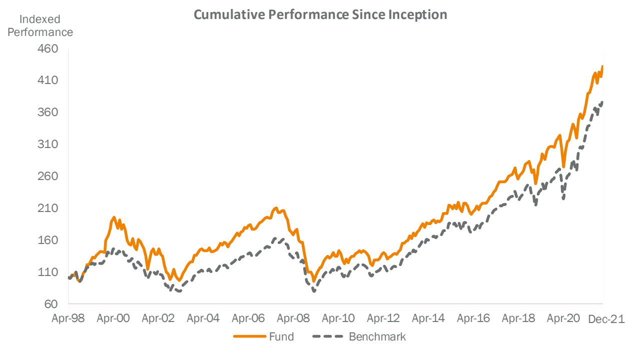
^Prior to November 2013, MFS was operating as a branch of MFS International limited and was an exempted fund manager under the Singapore regulatory regime.

### Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMS, Wellington Management Company LLP and the other affiliates of Wellington Management Company LLP are collectively referred to as WMC) and regulated by Monetary Authority of Singapore. With US$1.43 trillion in assets under management, WMC serves as an investment advisor to over 2,400 clients located in more than 60 countries, as of 31 December 2021. 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 organization 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; Frankfurt; Hong Kong; London; Luxembourg; Milan; Shanghai; Singapore; Sydney; Tokyo; Toronto and Zurich.

## FUND PERFORMANCE VS BENCHMARK

| | 1-month | 3-month | 6-month | 1-year |
|---|---|---|---|---|
| Global Equity Fund | 3.65% | 6.44% | 7.33% | 20.64% |
| Benchmark | 2.52% | 7.02% | 8.07% | 24.26% |
| | 3-year annualised | 5-year annualised | 10-year annualised | Since inception annualised |
| Global Equity Fund | 20.19% | 13.64% | 12.93% | 6.34% |
| Benchmark | 21.26% | 13.45% | 13.14% | 5.77% |




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 and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

Volatility

| | 3-year (annualised) |
|---|---|
| Global Equity Fund | 13.51% |

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

## MARKET REVIEW

### Market Review

Global equities, as measured by the MSCI World Index, returned 19.6% in Singapore Dollar terms in 2021 as the global economy began to adjust to the challenges presented by COVID-19 amid very low interest rates and high levels of fiscal stimulus.

The US S&P 500 index returned gains of 27% in Singapore Dollar terms in 2021. Exceptionally large fiscal and monetary stimulus and the rollout of efficacious vaccines throughout the year helped engineer a strong rebound in corporate profits and margins.

European stocks, as measured by the STOXX Europe 50 Index, returned 13.1% in Singapore Dollar terms in 2021. The European economies heavy exposure to China and more cautious stance approach in restricting the spread of the COVID-19 resulted in somewhat lower returns than in the US, but the region's exposure to cyclical sectors was supportive for performance amid a strong global economic rebound.

In Japan, the Nikkei Composite Index produced a return of -6.1% in Singapore Dollar terms in 2021. A late start in the country's vaccination program and the election of the least-expansionary candidate as the head of the dominant Liberal Democratic Party (LDP), and thus prime minister, weighed on performance.

Emerging markets (EM), as measured by the MSCI EM Index returned -7.2% in Singapore Dollar terms. A regulatory crackdown by Chinese officials against various technology giants as well as much tighter restrictions on property developers undermined market confidence in that country, offsetting solid gains in countries like Taiwan, South Korea and India.

## Market Outlook

Global equity markets finished the year strong, although volatility spiked late in the fourth quarter as markets grappled with concerns over the Delta and Omicron variants and central banks signaled that tightening is on the way in 2022. Corporate earnings were incredibly strong in 2021 benefitting from both healthy revenues and near all-time high profit margins. The largest US companies continue to dominate markets, reeling in record profits and far outperforming their smaller cap counterparts. Real estate, energy and financials were among the top performing sectors on a global basis with all 11 sectors finishing the year in positive territory. With monetary tightening and lower fiscal stimulus on the horizon, a repeat of 2021 is unlikely. Valuations remain on the higher side for many markets, although robust earnings resulted in many markets growing into their prices, making them relative cheaper than at the start of the year. On a forward-looking basis, US equities are trading at around 20 times earnings while non-US developed market (DM) equities are trading at 15 times earnings, one of the largest divergences in recent decades. EM equities drifted sideways for much of the year, ending the year in negative territory amid a drag from Chinese equities.

**United States:** US gross domestic product (GDP) growth remains solid, but there are clear indications that the economy has flattened from its midyear trajectory. While economic activity is expected to remain healthy into 2022, the tailwinds of government stimulus and pent-up demand are likely to wane. As anticipated, the US Federal Reserve (Fed) started to taper bond purchases in November and accelerated the pace in December, doubling the reduction to US$30 billion a month amid persistent inflationary pressures. Fed officials currently forecast three 25-basis-point rate hikes in 2022 after the central bank winds up its quantitative easing program in March. Following the December Fed statement, the US government yield curve flattened, suggesting lower growth prospects. Supply chain disruptions, labor shortages, higher energy prices and strong consumer demand contributed to a broadening in inflationary pressures beyond the sectors most disrupted by the pandemic. After a massive surge in demand for goods since the start of the pandemic, inflation is likely to decelerate in 2022 but settle into a range modestly higher than that of the past decade. US corporate profit margins remain near all-time highs at around 13% as cash-rich consumers and businesses underpin growth. The $1.75 trillion Build Back Better bill failed to advance in 2021 and might not pass at all, which could result in a moderate downgrade to 2022 growth prospects. Energy and real estate, among the worst-hit sectors at the onset of the pandemic, were the best performing sectors during 2021, with energy rising around 50%. All 11 S&P 500 sectors finished the year in positive territory.

**Europe:** European shares performed strongly in 2021, rising 21.4% (MSCI Europe ex UK in EUR), thanks to the region’s concentration of cyclically oriented sectors. Exceptionally robust European earnings growth was a catalyst as the economy reopened more fully, though a spike in Delta-variant infections and the discovery of the Omicron strain have led to restrictions, and in some cases lockdowns, being reimposed late in the year. Production bottlenecks remain a drag on growth, with both labor and inputs to production in short supply. Very high energy prices are a further headwind that is expected to worsen with the onset of winter. Given close economic linkages, a sharp slowdown in Chinese growth is also a concern for Europe. The European Central Bank (ECB) remains among the more dovish DM central banks, though it has begun to dial back the amount of accommodation it is injecting into the economy. It plans to halt its Pandemic Emergency Purchase Program in March but will provide a buffer by bulking up purchases in its Asset Purchase Program over the middle two quarters of 2022 then continue to purchase bonds worth at least €20 billion a month for as long as it believes necessary. Fiscal policy is expected to remain accommodative into 2022, bolstered by the Next Generation EU recovery fund.

**Japan:** Since peaking in September in advance of the Japanese general election, Japanese equities lost ground into year-end, ending 2021 with a gain of 11.4% (MSCI Japan in JPY). Japan’s ruling LDP chose Fumio Kishida, the least expansionary of the candidates, to replace Prime Minister Suga as its standard bearer, which proved to be a disappointment to the market. Kishida has made battling income inequality a centerpiece of his agenda. Earnings growth remains spectacular, rising 63% compared with the same quarter a year ago on a 12% jump in sales. A weaker yen has been a tailwind, though production bottlenecks remain a cause of concern. With the economy reopening more fully as COVID-19 restrictions are lifted, pent-up savings are expected to support the restarting of the services sector, as is significant new fiscal stimulus. Vaccination rates have soared in recent months after getting off to a slow start, which bodes well for a sustained economic rebound, as does the availability of as-yet unspent recovery funds. While much of the world is battling inflation, consumer price levels in Japan remain surprisingly soft.

**Emerging Markets:** EM (-1.3%) continued to lag developed ones in the final quarter of the year (+7.8%). The MSCI Emerging Markets Index has fallen about 15% since reaching record levels in late February as a regulatory crackdown in China, coupled with increased scrutiny of its highly leveraged property development sector, shortages of energy and raw materials and slowing economic growth saw Chinese equities decline -21.7% in 2021. While spillovers from the restructuring of property developer Evergrande are possible, investors expect Chinese officials to closely supervise the process in an effort to protect the wider property market. Though its chipmakers continue to struggle to fill customers' orders, Taiwan continues to be a strong performer within EM, rising 26.8% in 2021 as it benefited from very high semiconductor demand coupled with improved pricing power in the sector. India was one of the best-performing markets globally as a sharp decline in the number of new COVID-19 cases and increased foreign demand for Indian equities helped boost shares there by over 26% on the year. In addition to a new bond-buying program from the Indian central bank last spring, investors appear to be embracing a slew of digital startups as well as a favorable demographic profile. According to the World Bank, there are more than 360 million people under the age of 15 in India. In reaction to slower economic growth, China has pivoted to a more accommodative fiscal and monetary backdrop, though moves thus far have been modest in scope. Historically, periods of strong credit growth have been associated with rising levels of economic activity within China. Conversely, some EM central banks, including Brazil and Russia, have raised rates sharply to ward off an inflation surge. While their weights within the EM index are small, oil exporting nations were strong performers, with the United Arab Emirates and Saudi Arabia up 50% and 38% for the year, respectively, as the price for a barrel of Brent crude rose to around $78 to end the year from $51 at the end of 2020. Supply chains throughout the region have been disrupted by input bottlenecks as well as difficulties sourcing labor amid efforts to mitigate the spread of COVID-19.

## 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 suits your risk appetite. You may wish to consult your financial advisor before investing in any ILP sub-fund.

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

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

## EXPENSE AND TURNOVER RATIO

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 1.28% | 41.41% |
| As of 31 December 2020 | 1.27% | 44.47% |

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

## ASSET ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Equities | 305.20 | 99.55 |
| Cash & Others | 1.39 | 0.45 |
| Total | 306.59 | 100.00 |

## COUNTRY ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| France | 22.89 | 7.47 |
| Germany | 10.03 | 3.27 |
| Hong Kong | 7.78 | 2.54 |
| Japan | 5.16 | 1.68 |
| Netherlands | 6.27 | 2.05 |
| Spain | 2.49 | 0.81 |
| Sweden | 1.80 | 0.60 |
| Switzerland | 16.69 | 5.44 |
| United Kingdom | 17.48 | 5.70 |
| United States | 201.38 | 65.68 |
| Others | 13.23 | 4.31 |
| Cash & Others | 1.39 | 0.45 |
| Total | 306.59 | 100.00 |

## SECTOR ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Basic Materials | 7.62 | 2.49 |
| Communications | 32.74 | 10.68 |
| Consumer Cyclical | 17.63 | 5.75 |
| Consumer Non-cyclical | 114.66 | 37.40 |
| Financial | 43.51 | 14.19 |
| Industrial | 30.07 | 9.81 |
| Technology | 57.55 | 18.77 |
| Utilities | 1.42 | 0.46 |
| Cash & Others | 1.39 | 0.45 |
| Total | 306.59 | 100.00 |

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

## CREDIT RATINGS OF DEBT SECURITIES

Nil.

# Global Equity Fund

## SUBSCRIPTIONS AND REDEMPTIONS AS OF 31 DECEMBER 2021

| | S$ |
|---|---|
| Subscriptions | 579,827,427 |
| Redemptions | (607,929,241) |

## EXPOSURE TO DERIVATIVES

| | Market Value S$ | % of Net Asset Value | Realised Gains/ (Losses) S$ | Unrealised Gains/ (Losses) S$ |
|---|---|---|---|---|
| Forwards | (2) | <0.01 | 506 | (2) |

## INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

## BORROWINGS

Nil.

## RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2021, management fee paid or payable by the sub-fund to the Investment Manager is S$3,734,436.

## SOFT DOLLAR COMMISSION OR ARRANGEMENT

### Income

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

### Morgan Stanley

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

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

- price/spread
- cost of execution
- speed and likelihood of execution
- order size
- nature of the order
- broker or counterparty selection
- availability of liquidity
- likelihood of settlement
- market impact of the transaction
- MSIM's operational costs
- any other considerations that MSIM deems relevant to the transaction

### Wellington

The Managers did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement has been received/entered into by the Sub-Investment Manager in respect of the ILP. The soft dollar commission/arrangement relates essentially to research services used for and in support of the investment process. The Sub-Investment Manager did not accept or enter into soft dollar commission/arrangement unless such commission/arrangement would reasonably assist the Sub-Investment Manager in the management of the ILP and the trades were executed on a best execution basis. The Sub-Investment Manager took all reasonable steps to obtain the best possible result of the ILP, taking into account the following execution factors, including but not limited to, price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades.

### MFS International

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

## CONFLICTS OF INTEREST

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

## OTHER PARTIES

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

## MATERIAL INFORMATION

Nil.

# Asian Bond Fund

## 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.

## FUND DETAILS AS OF 31 DECEMBER 2021

| | |
|---|---|
| **Launch Date** | 3 May 2016 |
| **Fund Size** | S$97.84 million |
| **Initial Sales Charge** | Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP. |
| **Annual Management Fee** | 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.<br>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. |
| **Custodian** | The Bank of New York Mellon |
| **Dealing Frequency** | Every business day |
| **Inclusion in CPFIS** | Yes (CPF OA and CPF SA)<br>Prior to 17 August 2021, the sub-fund is not a CPFIS-included fund. |
| **CPFIS Risk Classification** | Low to Medium Risk, Narrowly Focused – Regional – Asia |
| **Fund Manager** | NTUC Income Insurance Co-operative Limited |
| **Sub-Investment Manager** | BlackRock (Singapore) Limited from 17 August 2021 |
| **Benchmark** | JP Morgan Asia Credit Investment Grade Index (SGD Hedged)<br>Prior to 17 August 2021, the benchmark is JP Morgan Asia Credit Index (SGD Hedged). |
| **Structure** | Single Fund. The units in the sub-fund are not classified as Excluded Investment Products. |

## TOP 10 HOLDINGS

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Galaxy Pipeline Assets Bid Co Ltd 2.16% 310334 | 2.66 | 2.72 | Indonesia (Republic of) 7.0% 150930 | 111.29 | 1.61 |
| Rural Electrification Corporation Limited 3.875% 070727 | 1.79 | 1.83 | China Development Bank 2.89% 220625 | 80.88 | 1.17 |
| Star Energy Corporation 4.85% 141038 | 1.79 | 1.83 | China Peoples Republic of (Government) 1.99% 090425 | 80.88 | 1.17 |
| BPRL International Singapore 4.375% 180127 | 1.79 | 1.83 | China Peoples Republic of (Government) 2.85% 040627 | 58.06 | 0.84 |
| China CITIC Bank International 4.625% 280229 | 1.79 | 1.83 | Tencent Holdings Ltd MTN RegS 3.975% 110429 | 56.68 | 0.82 |
| Hindustan Petroleum Corp Ltd 4% 120727 | 1.79 | 1.83 | India (Republic of) 6.45% 071029 | 49.77 | 0.72 |
| Perusahaan Listrik Negara (Persero) 3.875% 170729 | 1.78 | 1.82 | Star Energy Geothermal Darajat II Ltd RegS 4.85% 141038 | 49.08 | 0.71 |
| BOC Aviation 3% 110929 | 1.78 | 1.82 | LLPL Capital Pte. Ltd. RegS 6.875% 040239 | 47.00 | 0.68 |
| Zhongsheng Group Holdings Ltd 3% 130126 | 1.78 | 1.82 | India (Republic of) 5.79% 110530 | 45.62 | 0.66 |
| Summit Digitel Infrastructure 2.875% 120831 | 1.78 | 1.81 | Perusahaan Penerbit Surat Berharga MTN RegS 4.15% 290327 | 43.55 | 0.63 |

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

# Asian Bond Fund

## FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. BlackRock (Luxembourg) S.A. is the manager of the underlying fund.

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

Income was established in 1970 to 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 advisors 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.

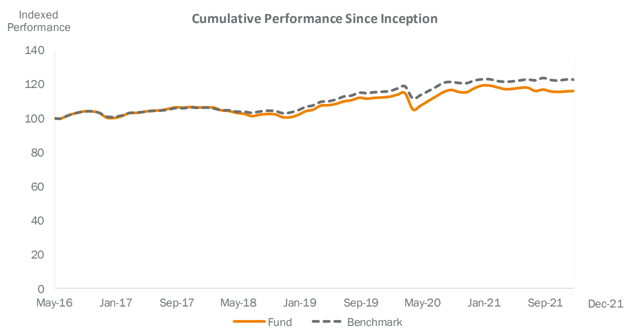
As of 31 December 2021, Income had S$45.53 billion in assets under management. Our financial strength and diversified investment portfolio are reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

### 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 2021, BlackRock's assets under management total US$10 trillion in assets on behalf of investors worldwide.

## FUND PERFORMANCE VS BENCHMARK

| | 1-month | 3-month | 6-month | 1-year |
|---|---|---|---|---|
| Asian Bond Fund | 0.23% | 0.23% | -1.61% | -2.65% |
| Benchmark | -0.05% | 0.17% | -0.06% | -0.15% |
| | 3-year annualised | 5-year annualised | 10-year annualised | Since inception annualised |
| Asian Bond Fund | 4.36% | 2.95% | N.A. | 2.65% |
| Benchmark | 5.43% | 4.01% | N.A. | 3.70% |




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

Volatility

| | 3-year (annualised) |
|---|---|
| Asian Bond Fund | 6.28% |

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

## MARKET REVIEW

### Market Review

Asian Investment Grade (IG) credit represented by the JPM Asian Credit Investment Grade Index (JACI IG) returned -0.01% in 2021. The two main drags on performance for Asian bonds this year were higher risk free rates and the liquidity crisis in China property. The former was more relevant to Asia IG, which ended the year flat as coupons and spread compression buffered some of the negative impact from rising rates. The latter more severely impacted Asia High Yield (HY), which ended the year with returns of -11.0%. US Treasury yields went on a gradual uptrend through the course of the year as US economic data turned more supportive and the likelihood of tapering increased. During the September meeting, the US Federal Reserve (Fed) hinted that it should begin tapering down asset purchases after the next Federal Open Market Committee (FOMC) meeting in early November. The $120bn-a-month asset purchase programme was introduced at the onset of the pandemic in 2020 and the Fed pledged to maintain it until substantial progress was made on its dual goals of average 2% inflation and maximum employment.

The underperformance in the Chinese real estate sector ostensibly started with well-meaning policies by the Chinese government to enforce discipline within the sector over a three-year time frame from end 2020 to 2023. Unfortunately, the aggressive implementation of these policies by the domestic financial institutions started in earnest in the middle of 2021, affecting developers' ability to access offshore financing channels. This led to a spate of downgrades in the sector by credit ratings agencies which in turn led to further tightening of the onshore liquidity channels for many of these developers, most of which are reliant on short term financing within China. This resulted in even developers with ample liquidity having to utilise their existing cash holdings to fund current developments onshore. This has resulted in the liquidity strain on many developers within the space. In addition, as rumours and speculations of the financial viability of the developers gained traction, home buyers within China pulled back and delayed their purchases, further compounding the cash flow issues for these developers.

### Market Outlook

Looking ahead for 2022, we see a reasonably favourable environment for Asian credit. The growth outlook here looks more promising compared to many emerging markets (EM) and some developed markets (DM). In Asia, COVID-19 related fiscal and monetary impulses were not as large as in other parts of the world. This has put a lid on inflation, releasing pressure on Asian policymakers to tighten while their counterparts elsewhere do not have this option. Additionally, while Asian credit saw some challenges in 2021, the market's pricing reflects a bearishness that we believe is unrealistic, increasing the chance of upside surprises.

Outside of Asia, we should see reductions in monetary policy accommodation. The current growth and inflation prompted the Fed to curtail the stimulus first by reducing its monthly bond purchases, and next by raising long term interest rates, likely by summer 2022. A fresh set of economic projections released after the December FOMC meeting showed that the Fed expects to raise interest rates three times in 2022.

## 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 suits your risk appetite. You may wish to consult your financial advisor before investing in any ILP sub-fund.

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

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

## EXPENSE AND TURNOVER RATIO

### Asian Bond Fund

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 0.91% | 33.13% |
| As of 31 December 2020 | 1.26% | 73.00% |

Expense ratio for 31 December 2021 is annualized due to fund restructuring.

### BlackRock Global Funds - Asian Tiger Bond Fund

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2020 | 1.22% | 105.84% |

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

## ASSET ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Corporate Bonds | 89.57 | 91.55 |
| Government Bonds | 6.12 | 6.25 |
| Cash & Others | 2.15 | 2.20 |
| Total | 97.84 | 100.00 |

## COUNTRY ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| British Virgin | 2.82 | 2.87 |
| China | 18.74 | 19.16 |
| Hong Kong | 29.97 | 30.63 |
| India | 9.36 | 9.56 |
| Indonesia | 12.77 | 13.05 |
| Singapore | 7.09 | 7.25 |
| South Korea | 3.16 | 3.23 |
| UAE | 4.42 | 4.52 |
| Others | 7.36 | 7.53 |
| Cash & Others | 2.15 | 2.20 |
| Total | 97.84 | 100.00 |

## SECTOR ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Basic Materials | 4.17 | 4.27 |
| Communications | 7.47 | 7.63 |
| Consumer Cyclical | 6.49 | 6.63 |
| Consumer Non-cyclical | 3.23 | 3.30 |
| Energy | 17.01 | 17.39 |
| Financial | 37.78 | 38.61 |
| Government | 7.66 | 7.83 |
| Industrial | 5.80 | 5.93 |
| Technology | 0.92 | 0.94 |
| Utilities | 5.16 | 5.27 |
| Cash & Others | 2.15 | 2.20 |
| Total | 97.84 | 100.00 |

## CREDIT RATINGS OF DEBT SECURITIES

| S&P rating or its equivalent | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| AA | 6.50 | 6.64 |
| A+ | 9.33 | 9.53 |
| A | 0.41 | 0.41 |
| A- | 8.56 | 8.76 |
| BBB+ | 3.90 | 3.99 |
| BBB | 26.15 | 26.73 |
| BBB- | 40.84 | 41.74 |
| Total | 95.69 | 97.80 |

'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 difference in the total and percentage of the Net Asset Value is the result of rounding.

# Asian Bond Fund

## SUBSCRIPTIONS AND REDEMPTIONS AS OF 31 DECEMBER 2021

| | S$ |
|---|---|
| Subscriptions | 126,566,294 |
| Redemptions | (116,563,975) |

## EXPOSURE TO DERIVATIVES

| | Market Value S$ | % of Net Asset Value | Realised Gains/ (Losses) S$ | Unrealised Gains/ (Losses) S$ |
|---|---|---|---|---|
| Forwards | 1,079,634 | 1.10 | 115,525 | 1,079,634 |
| Futures | (278,654) | 0.28 | 1,159,236 | (278,654) |

## INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

## BORROWINGS

Nil.

## RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2021, management fee paid or payable by the sub-fund to the Investment Manager is S$632,186.

## SOFT DOLLAR COMMISSION OR ARRANGEMENT

### Income

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

### BlackRock

The Sub-Investment Manager did not receive soft dollars or retain cash or commission rebates.

## CONFLICTS OF INTEREST

### Income

As the Manager of various Income's ILP sub-funds and insurance funds, we may from time to time have to deal with competing or conflicting interests between these sub-funds/insurance funds.

However, we will use all reasonable endeavours to act fairly and in the best interest of the sub-fund. We will conduct all transactions with or for the sub-fund on an arm's length basis.

The Manager has in place policies and procedures to monitor and mitigate conflicts of interests which may arise in the management of these sub-funds. We believe that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

### BlackRock

There are no conflicts of interest in relation to the management of the portfolio which Income should be made aware of.

## OTHER PARTIES

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

## MATERIAL INFORMATION

Nil.

# Asian Equity Fund

## INVESTMENT OBJECTIVE

The sub-fund aims to achieve long-term capital growth primarily through investing in securities of companies quoted on some or all the stock markets in countries in Asia, including Australia and New Zealand but excluding Japan.

## INVESTMENT SCOPE

The sub-fund intends to achieve this objective by invest all or substantially all of its assets in Singapore-domiciled Schroder Asian Growth Fund (“underlying fund”) in SGD N Accumulation Share Class which is managed by Schroder Investment Management (Singapore) Ltd.

The sub-fund is denominated in Singapore Dollars.

## FUND DETAILS AS OF 31 DECEMBER 2021

| | |
|---|---|
| Launch Date | 17 August 2021 |
| Fund Size | S$107.44 million |
| Initial Sales Charge | Please refer to “Fees and Charges” in section 4 of the Product Summary for ILP. |
| Annual Management Fee | 1.50% p.a. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time. |
| Custodian | The Bank of New York Mellon |
| Dealing Frequency | Every business day |
| Inclusion in CPFIS | Yes (CPF OA) |
| CPFIS Risk Classification | Higher Risk, Narrowly Focused — Regional — Asia |
| Fund Manager | NTUC Income Insurance Co-operative Limited |
| Manager of the Underlying Fund | Schroder Investment Management (Singapore) Ltd |
| Benchmark | MSCI AC Asia ex Japan Index in Singapore Dollars |
| Structure | Single Fund. The units in the sub-fund are not classified as Excluded Investment Products |

## TOP 10 HOLDINGS

**Asian Equity Fund^**

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Schroder Asian Growth Fund | 107.33 | 99.90 | N.A. | N.A. | N.A. |

**Schroder Asian Growth Fund^**

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Taiwan Semiconductor Manufacturing | 233.55 | 10.09 | Taiwan Semiconductor Manufacturing Co Ltd | 182.14 | 9.43 |
| Samsung Electronics Co Ltd | 192.47 | 8.32 | Samsung Electronics Co Ltd | 178.95 | 9.27 |
| Tencent Holdings Ltd | 112.22 | 4.84 | Tencent Hldg Ltd | 143.43 | 7.44 |
| AIA Group Ltd | 74.43 | 3.21 | Alibaba Group Hldg Ltd ADR | 97.20 | 5.04 |
| Techtronic Industries Co Ltd | 68.18 | 2.95 | AIA Group Ltd | 72.81 | 3.76 |
| Infosys Ltd | 66.98 | 2.89 | HDFC Bank Ltd | 54.47 | 2.81 |
| HDFC Bank Ltd | 65.63 | 2.84 | New Oriental Education & Technology Group Inc ADR | 54.05 | 2.80 |
| MediaTek Inc | 64.77 | 2.80 | Techtronic Ind Co Ltd | 49.81 | 2.58 |
| ICICI Bank Ltd | 63.97 | 2.77 | SK Materials Co Ltd | 47.54 | 2.46 |
| Apollo Hospitals Enterprise Ltd | 63.96 | 2.77 | Midea Group Co Ltd A Shares | 46.02 | 2.38 |

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

# Asian Equity Fund

## FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. The sub-fund invests significantly in the Schroder Asian Growth Fund which is managed by Schroder Investment Management (Singapore) Ltd.

### 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 advisors 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 2021, Income had S$45.53 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.

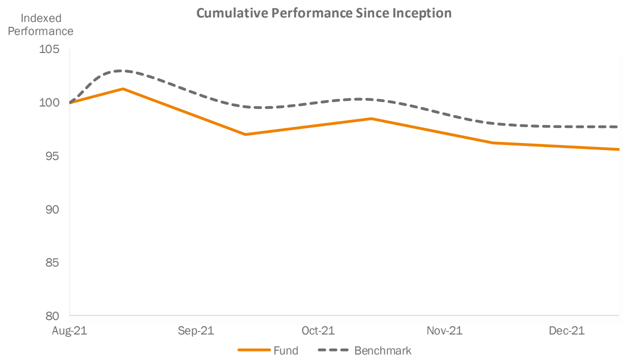
### Schroder Investment Management (Singapore) Ltd (Schroder)

Schroder was incorporated in Singapore and it is part of the Schroder group ("Schroders"). Schroder is regulated by Monetary Authority of Singapore and has been managing collective investment schemes and discretionary funds since 1992.

Schroders is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management, including joint ventures and associates, totalled £716.9 billion (as of 30 September 2021). 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 582 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 |
|---|---|---|---|---|
| Asian Equity Fund | -0.65% | -1.50% | N.A. | N.A. |
| Benchmark | -0.33% | -1.92% | N.A. | N.A. |
| | 3-year annualised | 5-year annualised | 10-year annualised | Since inception annualised |
| Asian Equity Fund | N.A. | N.A. | N.A. | -4.46% |
| Benchmark | N.A. | N.A. | N.A. | -2.30% |




As the underlying Schroder Asian Growth Fund in SGD N Accumulation Share Class was incepted less than a year, hence SGD A Distribution Share Class is used as the proxy to indicate the underlying fund performance.

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 and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

Volatility

| | 3-year (annualised)* |
|---|---|
| Asia Managed Fund | N.A. |

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

## MARKET REVIEW

### Market Review

2021 was a difficult year for Asian equities, with negative returns for regional indices and performances that significantly lagged global averages. This was particularly disappointing given that China and most of north Asia had so successfully navigated the initial COVID-19 shocks in the previous year. Additionally, the region's exporters have been seeing record orders as the global demand for goods has boomed over the last 18 months.

The worst-performing markets in the region last year, and main culprits for the regional declines, were China and Hong Kong. Some of this disappointment reflects high expectations at the start of the year, following China's very rapid and successful curtailment of the spread of COVID-19. Strict local lockdowns in affected areas and tight border controls served to minimise the impact on public health and allowed for a rapid normalisation of economic activity by the third quarter of 2020. This was much earlier than in most Western countries, where such severe policies were much harder to enforce. However, China's stronger relative growth in 2020 inevitably meant there was less of a V-shaped recovery in 2021. Furthermore, China's 'zero COVID-19' policy continued to trigger a series of sporadic lockdowns in major cities through the last year and continued to act as a drag on consumer confidence and domestic demand. Towards the end of the year, these headwinds were reinforced as the Omicron variant of the virus started to be detected in certain local areas. For instance, millions of people were locked down in the Xian area over the holiday period.

# Asian Equity Fund

## Market Outlook

As we enter 2022, the near-term outlook for domestic growth in China is weak, given headwinds from COVID-19 restrictions and weakness in the property market. This is, in turn, feeding through to a weaker operating outlook for the key domestic demand plays. That said, although China clearly has many near-term headwinds, the breadth and depth of the market is unrivalled within the region and therefore still offers interesting opportunities for bottom-up stock pickers. As the market has corrected in recent months and valuations have become more interesting, we have gradually increased weightings in selected areas. This includes domestic A-shares, which are less exposed to the potential disruptions within the US-ADR market, especially those sectors more closely aligned with the authorities' strategic priorities in the next five-year plan – such as renewable energy. We have also, very selectively, increased positions in certain stocks that have been caught up in the sharp downdraft triggered by regulatory tightening in the internet and healthcare sectors. This includes companies in which we still consider the longer-term potential to be attractive and the risk-reward profile much more alluring after the pullback in valuations.

More generally, debate still centers on the outlook for inflation and nominal gross domestic product (GDP) growth; whether after the pandemic and the considerable policy response, we are transitioning into a 'new normal'; and whether this could shift equity market performance away from its very one-dimensional focus on secular growth themes, back towards some of the more value-oriented sectors including financials, energy, industrials and materials. However, it still feels too soon to make such definitive longer-term calls. Much will depend on politics and policy decisions over the coming months and years. Given the uncertain outlook for growth and inflation in the coming quarters, portfolio construction remains focused on maintaining a healthy level of diversification. This is spread across growth and value ideas, as well as those stocks that might benefit from higher inflation expectations and rates, and those longer-term growth ideas that are less cyclically exposed.

## 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 suits your risk appetite. You may wish to consult your financial advisor before investing in any ILP sub-fund.

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

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

## EXPENSE AND TURNOVER RATIO

### Asian Equity Fund

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 1.67% | 13.16% |

### Schroder Asian Growth Fund SGD N Acc

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 0.55% | 16.20% |

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

## ASSET ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Equities | 108.58 | 101.06 |
| Cash & Others | (1.14) | -1.06 |
| Total | 107.44 | 100.00 |

## COUNTRY ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| China | 41.13 | 38.27 |
| Hong Kong | 11.79 | 10.97 |
| India | 15.80 | 14.71 |
| Macao | 1.03 | 0.96 |
| Philippines | 1.17 | 1.09 |
| Singapore | 2.14 | 1.99 |
| South Korea | 13.10 | 12.19 |
| Sri Lanka | 0.48 | 0.45 |
| Switzerland | 0.59 | 0.55 |
| Taiwan | 18.08 | 16.83 |
| United Kingdom | 1.79 | 1.67 |
| United States of America | 1.48 | 1.38 |
| Cash & Others | (1.14) | -1.06 |
| Total | 107.44 | 100.00 |

# Asian Equity Fund

## SECTOR ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Bank | 10.91 | 10.15 |
| Chemicals/ Petrochemicals | 2.63 | 2.45 |
| Computer/Software | 3.90 | 3.63 |
| Consumer Durables | 5.93 | 5.52 |
| Food & Beverage | 4.51 | 4.20 |
| Health Care/ Pharmaceuticals | 6.76 | 6.29 |
| Hotel & Leisure | 3.72 | 3.46 |
| Industrial Machinery | 4.92 | 4.58 |
| Insurance | 4.81 | 4.48 |
| Internet Services | 13.12 | 12.21 |
| Material | 2.98 | 2.77 |
| Real Estate | 5.52 | 5.14 |
| Retail | 3.92 | 3.65 |
| Semiconductor | 16.75 | 15.59 |
| Technology Hardware & Equipment | 9.80 | 9.12 |
| Others | 8.40 | 7.82 |
| Cash & Others | (1.14) | -1.06 |
| Total | 107.44 | 100.00 |

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

## SUBSCRIPTIONS AND REDEMPTIONS AS OF 31 DECEMBER 2021

| | S$ |
|---|---|
| Subscriptions | 225,595,797 |
| Redemptions | (113,177,603) |

## EXPOSURE TO DERIVATIVES

Nil.

## INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

| December 2021 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Schroder Asian Growth Fund | 107.33 | 99.90 |

## BORROWINGS

Nil.

## RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2021, management fee paid or payable by the sub-fund to the Investment Manager is S$439,071.

## SOFT DOLLAR COMMISSION OR ARRANGEMENT

### Income

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

### Schroder

In their management of the Trust, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.

## CONFLICTS OF INTEREST

### Income

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

### Schroder

Schroder will conduct all transactions with or for the Trust at arm's length. Schroder may from time to time have to deal with competing or conflicting interests between the other unit trusts which are managed by Schroder and the Schroder Asian Growth Fund. For example, Schroder may make a purchase or sale decision on behalf of some or all of their other unit trusts without making the same decision on behalf of the Schroder Asian Growth Fund, as a decision whether or not to make the same investment or sale for the Schroder Asian Growth Fund depends on factors such as the cash availability and portfolio balance of the Schroder Asian Growth Fund. However Schroder will use reasonable endeavours at all times to act fairly and in the interests of the Schroder Asian Growth Fund. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other unit trusts managed by Schroder and the Schroder Asian Growth Fund, Schroder will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the Schroder Asian Growth Fund and the other unit trusts managed by Schroder.

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

Associates of the trustee for the Schroder Asian Growth Fund may be engaged to provide financial, banking or brokerage services to the Schroder Asian Growth Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the trustee and make profits from these activities. Such services to the Schroder Asian Growth Fund, where provided, and such activities with the trustee, where entered into, will be on an arm's length basis.

## OTHER PARTIES

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

## MATERIAL INFORMATION

Nil.

# Asia Managed Fund

## INVESTMENT OBJECTIVE

The sub-fund aims to achieve long-term capital appreciation by investing in stocks and fixed income securities in the region, including North Asian and South-East Asian countries.

## INVESTMENT SCOPE

The sub-fund will invest primarily into the Asian Equity Fund (feeds into underlying fund of Singapore-domiciled Schroder Asian Growth Fund managed by Schroder Investment Management (Singapore) Ltd) in relation to the equity portion (60%) and Asian Bond Fund (sub-managed by BlackRock (Singapore) Ltd) in relation to the fixed income portion (40%).

Prior to 17 August 2021, the sub-fund invests all or substantially all of its assets in the Singapore-domiciled Schroder Asian Growth Fund (managed by Schroder Investment Management (Singapore) Ltd) in relation to the equity portion (70%) and Singapore Bond Fund (sub-managed by Fullerton Fund Management Company Ltd) in relation to the fixed income portion (30%).

Prior to 22 October 2010, the investment scope was Singapore (39%), Hong Kong (18%) and Thailand (13%) stocks and Singapore Bonds (30%). The sub-fund is denominated in Singapore Dollars.

## FUND DETAILS AS OF 31 DECEMBER 2021

| | |
|---|---|
| **Launch Date** | 1 September 1995 |
| **Fund Size** | S$166.17 million |
| **Initial Sales Charge** | Please refer to “Fees and Charges” in section 4 of the Product Summary for ILP. |
| **Annual Management Fee** | 1.0% p.a. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.<br>The annual management fee will be 1.30% p.a. from 17 August 2022. |
| **Custodian** | The Bank of New York Mellon |
| **Dealing Frequency** | Every business day |
| **Inclusion in CPFIS** | Yes (CPF OA and CPF SA) |
| **CPFIS Risk Classification** | Medium to High Risk, Narrowly Focused — Regional — Asia |
| **Fund Manager** | NTUC Income Insurance Co-operative Limited |
| **Benchmark** | 60% MSCI AC Asia ex Japan Index in Singapore Dollars<br>40% JP Morgan Asia Credit Investment Grade Index (SGD Hedged)<br>The combined benchmark is the reflective of the investment scope of the sub-fund.<br>Prior to 17 August 2021<br>70% MSCI AC Asia ex Japan Index in Singapore Dollars<br>30% Markit iBoxx ALBI Singapore Government 3+ Index |
| **Structure** | Single Fund. The units in the sub-fund are not classified as Excluded Investment Products |

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

## TOP 10 HOLDINGS

### Asia Managed Fund^

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Asian Equity Fund | 99.92 | 60.13 | Schroder Asian Growth Fund | 120.85 | 70.35 |
| Asian Bond Fund | 66.18 | 39.83 | Singapore Bond Fund | 50.74 | 29.54 |

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

# Asia Managed Fund

## FUND MANAGER

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

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

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

Income was established in 1970 to 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 advisors 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 2021, Income had S$45.53 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.

### Schroder Investment Management (Singapore) Ltd (Schroder)

Schroder was incorporated in Singapore and it is part of the Schroder group ("Schroders"). Schroder is regulated by Monetary Authority of Singapore and has been managing collective investment schemes and discretionary funds since 1992.

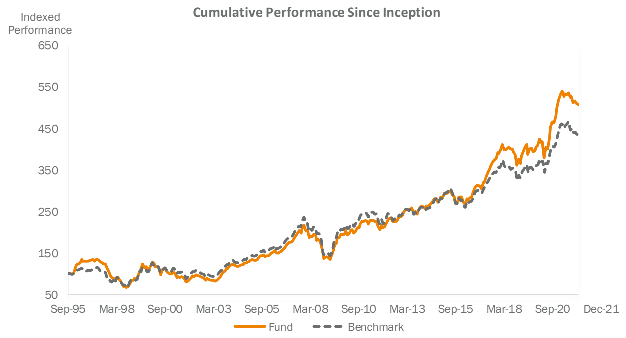
Schroders is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management, including joint ventures and associates, totalled £716.9 billion (as of 30 September 2021). 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 582 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

### 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 2021, BlackRock's assets under management total US$10 trillion in assets on behalf of investors worldwide.

## FUND PERFORMANCE VS BENCHMARK

| | 1-month | 3-month | 6-month | 1-year |
|---|---|---|---|---|
| Asia Managed Fund | -0.27% | -0.74% | -5.35% | -2.31% |
| Benchmark | -0.22% | -1.08% | -6.62% | -2.80% |
| | **3-year annualised** | **5-year annualised** | **10-year annualised** | **Since inception annualised** |
| Asia Managed Fund | 11.53% | 10.72% | 9.11% | 6.36% |
| Benchmark | 9.48% | 8.17% | 6.90% | 5.74% |




Changes to benchmarks during the life of the sub-fund: Since Oct 2010 to 31 May 2017 - 70% MSCI AC Asia ex-Japan Index in Singapore Dollars, 30% UOB Long Bond Index; Since Apr 2000 to 21 Oct 2010 - 39% FTSE STI, 18% HSI, 13% SET, 30% UOB Long Bond Index; Since Apr 1999 to Mar 2000 - 45% FTSE STI, 20% HSI, 15% SET, 20% UOB Long Bond Index; Since Mar 1997 to Mar 1999 - 25% DBS 50, 25% KLCI, 10% SET, 40% Singapore 3-Month Deposit rate; Since inception to Feb 1997 - 33.33% DBS 50, 33.33% KLCI, 33.33% Singapore 3-Month Deposit rate.

With effect from 31 May 2017, the benchmark has been changed to 70% MSCI AC Asia ex-Japan Index in Singapore Dollars, 30% Markit iBoxx ALBI Singapore Government Index (3+).

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

### Volatility

| | 3-year (annualised) |
|---|---|
| Asia Managed Fund | 11.38% |

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

## MARKET REVIEW

### Market Review

2021 was a difficult year for Asian equities, with negative returns for regional indices and performances that significantly lagged global averages. The worst-performing markets in the region last year, and main culprits for the regional declines, were China and Hong Kong. China's 'zero COVID-19' policy continued to trigger a series of sporadic lockdowns in major cities through the last year and continued to act as a drag on consumer confidence and domestic demand. Towards the end of the year, these headwinds were reinforced as the Omicron variant started to be detected in certain local areas. For instance, millions of people were locked down in the Xian area over the holiday period.

# Asia Managed Fund

Asian Investment Grade (IG) credit represented by the JPM Asian Credit Investment Grade Index (JACI IG) returned -0.01% in 2021. The two main drags on performance for Asian bonds this year were higher risk free rates and the liquidity crisis in China property. The former was more relevant to Asia IG, which ended the year flat as coupons and spread compression buffered some of the negative impact from rising rates. US Treasury yields went on a gradual uptrend through the course of the year as US economic data turned more supportive and the likelihood of tapering increased. The latter more severely impacted Asia High Yield, which ended the year with returns of -11.0%.

### Market Outlook

As we enter 2022, the near-term outlook for domestic growth in China is weak, given headwinds from COVID-19 restrictions and weakness in the property market. This is, in turn, feeding through to a weaker operating outlook for the key domestic demand plays. That said, although China clearly has many near-term headwinds, the breadth and depth of the market is unrivalled within the region and therefore still offers interesting opportunities for bottom-up stock pickers.

In 2022, we see a reasonably favourable environment for Asian credit. The growth outlook here looks more promising compared to many emerging markets and some developed markets. In Asia, COVID-19 related fiscal and monetary impulses were not as large as in other parts of the world. This has put a lid on inflation, releasing pressure on Asian policymakers to tighten while their counterparts elsewhere do not have this option. Additionally, while Asian credit saw some challenges in 2021, the market's pricing reflects a bearishness that we believe is unrealistic, increasing the chance of upside surprises.

## 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 suits your risk appetite. You may wish to consult your financial advisor before investing in any ILP sub-fund.

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

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

## EXPENSE AND TURNOVER RATIO

### Asia Managed Fund

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 1.38% | 109.78% |
| As of 31 December 2020 | 1.22% | 16.32% |

### Asian Bond Fund

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 0.91% | 33.13% |

### Asian Equity Fund

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 1.67% | 13.16% |

### Singapore Bond Fund

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2020 | 0.52% | 27.93% |

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

### Schroder Asian Growth Fund SGD A Dis

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2020 | 1.33% | 18.41% |

Expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other schemes and tax deducted at source or arising out of income received.

## ASSET ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Corporate Bonds | 60.58 | 36.46 |
| Government Bonds | 4.14 | 2.49 |
| Equities | 99.82 | 60.07 |
| Cash & Others | 1.63 | 0.98 |
| Total | 166.17 | 100.00 |

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

## SUBSCRIPTIONS AND REDEMPTIONS AS OF 31 DECEMBER 2021

| | S$ |
|---|---|
| Subscriptions | 18,560,116 |
| Redemptions | (20,315,674) |

## EXPOSURE TO DERIVATIVES

Nil.

## INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

| December 2021 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Asian Equity Fund | 99.92 | 60.13 |
| Asian Bond Fund | 66.18 | 39.83 |

## BORROWINGS

Nil.

## RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2021, management fee paid or payable by the sub-fund to the Investment Manager is S$1,750,289.

## SOFT DOLLAR COMMISSION OR ARRANGEMENT

### Income

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

### Schroder

In their management of the Trust, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.

### BlackRock

The Sub-Investment Manager did not receive soft dollars or retain cash or commission rebates.

## CONFLICTS OF INTEREST

### Income

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

### Schroder

Schroder will conduct all transactions with or for the Trust at arm's length. Schroder may from time to time have to deal with competing or conflicting interests between the other unit trusts which are managed by Schroder and the Schroder Asian Growth Fund. For example, Schroder may make a purchase or sale decision on behalf of some or all of their other unit trusts without making the same decision on behalf of the Schroder Asian Growth Fund, as a decision whether or not to make the same investment or sale for the Schroder Asian Growth Fund depends on factors such as the cash availability and portfolio balance of the Schroder Asian Growth Fund. However Schroder will use reasonable endeavours at all times to act fairly and in the interests of the Schroder Asian Growth Fund. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other unit trusts managed by Schroder and the Schroder Asian Growth Fund, Schroder will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the Schroder Asian Growth Fund and the other unit trusts managed by Schroder.

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

Associates of the trustee for the Schroder Asian Growth Fund may be engaged to provide financial, banking or brokerage services to the Schroder Asian Growth Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the trustee and make profits from these activities. Such services to the Schroder Asian Growth Fund, where provided, and such activities with the trustee, where entered into, will be on an arm's length basis.

### BlackRock

There are no conflicts of interest in relation to the management of the portfolio which NTUC should be made aware of.

## OTHER PARTIES

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

## MATERIAL INFORMATION

Nil.

# Money Market Fund

## INVESTMENT OBJECTIVE

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

## INVESTMENT SCOPE

This sub-fund invests mainly in good quality money market instruments and short-term bonds which include bank deposits, government and statutory board securities, certificates of deposit and corporate bonds. Non-SGD denominated investments, if any, will be hedged to SGD. The sub-fund may be suitable for investors seeking for yield enhancement to their SGD deposit. Do note that the purchase of a unit in the money market fund is not the same as placing funds on deposit with a bank or deposit-taking financial institution. The sub-fund is denominated in Singapore Dollars.

## FUND DETAILS AS OF 31 DECEMBER 2021

| | |
|---|---|
| **Launch Date** | 1 May 2006 |
| **Fund Size** | S$12.17 million |
| **Initial Sales Charge** | Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP. |
| **Annual Management Fee** | 0.25% p.a. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time. |
| **Custodian** | The Bank of New York Mellon |
| **Dealing Frequency** | Every business day |
| **Inclusion in CPFIS** | N.A. |
| **CPFIS Risk Classification** | N.A. |
| **Fund Manager** | NTUC Income Insurance Co-operative Limited |
| **Sub-Investment Manager** | Fullerton Fund Management Company Ltd |
| **Benchmark** | Singapore 3-month Interbank Bid Rate |
| **Structure** | Single Fund |

## TOP 10 HOLDINGS

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Public Utilities Board 3.012% 120722 | 1.03 | 8.43 | National University of Singapore 1.81% 010921 | 1.02 | 7.90 |
| SP PowerAssets 3.14% 310822 | 1.02 | 8.42 | DBS Group Holdings 2.78% 110121 | 1.01 | 7.89 |
| Housing & Development 2.2325% 210222 | 1.01 | 8.30 | Ascendas Real Estate 2.655% 070421 | 1.01 | 7.87 |
| Monetary Authority Singapore Bill 180222 | 1.00 | 8.21 | Sun Hung Kai Properties 3.25% 200521 | 1.01 | 7.87 |
| Monetary Authority Singapore Bill 110322 | 1.00 | 8.21 | Housing & Development 1.75% 260421 | 1.01 | 7.84 |
| Monetary Authority Singapore Bill 250322 | 1.00 | 8.21 | SP PowerAssets 3.14% 310822 | 0.79 | 6.14 |
| Monetary Authority Singapore Bill 180322 | 0.95 | 7.80 | SingTel Group TR 2.72% 030921 | 0.77 | 5.97 |
| Land Transport Authority 2.57% 310822 | 0.77 | 6.29 | Singapore T-Bill 300421 | 0.50 | 3.89 |
| Monetary Authority Singapore Bill 140122 | 0.75 | 6.16 | Singapore T-Bill 230321 | 0.30 | 2.33 |
| Monetary Authority Singapore Bill 210122 | 0.75 | 6.16 | N.A. | N.A. | N.A. |

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

# Money Market Fund

## FUND MANAGER

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

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

Income was established in 1970 to 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 advisors 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 2021, Income had S$45.53 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.

### Fullerton Fund Management Company Ltd

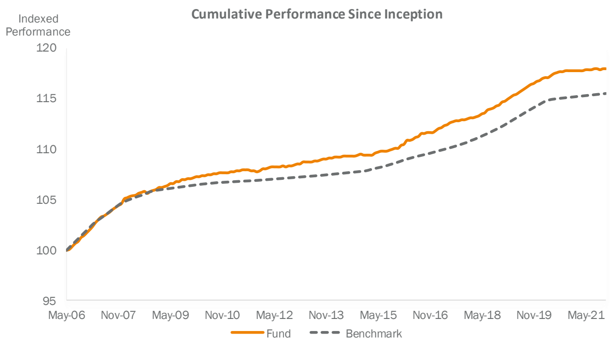
Fullerton Fund Management Company Ltd ("Fullerton") is an Asia-based investment specialist, focused on optimising investment outcomes and enhancing investor experience. Fullerton helps clients, including government entities, sovereign wealth funds, pension plans, insurance companies, private wealth and retail, from the region and beyond, to achieve their investment objectives through Fullerton's suite of solutions. Fullerton's expertise encompasses equities, fixed income, multi-asset, alternatives and treasury management, across public and private markets. As an active manager, Fullerton places strong emphasis on performance, risk management and investment insights.

Incorporated in 2003, Fullerton is headquartered in Singapore and regulated by Monetary Authority of Singapore, and has associated offices in Shanghai, London, Tokyo and Brunei. Fullerton is part of a multi-asset management group, Seviora, a holding company established by Temasek. NTUC Income, a leading Singapore insurer, is a minority shareholder of Fullerton. As of 31 December 2021, Fullerton Fund Management's assets under management was S$58 billion.

## FUND PERFORMANCE VS BENCHMARK

| | 1-month | 3-month | 6-month | 1-year |
|---|---|---|---|---|
| Money Market Fund | 0.00% | 0.00% | 0.08% | 0.16% |
| Benchmark | 0.03% | 0.08% | 0.16% | 0.31% |

| | 3-year annualised | 5-year annualised | 10-year annualised | Since inception annualised |
|---|---|---|---|---|
| Money Market Fund | 0.95% | 1.10% | 0.90% | 1.06% |
| Benchmark | 0.95% | 1.04% | 0.77% | 0.93% |




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 and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

Volatility

| | 3-year (annualised) |
|---|---|
| Money Market Fund | 0.26% |

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

## MARKET REVIEW

### Market Review

In Singapore, the government announced plans to rein in its budget deficit as the economy recovers while digging deeper into the reserves for a new S$11 billion COVID-19 Resilience Package to safeguard public health and provide additional aid, particularly for the hardest hit sectors. Elsewhere, incoming activity data continued to show improvement. Industrial production started the year on a firm footing, with support mainly from a strong rebound in pharmaceutical production, but the broad-based recovery in other sectors was also encouraging.

As widely expected, the Monetary Authority of Singapore (MAS) kept its policy on hold at the Monetary Policy Committee (MPC) meeting in April and raised its 2021 growth and headline inflation forecasts. Government data also showed that Singapore's gross domestic product (GDP) grew 3.1% in the first three months of this year from 4Q 2020, topping estimates by economists. Inflation-wise, the country's core inflation accelerated to 0.8% y/y in May, the highest since June 2019. The move was mainly driven by higher services costs and a smaller decline in retail and other goods costs. The increase was also partly attributable to the low base a year ago. While core inflation should gradually rise as the negative output gap narrows, it is likely to remain below its historical average, according to the MAS Annual Report 2020/2021. MAS also noted in its report that pandemic-induced international travel restrictions would continue to hinder the recovery of travel-related sectors.

### Market Outlook

To date, the overall macroeconomic narrative for Asia has been dominated by solid external demand from a booming US economy and the opening up of European economies as restrictions are lifted. In contrast, domestic demand in the region has ebbed and flowed as regional countries, particularly in ASEAN, grappled with a resurgence in virus

# Money Market Fund

outbreaks while vaccination rollouts have been slow, partly due to vaccine supply constraints.

In contrast, Singapore has led the Asian region in the vaccination drive, which lays the groundwork for a more sustained reopening in the latter half of the year. The performance of the manufacturing sector has also held up well, despite Phase 2 (Heightened Alert) restrictions in 2Q 2021. Core inflation will likely rise gradually, although headline inflation should moderate in the latter half of the year, as base effects fade. We expect the MAS to leave its FX policy settings unchanged at its upcoming review in October. That said, the risk towards an earlier normalisation remains if inflation overshoots and surprises sharply on the upside.

## 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 suits your risk appetite. You may wish to consult your financial advisor before investing in any ILP sub-fund.

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

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

## EXPENSE AND TURNOVER RATIO

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 0.27% | 24.18% |
| As of 31 December 2020 | 0.27% | 35.61% |

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 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Corporate Bonds | 2.04 | 16.76 |
| Government Bonds | 9.80 | 80.50 |
| Cash & Others | 0.33 | 2.74 |
| Total | 12.17 | 100.00 |

## COUNTRY ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Singapore | 11.84 | 97.26 |
| Cash & Others | 0.33 | 2.74 |
| Total | 12.17 | 100.00 |

## SECTOR ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Financial | 8.02 | 65.82 |
| Government | 2.80 | 23.02 |
| Utilities | 1.02 | 8.42 |
| Cash & Others | 0.33 | 2.74 |
| Total | 12.17 | 100.00 |

## TERM TO MATURITY OF INVESTMENTS AS OF 31 DECEMBER 2021

| Term to maturity | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| 1-30 | 2.35 | 19.31 |
| 31-60 | 2.52 | 20.70 |
| 61-90 | 3.64 | 29.96 |
| 121-180 | 0.51 | 4.15 |
| >180 | 2.82 | 23.14 |
| Total | 11.84 | 97.26 |

## CREDIT RATINGS OF DEBT SECURITIES

| S&P rating or its equivalent | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| AAA | 1.01 | 8.30 |
| AA+ | 1.02 | 8.42 |
| A- | 1.02 | 8.34 |
| Not rated | 8.79 | 72.20 |
| Total | 11.84 | 97.26 |

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

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

## SUBSCRIPTIONS AND REDEMPTIONS AS OF 31 DECEMBER 2021

| | S$ |
|---|---|
| Subscriptions | 17,021,752 |
| Redemptions | (17,713,748) |

## EXPOSURE TO DERIVATIVES

Nil.

## INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

## BORROWINGS

Nil.

## RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2021, management fee paid or payable by the sub-fund to the Investment Manager is S$31,512.

Fullerton is the Sub-Investment Manager of the sub-fund. During the financial period ended 31 December 2021, they managed S$12,170,042, equivalent to 100% of its net asset value.

## SOFT DOLLAR COMMISSION OR ARRANGEMENT

### Income

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

### Fullerton

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

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

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

## CONFLICTS OF INTEREST

### Income

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

### Fullerton

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

## OTHER PARTIES

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

## MATERIAL INFORMATION

Nil.

# Asian Income Fund

## INVESTMENT OBJECTIVE

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

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

## INVESTMENT SCOPE

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

The sub-fund is denominated in Singapore Dollars.

## FUND DETAILS AS OF 31 DECEMBER 2021

| | |
|---|---|
| **Launch Date** | 12 May 2014 |
| **Fund Size** | S$1,137.14 million |
| **Initial Sales Charge** | Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP. |
| **Annual Management Fee** | 1.25% p.a., which includes management fee charged by the investment manager of the Schroder Asian Income Fund. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point in time. |
| **Custodian** | The Bank of New York Mellon |
| **Dealing Frequency** | Every business day |
| **Inclusion in CPFIS** | N.A. |
| **CPFIS Risk Classification** | N.A. |
| **Fund Manager** | NTUC Income Insurance Co-operative Limited |
| **Manager of the Underlying Fund** | Schroder Investment Management (Singapore) Ltd |
| **Benchmark** | The Asian Income Fund is neither constrained to nor is it targeting any specific benchmark. However, as an indication of the performance of such a strategy, investors can consider the performance of a reference benchmark comprising 50% MSCI AC Asia Pacific ex Japan Net and 50% JP Morgan Asia Credit Index. |
| **Structure** | Single Fund |

## TOP 10 HOLDINGS

### Asian Income Fund

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Schroder International Opportunities Portfolio – Schroder Asian Income | 1131.11 | 99.47 | Schroder International Opportunities Portfolio – Schroder Asian Income | 966.42 | 99.25 |

# Asian Income Fund

### Schroder International Opportunities Portfolio - Schroder Asian Income ^

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Schroder ISF Asian Equity Yield I Acc | 159.04 | 3.36 | Schroder ISF - Asian Equity Yield I Acc | 280.49 | 5.55 |
| Samsung Electronics Co Ltd | 119.92 | 2.54 | Samsung Electronics Co Ltd | 130.84 | 2.59 |
| AusNet Services Ltd | 104.76 | 2.22 | Schroder ISF - China A I Acc | 107.81 | 2.13 |
| Novatek Microelectronics Corp | 100.28 | 2.12 | Novatek Microelectronics Corp | 98.26 | 1.94 |
| HK Electric Investments & HK Electric Investments Ltd Stapled Shares | 92.01 | 1.95 | HK Electric Investments and HK Electric Investments Ltd Stapled Shares | 97.18 | 1.92 |
| MediaTek Inc | 71.09 | 1.50 | AusNet Services | 78.43 | 1.56 |
| Naver Corp | 60.57 | 1.28 | Fortescue Metals Group Ltd | 66.19 | 1.31 |
| CapitaLand Integrated Commercial Trust | 58.16 | 1.23 | Frasers Centrepoint Trust | 58.39 | 1.16 |
| India Grid Trust | 56.97 | 1.19 | Power Assets Holdings Limited | 55.99 | 1.11 |
| Frasers Centrepoint Trust | 54.97 | 1.16 | CapitaLand Mall Trust | 55.16 | 1.09 |

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

## FUND MANAGER

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

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

Income was established in 1970 to 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 advisors 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 2021, Income had S$45.53 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.

### Schroder Investment Management (Singapore) Ltd (Schroder)

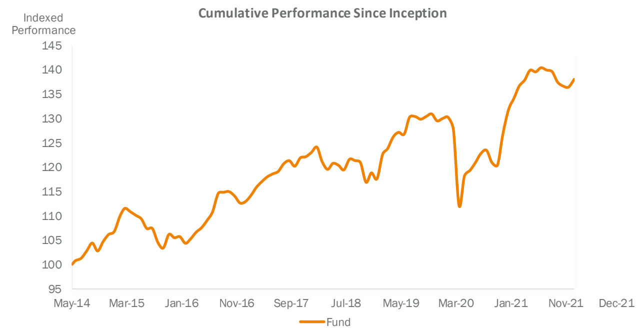
Schroder was incorporated in Singapore and it is part of the Schroder group ("Schroders"). Schroder is regulated by Monetary Authority of Singapore and has been managing collective investment schemes and discretionary funds since 1992.

Schroders is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management, including joint ventures and associates, totalled £716.9 billion (as of 30 September 2021). 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 582 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

# Asian Income Fund

## FUND PERFORMANCE VS BENCHMARK

| | 1-month | 3-month | 6-month | 1-year |
|---|---|---|---|---|
| Asian Income Fund | 1.18% | 0.43% | -1.70% | 4.77% |
| Benchmark | N.A. | N.A. | N.A. | N.A. |
| | 3-year annualised | 5-year annualised | 10-year annualised | Since inception annualised |
| Asian Income Fund | 5.50% | 4.10% | N.A. | 4.31% |
| 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 and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

Volatility

| | 3-year (annualised) |
|---|---|
| Asian Income Fund | 9.69% |

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

## MARKET REVIEW

### Market Review

MSCI AC Asia Pacific ex Japan returned -1.0% in 2021 in SGD terms, with the fall largely driven by China's regulatory crackdown, a slowdown in economic growth, and the implications of President Xi Jinping's 'common prosperity' policy goal. The emergence of the Omicron variant during the latter part of 2021 also sent markets into an initial selloff before it was assessed as less severe than Delta. Concerns on inflation was another issue that affected investors' sentiment. In fixed income, bond yields had a tumultuous year, rising sharply from 0.91% at end-2020 to a high of 1.75 % by end-March, before declining to 1.51% by end-December. From a credit rating perspective, high yield bonds detracted the most, affected by the continued woes within the China real estate sector. Over the 12-month period, the JACI (unhedged) Index returned -2.4% in SGD terms.

The portfolio returned a positive +4.9% in 2021 in SGD terms, despite the weaker Asian equity and credit markets. Equities were the main performance contributor over the year. Amongst our positions, Taiwan performed the strongest, in particular our holdings within the information technology sector. The "Metaverse" concept continues to gain traction, creating more opportunities for display driver chips suppliers within the semiconductor industry. Australia also contributed to our positive return, mainly from materials and utilities. This was due to the strong commodities performance in the industrial metals and energy segments where global demand continues to pick up. Our selections in Singapore and India real estate also contributed to the positive performance. On the other hand, exposures in China returned negatively as disappointing trade data and ongoing fears over the impact of Omicron weakened sentiment.

Fixed income recorded a small negative return, as it continued to be affected by Chinese real estate high yield bonds where challenges remain within the property sector. To reiterate, the portfolio did not own any companies that failed to deliver interest payments. Our assessment remains that we expect China's policy makers to carefully manage the downside risks to the broader economy and gradually ease measures to alleviate the current strains and avoid a widespread systemic fallout. Overall investment grade bonds outperformed high yield as better-quality names are favoured in times of such market volatility. Elsewhere, our tactical equity futures returned positively, mainly due to our long equity positions in Taiwan and Korea. Our risk management and currency hedges in AUD also contributed positively.

### Market Outlook

Looking ahead, a strong recovery in global growth continues to drive the outlook for assets, with the on-going vaccine roll-outs and fiscal stimulus measures helping to offset some concerns regarding the progress of the recovery. Positive earnings are also supportive of equities, but rising raw material prices have raised some questions about margin pressures. This has led to the market pivoting more towards quality and companies with strong pricing power. Nonetheless, we believe that the broad economic recovery is unlikely to be derailed and our positive view on equities remains. Security and sector selection is paramount, and the portfolio is well-positioned for such a scenario.

We have exposure to REITs and Financials, as well as to the industries which continue to benefit from the acceleration of the online/virtual lifestyle. These are areas towards which the Multi-Asset team are positive in the current and post COVID-19 scenario. Our strategic position in REITs can help hedge against inflation as property prices and rental rates move with the improving economy, while financials would benefit from regulators allowing banks to pay out greater dividends or conduct buybacks, as well as rising net interest margins and loan growth. We also expect the relative stability and higher visibility of dividends in the REIT sector to help the stocks outperform the overall market.

Within fixed income, we maintain our overall constructive outlook on Asian credits, though we emphasise that security selection is key in the current market environment. In Asia, monetary policies may have begun to diverge, with China turning dovish and Korea expected to start hiking rates. In addition, the more hawkish US Federal Reserve's outlook has varied implications on Asian FX and bond markets. We focus our attention on alpha opportunities via security selection on new issues, and risk management remains top priority. The portfolio also continues to have exposures to select off-benchmark markets for diversification benefits.

Overall, we are comfortable with our current positioning, retaining a bias for names with strong dividends, structural growth prospects, as well as high-quality corporate cash flows. We expect the trend of increasing dispersion between countries, regions and companies to accelerate, requiring a more selective and active approach to capitalise on exciting and evolving opportunities.

## 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 suits your risk appetite. You may wish to consult your financial advisor before investing in any ILP sub-fund.

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

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

## EXPENSE AND TURNOVER RATIO

### Asian Income Fund

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 1.45% | 14.13% |
| As of 31 December 2020 | 1.45% | 9.70% |

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.

### Schroder International Opportunities Portfolio - Schroder Asian Income

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 1.44% | 32.60% |
| As of 31 December 2020 | 1.44% | 65.57% |

Expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other schemes and tax deducted at source or arising out of income received.

## ASSET ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Equities | 585.97 | 51.53 |
| Fixed Income | 444.96 | 39.13 |
| Collective investment schemes - Equities | 12.85 | 1.13 |
| Collective investment schemes - Fixed income | 58.11 | 5.11 |
| Cash & Others | 35.25 | 3.10 |
| Total | 1,137.14 | 100.00 |

## COUNTRY ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Australia | 118.03 | 10.38 |
| China | 193.09 | 16.98 |
| Hong Kong | 144.42 | 12.70 |
| India | 108.26 | 9.52 |
| Indonesia | 52.65 | 4.63 |
| Luxembourg | 70.96 | 6.24 |
| Mexico | 13.65 | 1.20 |
| New Zealand | 11.94 | 1.05 |
| Philippines | 23.31 | 2.05 |
| Singapore | 95.75 | 8.42 |
| South Korea | 81.19 | 7.14 |
| Taiwan | 84.72 | 7.45 |
| Thailand | 21.38 | 1.88 |
| Others | 82.54 | 7.26 |
| Cash & Others | 35.25 | 3.10 |
| Total | 1,137.14 | 100.00 |

## SECTOR ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Bank | 115.76 | 10.18 |
| Collective investment schemes - Equities | 58.22 | 5.12 |
| Collective investment schemes - Multi-Asset | 12.85 | 1.13 |
| Consumer Durables | 20.70 | 1.82 |
| Energy | 12.74 | 1.12 |
| Government | 50.72 | 4.46 |
| Insurance | 25.93 | 2.28 |
| Internet Services | 43.55 | 3.83 |
| Metals & Mining | 33.89 | 2.98 |
| Miscellaneous | 97.45 | 8.57 |
| Oil & Gas | 41.16 | 3.62 |
| Real Estate | 206.96 | 18.20 |
| Semiconductor | 67.55 | 5.94 |
| Technology Hardware & Equipment | 43.21 | 3.80 |
| Telecommunications | 44.12 | 3.88 |
| Utilities | 124.29 | 10.93 |
| Others | 102.79 | 9.04 |
| Cash & Others | 35.25 | 3.10 |
| Total | 1,137.14 | 100.00 |

# Asian Income Fund

## CREDIT RATINGS OF DEBT SECURITIES

| S&P rating or its equivalent | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| AA+ / Aa1 | 2.96 | 0.26 |
| AA / Aa2 | 3.64 | 0.32 |
| AA- / Aa3 | 3.18 | 0.28 |
| A+ / A1 | 38.77 | 3.41 |
| A / A2 | 25.02 | 2.20 |
| A- / A3 | 35.93 | 3.16 |
| BBB+ / Baa1 | 75.05 | 6.60 |
| BBB / Baa2 | 93.93 | 8.26 |
| BBB- / Baa3 | 37.64 | 3.31 |
| BB+ / Ba1 | 20.47 | 1.80 |
| BB / Ba2 | 18.65 | 1.64 |
| BB- / Ba3 | 28.09 | 2.47 |
| B+ / B1 | 16.60 | 1.46 |
| B / B2 | 6.94 | 0.61 |
| Not rated | 38.09 | 3.35 |
| Total | 444.96 | 39.13 |

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

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

## SUBSCRIPTIONS AND REDEMPTIONS AS OF 31 DECEMBER 2021

| | S$ |
|---|---|
| Subscriptions | 318,714,529 |
| Redemptions | (148,974,988) |

## EXPOSURE TO DERIVATIVES

Nil.

## INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

| December 2021 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Schroder International Opportunities Portfolio – Schroder Asian Income | 1131.11 | 99.47 |

## BORROWINGS

Nil.

## RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2021, management fee paid or payable by the sub-fund to the Investment Manager is S$13,311,664.

## SOFT DOLLAR COMMISSION OR ARRANGEMENT

### Income

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

### Schroder

The managers of the sub-funds in Schroder ISF may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the managers, including Schroder ISF, and where the managers are satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of Schroder ISF. Any such arrangements must be made by the managers on terms commensurate with best market practice.

In their management of the Schroder BRIC Fund, the Schroder Global Emerging Market Opportunities Fund, the Schroder China Opportunities Fund, the Schroder Multi-Asset Revolution Funds, the Schroder Asian Investment Grade Credit, the Schroder Asian Income, the Schroder Global Quality Bond and the Schroder Asia More+, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.

In their management of the Schroder Global Quality Bond, SIML and SIMNA currently do not receive or enter into any soft dollar commissions or arrangements. In its management of the Schroder Singapore Fixed Income Fund, the Managers currently does not receive or enter into any soft-dollar commissions or arrangements.

## CONFLICTS OF INTEREST

### Income

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

### Schroder

The Managers, SIML and/or SIMNA will conduct all transactions with or for the Sub-Fund(s) at arm's length. The Sub-Fund(s) may invest in other Sub-Fund(s) that are managed by the Managers, SIML and/or SIMNA. The Managers, SIML and/or SIMNA may from time to time have to deal with competing or conflicting interests between the other funds which are managed by the Managers, SIML and/or SIMNA (as the case may be) with (in the case of the Managers) one or more of the Sub-Funds or (in the case of

SIML and/or SIMNA) the Schroder Global Quality Bond. For example, the Managers, SIML or SIMNA may make a purchase or sale decision on behalf of some or all of the other funds without making the same decision on behalf of the relevant Sub-Fund(s), as a decision whether or not to make the same investment or sale for the relevant Sub-Fund(s) depends on factors such as the cash availability and portfolio balance of such Sub-Fund(s). However the Managers, SIML and SIMNA will each use reasonable endeavours at all times to act fairly and in the interests of the relevant Sub-Fund(s). In particular, after taking into account the availability of cash and relevant investment guidelines of the other funds and the relevant Sub-Fund(s), the Managers, SIML and/or SIMNA (as the case may be) will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the other funds and the relevant Sub-Fund(s).

The factors which the Managers, SIML and/or SIMNA will take into account when determining if there are any conflicts of interest as described above include the assets (including cash) of the relevant Sub-Fund(s) as well as the assets of the other funds managed by the Managers, SIML and/or SIMNA (as the case may be). To the extent that another fund managed by the Managers, SIML and/or SIMNA (as the case may be) intends to purchase substantially similar assets, the Managers, SIML and/or SIMNA (as the case may be) will ensure that the assets are allocated fairly and proportionately and that the interests of all investors are treated equally between the relevant Sub-Fund(s) and the other funds. Associates of the Trustee may be engaged to offer financial, banking and brokerage services to the Sub-Fund(s) or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services, where provided, and such activities, where entered into, will be on an arm's length basis.

## OTHER PARTIES

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

## MATERIAL INFORMATION

Nil.

# Global Income Fund

## INVESTMENT OBJECTIVE

The Global Income Fund aims to provide income and capital growth over the medium to long-term by investing primarily in global equities and global fixed income securities directly or indirectly through the use of investment funds or financial derivative instruments (including, but not limited to, futures, options and credit default swaps).

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

## INVESTMENT SCOPE

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

The sub-fund is denominated in Singapore Dollars.

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

## FUND DETAILS AS OF 31 DECEMBER 2021

| | |
|---|---|
| **Launch Date** | 26 March 2015 |
| **Fund Size** | S$91.60 million |
| **Initial Sales Charge** | Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP. |
| **Annual Management Fee** | 1.25% p.a. which includes management fee charged by the investment manager of the Schroder International Selection Fund Global Multi-Asset Income. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time. |
| **Custodian** | The Bank of New York Mellon |
| **Dealing Frequency** | Every business day |
| **Inclusion in CPFIS** | N.A. |
| **CPFIS Risk Classification** | N.A. |
| **Fund Manager** | NTUC Income Insurance Co-operative Limited |
| **Investment Manager of the Underlying Fund** | Schroder Investment Management Limited |
| **Benchmark** | The Global Income Fund is unconstrained and therefore not managed with reference to a benchmark. |
| **Structure** | Single Fund |

## TOP 10 HOLDINGS

### Global Income Fund

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Schroder International Selection Fund - Global Multi-Asset Income | 96.76 | 105.63 | Schroder International Selection Fund - Global Multi-Asset Income | 86.15 | 99.79 |

# Global Income Fund

### Schroder International Selection Fund - Global Multi-Asset Income^

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| iShares $ High Yield Corp Bond ESG UCITS ETF | 64.02 | 2.67 | Taiwan Semiconductor Manufacturing | 29.75 | 1.07 |
| Microsoft Corporation | 29.97 | 1.25 | Bank of America Corp Perp 7.25% 311249 | 23.91 | 0.86 |
| Taiwan Semiconductor Manufacturing | 24.94 | 1.04 | Bunge Ltd Perp 4.875% 311249 | 21.41 | 0.77 |
| Apple Inc | 17.98 | 0.75 | Samsung Electronics Co Ltd Preferred Non Voting Shares | 20.30 | 0.73 |
| Bank of America Corp Perp 7.25% 311249 | 15.34 | 0.64 | AIA Group Ltd | 14.46 | 0.52 |
| Bunge Ltd Perp 4.875% 311249 | 13.43 | 0.56 | Microsoft Corporation | 14.46 | 0.52 |
| Samsung Electronics Co Ltd Preferred Non Voting Shares | 11.75 | 0.49 | Facebook Inc | 13.90 | 0.50 |
| Toronto-Dominion Bank | 11.27 | 0.47 | Indonesia (Republic of) 7.0% 150930 | 13.90 | 0.50 |
| Alphabet Inc Class A A | 10.55 | 0.44 | Alphabet Inc | 13.62 | 0.49 |
| CPI Property Group SA PERP 3.75% 311249 RegS (SUB) | 9.83 | 0.41 | South Africa (Republic of) 8% 310130 | 13.07 | 0.47 |

Important: Any difference in the total and percentage of the Net Asset Value is the result of rounding.
^ Information extracted from the underlying Schroder International Selection Fund - Global Multi-Asset Income.
Source: Schroder Investment Manager (Singapore) Ltd.

## FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. The investment manager of the underlying fund is Schroder Investment Management Limited.

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

Income was established in 1970 to 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 advisors 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 2021, Income had S$45.53 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.

### Schroder Investment Management Limited

The investment manager of the underlying fund is Schroder Investment Management Limited which is domiciled in the United Kingdom and has been managing collective investment schemes and discretionary funds since 1985. The management company of Schroder International Selection Fund is Schroder Investment Management (Europe) S.A. which has been managing funds since its incorporation in 1991.

### Schroder Investment Management (Singapore) Ltd (Schroder)

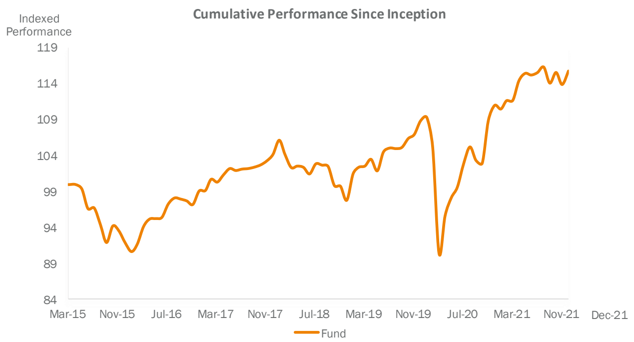
Schroder was incorporated in Singapore and it is part of the Schroder group ("Schroders"). Schroder is regulated by Monetary Authority of Singapore and has been managing collective investment schemes and discretionary funds since 1992.

Schroders is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management, including joint ventures and associates, totalled £716.9 billion (as of 30 September 2021). 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 582 investment professionals covering the world's investment markets, they offer their clients a comprehensive range of products and services.

# Global Income Fund

## FUND PERFORMANCE VS BENCHMARK

| | 1-month | 3-month | 6-month | 1-year |
|---|---|---|---|---|
| Global Income Fund | 1.65% | 1.47% | 0.48% | 4.31% |
| Benchmark | N.A. | N.A. | N.A. | N.A. |
| | 3-year annualised | 5-year annualised | 10-year annualised | Since inception annualised |
| Global Income Fund | 5.79% | 3.17% | N.A. | 2.19% |
| 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 and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

Volatility

| | 3-year (annualised) |
|---|---|
| Global Income Fund | 10.92% |

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

## MARKET REVIEW

### Market Review

Despite the emergence of Omicron late in the year, 2021 finished firmly positive, driven by robust economic growth and stellar corporate earnings.

Inflation was another hot topic in 2021, a conversation that will likely carry well into the new year, although there may be reason to turn more positive given early signs of easing supply chain pressures. In addition, the recent boost in wages should entice more individuals back to the workforce, helping balance wage inflation.

Developed equities were 2021's biggest winner, once again led by the US where financials and energy were particularly strong, as were high-quality names which benefit from low rates. Emerging equities underperformed led by index-heavyweight China. Credit markets were mixed. Higher yielding (HY) corporates comfortably outperformed their investment grade (IG) peers, with the latter starting and remaining expensive for much of 2021.

In terms of drivers of performance, equities were understandably the largest contributor, led by our core global strategy. Our enhanced equity income strategy also performed strongly having capitalised on the pockets of volatility throughout the period. Preferred securities provided a healthy level of yield and capital return through 2021, led by the financial and energy sectors. Finally, REITs were a notable bright spot, led by high-quality names in Asia.

Within credit, US HY led returns, buoyed by the energy sector, a benefactor of surging energy prices. IG credits finished flat.

Turning to detractors, emerging market (EM) debt fell over the period, with inflation fears in the US driving investors away from the asset class. Strength in the US dollar also was a detractor given some of the portfolio's returns were generated in their respective domestic currency. Finally, our interest rate hedges which we held against any deterioration in the outlook also weighed on returns.

### Market Outlook

Looking at our models, we are now entering a more mature phase of the economic cycle when growth momentum peaks and central banks begin to withdraw support. Against this backdrop, we expect equity returns to be more muted but still positive, supported by solid corporate earnings.

Inflation is a popular theme, and we would agree that over the medium term we are likely to be in a more inflationary environment compared to the last decade. In the shorter term we expect inflation momentum to peak as year-on-year comparisons improve and supply bottlenecks ease, although central banks are starting to raise rates and this will impose a speed limit on equity returns.

Within equities, we like the US, given the strength of the recovery there, and looking to reengage on EM, as we expect Chinese policy to be easing next year at a time when the Western world will be focusing on policy normalisation.
This time last year we were pro-cyclical on every axis as we sought to benefit from the reopening trade and stimulative policies. As the cycle has now matured, we have a much more diversified stance, and feel the portfolio is well positioned to generate an attractive, diversified and sustainable level of income in 2022.

## 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 suits your risk appetite. You may wish to consult your financial advisor before investing in any ILP sub-fund.

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

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

# Global Income Fund

## EXPENSE AND TURNOVER RATIO

### Global Income Fund

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 1.59% | 116.38% |
| As of 31 December 2020 | 1.60% | 71.22% |

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

### Schroder International Selection Fund - Global Multi-Asset Income

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 1.57% | 64.62% |
| As of 31 December 2020 | 1.58% | 89.87% |

Expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other schemes and tax deducted at source or arising out of income received.

## ASSET ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Equities | 34.66 | 37.84 |
| High Yield | 30.38 | 33.16 |
| Hybrids | 6.26 | 6.83 |
| Emerging Market Debt | 5.37 | 5.86 |
| Investment Grade | 4.14 | 4.52 |
| Government Bonds | 3.87 | 4.23 |
| Cash & Others | 6.92 | 7.56 |
| Total | 91.60 | 100.00 |

## COUNTRY ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| North America | 52.62 | 57.44 |
| Europe ex UK | 14.11 | 15.40 |
| Emerging Markets | 11.63 | 12.70 |
| Japan | 2.69 | 2.94 |
| Asia Pacific ex Japan | 1.86 | 2.03 |
| United Kingdom | 1.77 | 1.93 |
| Cash & Others | 6.92 | 7.56 |
| Total | 91.60 | 100.00 |

## SECTOR ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Financials | 18.47 | 20.16 |
| Information Technology | 10.41 | 11.36 |
| Real Estate | 9.82 | 10.72 |
| Communication Services | 9.12 | 9.96 |
| Consumer Discretionary | 8.60 | 9.39 |
| Health Care | 7.40 | 8.08 |
| Industrials | 6.16 | 6.72 |
| Energy | 5.83 | 6.37 |
| Consumer Staples | 3.33 | 3.64 |
| Materials | 2.87 | 3.13 |
| Utilities | 2.67 | 2.91 |
| Cash & Others | 6.92 | 7.56 |
| Total | 91.60 | 100.00 |

## CREDIT RATINGS OF DEBT SECURITIES^

| S&P rating or its equivalent | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| A | 1.92 | 2.10 |
| AA | 0.44 | 0.48 |
| B | 6.77 | 7.39 |
| BB | 16.03 | 17.51 |
| BBB | 10.36 | 11.30 |
| CCC | 1.13 | 1.23 |
| Not Rated | 4.03 | 4.41 |
| Total | 40.68 | 44.42 |

^Credit ratings are inclusive of convertible bonds, which are grouped with preferred securities under the Hybrids Asset Class.

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

## SUBSCRIPTIONS AND REDEMPTIONS AS OF 31 DECEMBER 2021

| | S$ |
|---|---|
| Subscriptions | 118,775,614 |
| Redemptions | (112,334,176) |

## EXPOSURE TO DERIVATIVES

Nil.

## INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

| December 2021 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Schroder International Selection Fund - Global Multi-Asset Income | 96.76 | 105.63 |

## BORROWINGS

Nil.

## RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2021, management fee paid or payable by the sub-fund to the Investment Manager is S$1,129,361.

## SOFT DOLLAR COMMISSION OR ARRANGEMENT

### Income

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

### Schroder

Each Investment Manager and Sub-Investment Manager may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Manager or Sub-Investment Manager (as the case may be), including the relevant Sub-Fund, and where the Investment Manager or the Sub-Investment Manager (as the case may be) is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the relevant Sub-Fund. Any such arrangements must be made by the Investment Manager or the Sub-Investment Manager on terms commensurate with best market practice.

## CONFLICTS OF INTEREST

### Income

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

### Schroder

The Investment Managers, the Sub-Investment Managers, the Investment Advisors and the Singapore Representative may effect transactions in which the Investment Managers, the Sub-Investment Managers, the Investment Advisors or the Singapore Representative have, directly or indirectly, an interest which may involve a potential conflict with the Investment Managers', the Sub-Investment Managers', the Investment Advisors' or the Singapore Representative's duty to the Fund or relevant Sub-Fund. Neither the Investment Managers, the Sub-Investment Managers, the Investment Advisors nor the Singapore Representative shall be liable to account to the Fund or any Sub-Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Managers', the Sub-Investment Managers', the Investment Advisors' or the Singapore Representative's fees, unless otherwise provided, be abated. The Investment Managers, the Sub-Investment Managers, the Investment Advisors and the Singapore Representative (as the case may be) will ensure that such transactions are effected on terms which are not less favourable to the Fund or relevant Sub-Fund than if the potential conflict had not existed. Such potential conflicting interests or duties may arise because the Investment Managers, the Sub-Investment Managers, the Investment Advisors or the Singapore Representative may have invested directly or indirectly in the Fund or because the Singapore Representative may, in its capacity as manager for other collective investment schemes in Singapore, invest into any one or more of the Sub-Funds.

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

## OTHER PARTIES

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

## MATERIAL INFORMATION

Nil.

# Global Technology Fund

## INVESTMENT OBJECTIVE

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

## INVESTMENT SCOPE

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

## FUND DETAILS AS OF 31 DECEMBER 2021

| | |
|---|---|
| **Launch Date** | 1 August 2000 |
| **Fund Size** | S$173.05 million |
| **Initial Sales Charge** | Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP. |
| **Annual Management Fee** | 1.25% p.a. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point in time. |
| **Custodian** | The Bank of New York Mellon |
| **Dealing Frequency** | Every business day |
| **Inclusion in CPFIS** | Yes (CPF OA) |
| **CPFIS Risk Classification** | Higher Risk, Narrowly Focused – Sector – Technology |
| **Fund Manager** | NTUC Income Insurance Co-operative Limited |
| **Sub-Investment Manager** | Wellington Management Singapore Pte Ltd |
| **Benchmark** | MSCI World Information Technology Index (with net dividends reinvested) in Singapore Dollars |
| **Structure** | Single Fund |

## TOP 10 HOLDINGS

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Microsoft Corporation | 12.94 | 7.48 | Apple Inc | 14.46 | 10.03 |
| Marvell Technology Group Ltd | 10.60 | 6.13 | Alphabet Inc | 9.53 | 6.61 |
| Synaptics Inc | 7.04 | 4.07 | Marvell Technology Group Ltd | 7.20 | 5.00 |
| Arista Networks Inc | 6.69 | 3.87 | Microsoft Corporation | 5.62 | 3.90 |
| Salesforce.com Inc | 5.94 | 3.43 | Flex Ltd | 5.55 | 3.85 |
| Apple Inc | 5.82 | 3.36 | Facebook Inc | 5.37 | 3.73 |
| Advanced Micro Devices Inc | 5.80 | 3.35 | RingCentral Inc | 5.03 | 3.49 |
| F5 Inc | 5.70 | 3.30 | II-VI Inc | 4.57 | 3.17 |
| Flex Ltd | 5.45 | 3.15 | Amazon.com Inc | 4.48 | 3.11 |
| NetApp Inc | 5.27 | 3.04 | Workday Inc | 3.99 | 2.77 |

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

# Global Technology Fund

## 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 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 advisors 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 2021, Income had S$45.53 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.

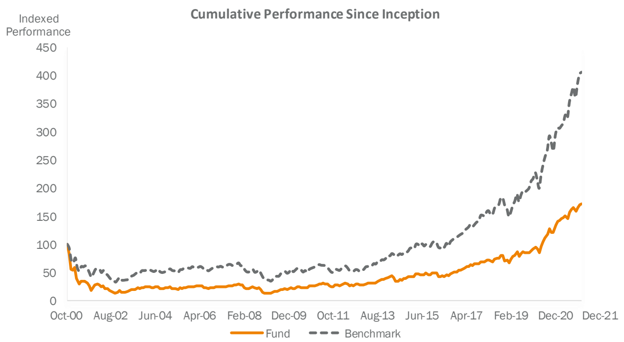
### Wellington Management Singapore Pte Ltd (WMS)*

WMS is an affiliate of Wellington Management Company LLP (WMS, Wellington Management Company LLP and the other affiliates of Wellington Management Company LLP are collectively referred to as WMC) and regulated by Monetary Authority of Singapore. With US$1.43 trillion in assets under management, WMC serves as an investment advisor to over 2,400 clients located in more than 60 countries, as of 31 December 2021. 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; Frankfurt; Hong Kong; London; Luxembourg; Milan; Shanghai; Singapore; Sydney; Tokyo; Toronto and Zurich.

*With effect from 29 April 2016, 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 | 0.88% | 8.97% | 9.52% | 21.82% |
| Benchmark | 0.88% | 12.45% | 15.19% | 32.45% |
| | 3-year annualised | 5-year annualised | 10-year annualised | Since inception annualised |
| Global Technology Fund | 37.26% | 26.19% | 20.56% | 2.60% |
| Benchmark | 39.67% | 28.19% | 22.50% | 6.82% |




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 and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

Volatility

| | 3-year (annualised) |
|---|---|
| Global Technology Fund | 17.45% |

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

## MARKET REVIEW

### Market review

For the one-year period ended 31 December 2021, global equities rose 19.0% as measured by the MSCI ACWI Index. At the beginning of the year markets continued to advance amid the accelerating global rollout of vaccines, a favourable outlook for global economic growth, and substantial support from governments and central banks. Massive stimulus measures combined with pent-up savings and significant supply-chain disruptions throughout the global economy fueled expectations for higher inflation, increasing concerns that central banks may have to tighten monetary policy to an extent that could impair equity markets. Despite a broadening rollout of vaccines, global COVID-19 trends remained volatile, with Europe experiencing a sharp rise in COVID-19 infections, extended lockdowns, and a slow vaccine rollout. In contrast, vaccinations in the UK accelerated sharply, and US President Joe Biden announced that America was on track to have enough vaccines for every adult by the end of May.

In the second quarter markets were bolstered by improving global economic data, fiscal and monetary stimulus, strong corporate earnings, and higher vaccination rates. A combination of surging commodity prices, pent-up demand, global supply-chain disruptions, and stimulus-powered economic growth continued to drive inflation expectations higher, prompting some central banks to raise interest rates or consider tighter monetary policy. The global decline in COVID-19 cases since mid-April came to a halt, with the rapid spread of the highly infectious Delta variant disrupting plans to lift lockdowns in many countries and reopen economies.

# Global Technology Fund

In the third quarter global equities fell for the first time in six quarters. Markets contended with pandemic uncertainty, moderating economic growth, the imminent prospect of reduced quantitative easing and policy tightening, and persistent supply-chain dislocations that have amplified the risk of more sustained inflation. In Asia, the spread of the COVID-19 Delta variant shuttered factories and snarled traffic at several major ports, exacerbating supply chain disruptions and driving shipping costs and goods prices even higher. Mounting inflation forced many emerging markets (EM) countries to raise interest rates, while other central banks assessed plans for curbing their asset purchases. China's regulatory crackdown on private education businesses and companies that handle large quantities of data pummelled the shares of Chinese technology stocks, sparking fears of more regulations for private companies. Then, a debt crisis at one of China's largest property developers destabilised financial markets and fueled concerns about lasting damage to China's credit conditions and its economy. An energy supply crunch loomed in Europe and Asia, as soaring prices for natural gas and coal drove inflation higher, posing risks to the global economic recovery.

Global equities rebounded in the fourth quarter as risk sentiment was bolstered by strong corporate earnings, still-accommodative financial conditions, and robust global equity inflows. Equity volatility spiked sharply as the Omicron COVID-19 variant proliferated across the globe, although the variant's impact on financial markets was tempered by evidence that it poses less-severe health consequences than its predecessors. Swelling energy prices, robust demand, and ongoing supply chain disruptions continued to push inflation above forecasts, exacerbating pressure on central banks to curb their ultra-accommodative monetary policies and pandemic-era stimulus measures without choking off economic growth.

### Market Outlook

Technology stocks ended 2021 on a positive note, with all major tech indices posting solid gains for the fourth quarter. Concerns regarding the rising prominence of the Omicron variant and stretched valuations in certain areas of tech were more than offset by strong earnings, a resilient economy and early evidence of easing supply constraints.

Subsector performance was mixed during the fourth quarter. Hardware and networking companies were up sharply in response to improving demand from enterprise, commercial, and cloud customers, as well as a better-than-expected spending outlook for 2022. The semiconductor group also benefitted from these same trends, along with strong earnings results, a bottoming in memory prices, and an ongoing supply/demand imbalance which continues to support pricing and margins. Software stocks were strong in the early half of the quarter but came under pressure in the final month driven by a combination of a growth-to-value rotation, demanding valuations, lacklustre earnings reports, and profit-taking. Payment processors weighed on the services group as COVID-19 headwinds continued to prevent upside to estimates at companies such as PayPal and Global Payments.

Internet stocks underperformed following disappointing earnings from Chinese ecommerce companies which face ongoing regulatory and macro pressures.

We are constructive in our outlook for tech markets into 2022. The global economy has been resilient, consumer activity is healthy, and demand across end markets remains robust. Despite a surge in COVID-19 case counts, the lower severity of Omicron appears to be resulting in a muted impact on consumer behaviour. That notwithstanding, a more cautious portfolio positioning is reflective of our view that rising interest rates, combined with moderating growth, could prove to be near-term headwinds for the higher growth subsectors of technology.

## 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 suits your risk appetite. You may wish to consult your financial advisor before investing in any ILP sub-fund.

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

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

## EXPENSE AND TURNOVER RATIO

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 1.32% | 141.54% |
| As of 31 December 2020 | 1.31% | 136.93% |

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

## ASSET ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Equities | 170.07 | 98.28 |
| Cash & Others | 2.98 | 1.72 |
| Total | 173.05 | 100.00 |

## COUNTRY ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Finland | 3.86 | 2.24 |
| Netherlands | 2.58 | 1.49 |
| South Korea | 1.37 | 0.79 |
| Taiwan | 1.44 | 0.83 |
| United States | 160.82 | 92.93 |
| Cash & Others | 2.98 | 1.72 |
| Total | 173.05 | 100.00 |

# Global Technology Fund

## SECTOR ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Communications | 45.87 | 26.51 |
| Consumer Non-cyclical | 4.05 | 2.35 |
| Financial | 4.68 | 2.70 |
| Industrial | 11.51 | 6.65 |
| Technology | 103.96 | 60.07 |
| Cash & Others | 2.98 | 1.72 |
| Total | 173.05 | 100.00 |

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

## CREDIT RATINGS OF DEBT SECURITIES

Nil.

## SUBSCRIPTIONS AND REDEMPTIONS AS OF 31 DECEMBER 2021

| | S$ |
|---|---|
| Subscriptions | 34,511,875 |
| Redemptions | (36,428,980) |

## EXPOSURE TO DERIVATIVES

| | Market Value S$ | % of Net Asset Value | Realised Gains/ (Losses) S$ | Unrealised Gains/ (Losses) S$ |
|---|---|---|---|---|
| Forwards | - | - | 13,560 | - |

## INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

## BORROWINGS

Nil.

## RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2021, management fee paid or payable by the sub-fund to the Investment Manager is S$1,966,247.

## SOFT DOLLAR COMMISSION OR ARRANGEMENT

### Income

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

### Wellington

The Managers did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement has been received/entered into by the Sub-Investment Manager in respect of the ILP. The soft dollar commission/arrangement relates essentially to research services used for and in support of the investment process. The Sub-Investment Manager did not accept or enter into soft dollar commission/arrangement unless such commission/arrangement would reasonably assist the Sub-Investment Manager in the management of the ILP and the trades were executed on a best execution basis.The Sub-Investment Manager took all reasonable steps to obtain the best possible result of the ILP, taking into account the following execution factors, including but not limited to, 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

### Income

As the Manager of various Income's 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

The Managers managed conflict of interests in the management of the fund through their policies and procedures.

## OTHER PARTIES

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

## MATERIAL INFORMATION

Nil.

# Takaful Fund

## INVESTMENT OBJECTIVE

To achieve long-term capital appreciation by investing in a diversified global portfolio of equity securities issued by companies considered to be in compliance with Islamic guidelines. This sub-fund is designed based on Islamic principles.

## INVESTMENT SCOPE

The sub-fund invests in the global equity markets via instruments that are Shariah compliant. The sub-fund is denominated in Singapore Dollars.

## FUND DETAILS AS OF 31 DECEMBER 2021

| | |
|---|---|
| **Launch Date** | 1 September 1995 |
| **Fund Size** | S$28.30 million |
| **Initial Sales Charge** | Please refer to “Fees and Charges” in section 4 of the Product Summary for ILP. |
| **Annual Management Fee** | 1.0% p.a. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point in time. |
| **Custodian** | The Bank of New York Mellon |
| **Dealing Frequency** | Every business day |
| **Fund Manager** | NTUC Income Insurance Co-operative Limited |
| **Inclusion in CPFIS** | N.A. |
| **CPFIS Risk Classification** | N.A. |
| **Sub-Investment Manager** | Wellington Management Singapore Pte Ltd (WMS) |
| **Benchmark** | S&P BMI Global Shari'ah Index in Singapore Dollars |
| **Structure** | Single Fund |

## TOP 10 HOLDINGS

| December 2021 | Market Value S$ (mil) | % of Net Asset Value | December 2020 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|---|---|---|
| Microsoft Corporation | 1.62 | 5.74 | Apple Inc | 1.36 | 5.84 |
| Apple Inc | 1.19 | 4.20 | Microsoft Corporation | 1.16 | 4.97 |
| Amazon.com Inc | 1.18 | 4.16 | Nestle SA | 0.68 | 2.91 |
| Alphabet Inc | 1.07 | 3.80 | Alphabet Inc | 0.66 | 2.85 |
| Nestle SA | 0.46 | 1.62 | Procter & Gamble Co/The | 0.58 | 2.48 |
| Meta Platforms Inc | 0.45 | 1.58 | Alibaba Group Holdings | 0.43 | 1.83 |
| ASML Holding NV | 0.43 | 1.52 | Facebook Inc | 0.41 | 1.74 |
| Marvell Technology Group Ltd | 0.42 | 1.47 | Tencent Holdings Ltd | 0.39 | 1.69 |
| Tesla Inc | 0.41 | 1.44 | Visa Inc | 0.37 | 1.58 |
| Advanced Micro Devices Inc | 0.41 | 1.43 | ASML Holding NV | 0.35 | 1.49 |

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

# Takaful Fund

## 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 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 advisors 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.

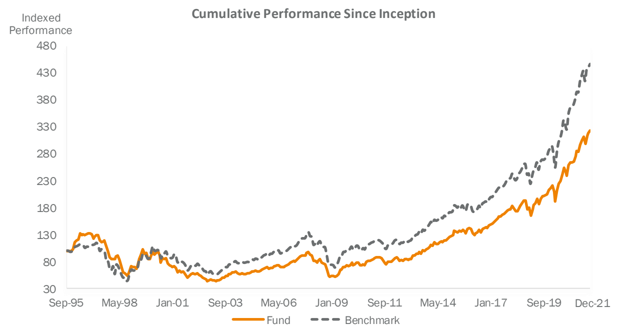
As of 31 December 2021, Income had S$45.53 billion in assets under management. Our financial strength and diversified investment portfolio are reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

### Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMS, Wellington Management Company LLP and the other affiliates of Wellington Management Company LLP are collectively referred to as WMC) and regulated by Monetary Authority of Singapore. With US$1.43 trillion in assets under management, WMC serves as an investment advisor to over 2,400 clients located in more than 60 countries, as of 31 December 2021. 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; Frankfurt; Hong Kong; London; Luxembourg; Milan; Shanghai; Singapore; Sydney; Tokyo; Toronto and Zurich.

## FUND PERFORMANCE VS BENCHMARK

| | 1-month | 3-month | 6-month | 1-year |
|---|---|---|---|---|
| Takaful Fund | 1.93% | 8.65% | 8.97% | 22.65% |
| Benchmark | 1.40% | 7.59% | 7.78% | 22.28% |
| | 3-year annualised | 5-year annualised | 10-year annualised | Since inception annualised |
| Takaful Fund | 25.13% | 16.69% | 14.96% | 4.56% |
| Benchmark | 25.79% | 17.47% | 14.85% | 5.83% |




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 and charges payable through deduction of premium or cancellation of units are excluded from this calculations.

Note to our Policyholders on Revision of Benchmark Return:
Effective from 1 April 2011, dividend reinvested has been included in the returns of the benchmark to achieve a better comparison of the sub-fund's performance against its benchmark. The historical benchmark returns for the period from 1 July 2010 to 31 March 2011 have therefore been revised.

Volatility

| | 3-year (annualised) |
|---|---|
| Takaful Fund | 13.78% |

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

## MARKET REVIEW

### Market Review

For the twelve-month period ended 31 December 2021, global equities rose 19.0% as measured by the MSCI ACWI Index. In the first-quarter of 2021, global equities advanced amid the accelerating rollout of vaccines and support from governments and central banks. COVID-19 trends remained volatile, with Europe experiencing a rise in COVID-19 infections and a slow vaccine rollout. The European Parliament approved the Recovery and Resilience Facility, providing grants and loans to help countries alleviate the effects of the pandemic, while President Biden signed a massive US$1.9 trillion COVID-19 relief bill.

Global equities continued to rise in the second quarter. Surging commodity prices, global supply chain disruptions, and stimulus-powered economic growth continued to drive inflation expectations higher. The decline in COVID-19 cases since mid-April came to a halt, with the spread of the Delta variant disrupting plans to lift lockdowns. US gross domestic product (GDP) grew at an annualised rate of 6.4% in the first quarter, and China's economy expanded by a record of 18.3% in the same period compared to a year earlier.

# Takaful Fund

In the third quarter, global equities fell for the first time in six quarters. Markets contended with pandemic uncertainty and the prospect of reduced quantitative easing and policy tightening. In Asia, the spread of the Delta variant shuttered factories and snarled traffic at several ports, exacerbating supply-chain disruptions. Mounting inflation forced many emerging markets (EM) countries to raise interest rates. China's regulatory crackdown on private education businesses and companies that handle large quantities of data pummeled the shares of Chinese technology stocks.

Global equities rebounded in the fourth quarter. However, volatility spiked as the Omicron variant proliferated across the globe. In response to inflation pressures, many central bank policymakers in developed markets (DM) began unwinding their stimulus measures. The Bank of England was the first major central bank to hike its policy rate, while the US Fed Reserve (Fed) announced it would end its asset purchase program in March and projected three rate hikes in 2022.

### Market Outlook

Despite the backdrop of accelerating COVID-19 spread driven by the Omicron variant, strong consumer spending and still-accommodative monetary policy were supportive of DM equity in the fourth quarter. In the US, the Fed has begun tapering and is expected to implement rate hikes in 2022, while many central banks throughout the world are set to reduce their levels of asset buying as part of Quantitative Easing programs.

The team remains diligent in the face of a considerably unpredictable and volatile market. We remain cognizant of the emergence of new variants and the impacts of waning stimulus measures globally. The inflation and supply chain disruptions being felt throughout the globe are also top of our mind. We continue to see disruptions in supply chains driven by closed factories and crowded ports delaying shipments. However, consumer demand remains strong, supported by large stimulus measures globally, leading to large supply/demand mismatches.

The global implications of Evergrande's bankruptcy and regulatory evolution impacting China-domiciled companies remain key areas to watch. We believe there are many Chinese companies that have attractive upside in their long-term earnings power, but we must evaluate that long-term fundamental opportunity with the potential regulatory overhang. We are cognizant of the potential changes to listings and pressures this may put on companies' shares, but we continue to focus on long-term business prospects for companies and industries.

## 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 suits your risk appetite. You may wish to consult your financial advisor before investing in any ILP sub-fund.

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

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

## EXPENSE AND TURNOVER RATIO

| | Expense Ratio | Turnover Ratio |
|---|---|---|
| As of 31 December 2021 | 1.21% | 37.92% |
| As of 31 December 2020 | 1.21% | 38.26% |

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

## ASSET ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Equities | 28.04 | 99.07 |
| Cash & Others | 0.26 | 0.93 |
| Total | 28.30 | 100.00 |

## COUNTRY ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Australia | 0.17 | 0.57 |
| Britain | 1.14 | 4.04 |
| Canada | 0.18 | 0.62 |
| China | 0.55 | 1.94 |
| France | 0.72 | 2.55 |
| Hong Kong | 0.20 | 0.71 |
| Ireland | 0.30 | 1.07 |
| Japan | 1.38 | 4.88 |
| Netherlands | 1.06 | 3.76 |
| Sweden | 0.10 | 0.34 |
| Switzerland | 0.82 | 2.89 |
| Taiwan | 0.46 | 1.63 |
| United States | 19.75 | 69.81 |
| Others | 1.21 | 4.26 |
| Cash & Others | 0.26 | 0.93 |
| Total | 28.30 | 100.00 |

# Takaful Fund

## SECTOR ALLOCATION AS OF 31 DECEMBER 2021

| | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Basic Materials | 1.37 | 4.81 |
| Communications | 3.79 | 13.39 |
| Consumer Cyclical | 2.17 | 7.65 |
| Consumer Non-cyclical | 7.51 | 26.53 |
| Energy | 0.60 | 2.13 |
| Financial | 0.63 | 2.24 |
| Industrial | 3.13 | 11.06 |
| Technology | 8.74 | 30.89 |
| Utilities | 0.10 | 0.37 |
| Cash & Others | 0.26 | 0.93 |
| Total | 28.30 | 100.00 |

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

## CREDIT RATINGS OF DEBT SECURITIES

Nil.

## SUBSCRIPTIONS AND REDEMPTIONS AS OF 31 DECEMBER 2021

| | S$ |
|---|---|
| Subscriptions | 2,392,170 |
| Redemptions | (2,651,069) |

## EXPOSURE TO DERIVATIVES

| | Market Value S$ | % of Net Asset Value | Realised Gains/ (Losses) S$ | Unrealised Gains/ (Losses) S$ |
|---|---|---|---|---|
| Forwards | (2) | <0.01 | 1,148 | (2) |

## INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

| December 2021 | Market Value S$ (mil) | % of Net Asset Value |
|---|---|---|
| Prologis Inc | 0.14 | 0.51 |
| AvalonBay Communities Inc | 0.13 | 0.46 |
| Link REIT | 0.12 | 0.42 |

## BORROWINGS

Nil.

## RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2021, management fee paid or payable by the sub-fund to the Investment Manager is S$260,536.

## SOFT DOLLAR COMMISSION OR ARRANGEMENT

### Income

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

### Wellington

The Managers did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement has been received/entered into by the Sub-Investment Manager in respect of the ILP. The soft dollar commission arrangement relates essentially to research services used for and in support of the investment process. The Sub-Investment Manager did not accept or enter into soft dollar commission/arrangement unless such commission arrangement would reasonably assist the Sub-Investment Manager in the management of the ILP and the trades were executed on a best execution basis. The Sub-Investment Manager took all reasonable steps to obtain the best possible result of the ILP, taking into account the following execution factors, including but not limited to, 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

### Income

As the Manager of various Income's 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

The Managers managed conflict of interests in the management of the fund through their policies and procedures.

## OTHER PARTIES

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

## MATERIAL INFORMATION

Nil.

# Financial Statements

## CAPITAL AND INCOME ACCOUNT

| | Global Bond Fund S$ | Global Equity Fund S$ | Asia Managed Fund S$ | Money Market Fund S$ | Asian Bond Fund S$ |
|---|---|---|---|---|---|
| Value of fund as of 1 January 2021 | 132,544,301 | 279,133,051 | 171,775,187 | 12,849,034 | 93,051,714 |
| Amounts received by the Fund for creation of units | 140,447,206 | 579,827,427 | 18,560,116 | 17,021,752 | 126,566,294 |
| Amounts paid by the Fund for liquidation of units | (134,458,538) | (607,929,241) | (20,315,674) | (17,713,748) | (116,563,975) |
| Net cash into/(out of) the Fund | 5,988,668 | (28,101,814) | (1,755,558) | (691,996) | 10,002,319 |
| Dividend distribution | - | - | - | - | (2,788,111) |
| Net investment income/(loss) | (1,295,035) | 59,362,884 | (3,924,043) | 46,484 | (2,059,927) |
| Management fees & other charges | (1,164,518) | (3,805,968) | 75,051 | (33,480) | (367,130) |
| Increase/(decrease) in net asset value for the period | 3,529,115 | 27,455,102 | (5,604,550) | (678,992) | 4,787,151 |
| **Value of fund as of 31 December 2021** | 136,073,416 | 306,588,153 | 166,170,637 | 12,170,042 | 97,838,865 |

| | Asian Equity Fund S$ | Asian Income Fund S$ | Global Income Fund S$ | Global Technology Fund S$ | Takaful Fund S$ |
|---|---|---|---|---|---|
| Value of fund as of 1 January 2021 | - | 973,722,350 | 86,330,254 | 144,115,951 | 23,278,625 |
| Amounts received by the Fund for creation of units | 225,595,797 | 318,714,529 | 118,775,614 | 34,511,875 | 2,392,170 |
| Amounts paid by the Fund for liquidation of units | (113,177,603) | (148,974,988) | (112,334,176) | (36,428,980) | (2,651,069) |
| Net cash into/(out of) the Fund | 112,418,194 | 169,739,541 | 6,441,438 | (1,917,105) | (258,899) |
| Dividend distribution | - | (51,436,851) | (4,858,107) | - | - |
| Net investment income/(loss) | (4,534,137) | 45,255,794 | 3,696,098 | 32,858,533 | 5,555,799 |
| Management fees & other charges | (446,184) | (142,640) | (11,980) | (2,005,927) | (280,055) |
| Increase in net asset value for the period | 107,437,873 | 163,415,844 | 5,267,449 | 28,935,501 | 5,016,845 |
| **Value of fund as of 31 December 2021** | 107,437,873 | 1,137,138,194 | 91,597,703 | 173,051,452 | 28,295,470 |

# Financial Statements

## STATEMENT OF FINANCIAL POSITION

| | Global Bond Fund | Global Equity Fund | Asia Managed Fund | Money Market Fund | Asian Bond Fund |
|---|---|---|---|---|---|
| | S$ | S$ | S$ | S$ | S$ |
| ASSETS | | | | | |
| Financial assets | | | | | |
| Investments | | | | | |
| Equities | - | 305,198,496 | 166,100,025 | - | - |
| Debt securities | 133,025,165 | - | - | 11,836,512 | 95,689,814 |
| **Value of investments** | **133,025,165** | **305,198,496** | **166,100,025** | **11,836,512** | **95,689,814** |
| | | | | | |
| Other Assets | | | | | |
| Financial derivatives | 2,773,094 | - | - | - | 1,301,397 |
| Other receivables and assets | 20,249,414 | 998,562 | 1,000,419 | 7,050 | 216,274 |
| Cash and cash equivalents | 2,911,155 | 1,895,537 | 197,833 | 1,152,084 | 1,828,997 |
| **Total assets** | **158,958,828** | **308,092,595** | **167,298,277** | **12,995,646** | **99,036,482** |
| | | | | | |
| LIABILITIES | | | | | |
| Financial liabilities | | | | | |
| Financial derivatives | 1,453,621 | 2 | - | - | 500,417 |
| Other payables and liabilities | 21,431,791 | 1,504,440 | 1,127,640 | 825,604 | 697,200 |
| **Total liabilities** | **22,885,412** | **1,504,442** | **1,127,640** | **825,604** | **1,197,617** |
| | | | | | |
| Value of fund as of 31 December 2021 | 136,073,416 | 306,588,153 | 166,170,637 | 12,170,042 | 97,838,865 |

| | Asian Equity Fund | Asian Income Fund | Global Income Fund | Global Technology Fund | Takaful Fund |
|---|---|---|---|---|---|
| | S$ | S$ | S$ | S$ | S$ |
| ASSETS | | | | | |
| Financial assets | | | | | |
| Investments | | | | | |
| Equities | 107,328,787 | 1,131,112,886 | 96,757,748 | 170,075,778 | 28,033,421 |
| Debt securities | - | - | - | - | - |
| **Value of investments** | **107,328,787** | **1,131,112,886** | **96,757,748** | **170,075,778** | **28,033,421** |
| | | | | | |
| Other Assets | | | | | |
| Financial derivatives | - | - | - | - | - |
| Other receivables and assets | 329,763 | 10,017,196 | 2,222,599 | 1,770,585 | 77,672 |
| Cash and cash equivalents | 396,348 | 4,278,463 | 368,019 | 3,310,107 | 316,328 |
| **Total assets** | **108,054,898** | **1,145,408,545** | **99,348,366** | **175,156,470** | **28,427,421** |
| | | | | | |
| LIABILITIES | | | | | |
| Financial liabilities | | | | | |
| Financial derivatives | - | - | - | - | 2 |
| Other payables and liabilities | 617,025 | 8,270,351 | 7,750,663 | 2,105,018 | 131,949 |
| **Total liabilities** | **617,025** | **8,270,351** | **7,750,663** | **2,105,018** | **131,951** |
| | | | | | |
| Value of fund as of 31 December 2021 | 107,437,873 | 1,137,138,194 | 91,597,703 | 173,051,452 | 28,295,470 |

These notes form an integral part of the financial statements.

### 1. General

The NTUC Income Funds of NTUC Income Insurance Co-operative Limited (“Income”) comprise:

| Fund Name | Launch Date | Fund Type | Units in issue | Net Asset Value per unit S$ |
|---|---|---|---|---|
| Global Bond Fund | 2 January 2003 | Core Fund | 75,999,950 | 1.790 |
| Global Equity Fund | 1 April 1998 | Core Fund | 55,391,392 | 5.535 |
| Asian Equity Fund | 17 August 2021 | Core Fund | 116,545,767 | 0.922 |
| Asia Managed Fund | 1 September 1995 | Managed Fund | 40,174,836 | 4.136 |
| Money Market Fund | 1 May 2006 | Specialised Fund | 10,009,523 | 1.216 |
| Asian Bond Fund | 3 May 2016 | Thematic Fund | 112,236,656 | 0.872 |
| Asian Income Fund | 12 May 2014 | Thematic Fund | 1,249,987,685 | 0.910 |
| Global Income Fund | 26 March 2015 | Thematic Fund | 114,761,548 | 0.798 |
| Global Technology Fund | 1 August 2000 | Thematic Fund | 100,339,714 | 1.725 |
| Takaful Fund | 1 September 1995 | Thematic Fund | 10,729,683 | 2.637 |

### 2. Significant Accounting Policies

#### (a) Basis of preparation

The financial statements of the NTUC Income Funds have been prepared on the historical cost basis, except for investments and derivatives which are stated at fair value.

The financial statements of the NTUC Income Funds are expressed in Singapore Dollars.

#### (b) Recognition of income and expenses

Dividend income is recognised when the right to receive payment is established.

Interest income on bank deposits is recognised on a time-proportionate basis using the effective interest method.

Expenses are recognised on an accrual basis.

#### (c) Investments

All purchases of investments are recognised on their trade dates, which are the dates the commitment exists to purchase the investments. The investments are initially recorded at fair value, being the consideration given and excluding acquisition charges associated with the investments. These acquisition charges are recognised in the Capital and Income Account when incurred. After initial recognition, the unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account. The quoted market price at the close of trading is adopted for all equity investments. Equity investments comprise the direct investments in equity securities and investments in funds. The bid price has been adopted for all fixed income investments. Unquoted fixed income securities are valued at bid prices quoted by banks, inclusive of accrued interest.

(d) **Derivative financial instruments**

Derivative financial instruments are measured at initial recognition, and subsequently, at fair value and changes in fair value are recognised in the Capital and Income Account. Transaction costs incurred in buying and selling derivative instruments are recognised in the Capital and Income Account when incurred. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The fair value of a derivative financial instrument is determined by reference to its quoted price if quoted prices are regularly available from an exchange, dealer, or broker and there are regularly recurring market transactions in the instrument.

(e) **Realised gains/losses from sale of investments**

All sales of investments are recognised on their trade dates, which are the dates the fund commits to sell the investments.

Realised gains/losses from the sale of investments are taken to the Capital and Income Account.

(f) **Foreign currency transactions**

Foreign currency transactions are translated into the functional currency, Singapore Dollars, at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at the reporting date.

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

### 3. Other notes to Capital and Income Accounts

(a) **Amounts received by the Fund for creation of units**

The amounts received by the Fund represent the net amount received from policyholders less initial charges (including the bid-offer spread) for the purchase of units in the NTUC Income Funds.

(b) **Amounts paid by the Fund for liquidation of units**

The amounts paid by the Fund represent the net asset values (bid price) of the units paid to policyholders when they surrender their unit-linked policies.

Policy fees and other benefit charges are charged to the Capital and Income Accounts by way of unit deductions.

(c) **Dividend distribution**

Dividend distribution represents payments made to policyholders when the funds make distribution.

(d) **Management fees**

The annual management charges for each Fund are accrued on a daily basis.

(e) **Taxation**

No provision for taxation is made in the financial statements as NTUC Income Insurance Co-operative Limited is exempted from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Cap. 134.

### 4. Subsequent events

**Approval for transfer of business and voluntary dissolution of the Co-operative**

On 18 February 2022, an extraordinary general meeting was convened where the members approved the following resolutions:

(a) The transfer of the insurance business of Co-operative and all business ancillary thereto to its subsidiary, Income Insurance Limited pursuant to a scheme of transfer under Section 117 of the Insurance Act 1966, and other agreements; and

(b) Subject to and conditional upon completion of item (1), the proposed voluntary winding up of the Co-operative under section 83(1) of the Co-operative Societies Act 1979, and to distribute the assets of the Co-operative in cash or in specie to the shareholders of the Co-operative.

Following the Transfer, all business and undertakings and all rights and obligations of the Co-operative and its subsidiaries will remain with the Group. As the transfer of business and voluntary dissolution of the Co-operative is still subject to due diligence, regulatory approvals and other customary closing conditions, the timing and impact of these transactions are not yet determinable.

**KPMG LLP**
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

# Independent auditors' report

Board of Directors
NTUC Income Insurance Co-operative Limited

*Opinion*

We have audited the accompanying financial statements of NTUC Income Funds (as set out in Note 1 to the financial statements) of NTUC Income Insurance Co-operative Limited ('the Co-operative'), which comprise the Balance Sheets as at 31 December 2021, Capital and Income Accounts for the period from 1 January 2021 to 31 December 2021, and a summary of significant accounting policies and other explanatory information, as set out on pages 51 to 55. The financial statements have been prepared by management based on the accounting policies set out in Note 2 to the financial statements ('the stated accounting policies').

In our opinion, the financial statements of the NTUC Income Funds of the Co-operative for the financial year ended 31 December 2021 are prepared, in all material respects, in accordance with the stated accounting policies as set out in Note 2 in the financial statements.

*Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Co-operative in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the Annual Fund Report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Emphasis of matter – Basis of accounting and restriction on distribution and use*

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the financial statements which are prepared to assist the Co-operative to comply with paragraph 15(a) of the MAS Notice 307 *Investment-Linked Policies* and for no other purpose. As required by paragraph 36 of the MAS Notice 307, this report shall be sent by the Co-operative to its policyholders for their information. We do not assume responsibility to anyone other than the Co-operative for our work, for our report, or for the conclusions we have reached in our report. This report relates solely to the financial statements of the NTUC Income Funds of the Co-operative and does not extend to the financial statements of the Co-operative taken as a whole. Our opinion is not modified in respect of this matter.

*Responsibilities of management for the financial statements*

Management is responsible for the preparation of these financial statements in accordance with the stated accounting policies. This includes determining that the stated accounting policies are an acceptable basis for the preparation of the financial statements in the circumstances and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the NTUC Income Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the NTUC Income Funds or to cease operations, or has no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NTUC Income Funds' internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NTUC Income Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the NTUC Income Funds to cease to continue as a going concern.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

KPMG

**KPMG LLP**
*Public Accountants and*
*Chartered Accountants*

**Singapore**
25 March 2022