

Singapore Equity Fund

Fund Summary
as of 26 November 2019

Investment Objective

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

Investment Scope

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

Investment Approach

The sub-fund invests into Singapore equities actively through Fullerton Fund Management Company Ltd (Fullerton), who subscribes to a growth-oriented investment style and adopts a bottom-up stock selection process which is driven by company fundamentals and proprietary research through a total return approach. The portion of the sub-fund managed by Fullerton is concentrated, constructed from best bottom-up ideas. While Fullerton is benchmark-aware, it will not invest in a company just because it is a benchmark constituent. Sector exposures are primarily driven by bottom-up stock selection but this risk is managed by Fullerton and taken into account in its stock investment thesis.

The sub-fund also invests into Singapore equities passively through State Street Global Advisors Singapore Limited (SSGA), who will replicate the total returns of the Straits Times Index (STI). SSGA will invest in all of the stocks comprising the Straits Times Index (STI) in the same approximate proportion as their weightings within the STI. However, various circumstances may make it impossible or impracticable to purchase each component stock in such weightings. In those circumstances, SSGA may employ, alone or in combination, other investment techniques in seeking to closely track the STI. In addition, given that stocks may be and are added to or removed from the STI from time to time, SSGA may sell stocks that are represented in the STI, or purchase stocks that are not yet represented in the STI, in anticipation of their removal from or addition to the STI.

Fund Details

| | |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Launch Date | 02 January 2003 |
| Fund Manager | NTUC Income Insurance Co-operative Limited |
| Sub-Investment Managers | Fullerton Fund Management Company Ltd State Street Global Advisors Singapore Limited (SSGA) |
| Custodian | The Bank of New York Mellon |
| Dealing Frequency | Every business day |
| Initial Sales Charge | Please refer to "Fees and Charges" in section 4 of the Product Summary for ILP. |
| Annual Management Fee | 0.65% p.a. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time. |
| Inclusion in CPFIS | Yes (CPF OA) |
| CPFIS Risk Classification | Higher Risk, Narrowly Focused – Country – Singapore |
| Structure | Single Fund |
| Benchmark | FTSE Straits Times Index (FTSE STI) |
| Subscription Method | Cash / SRS / CPF OA |
| Financial Year End | 31 December |

Past Performance (as of 30 September 2019)

| | 1-month | 3-month | 6-month | 1-year | 3-year [^] | 5-year [^] | 10-year [^] | Since inception [^] |
|------------------------------|---------|---------|---------|--------|---------------------|---------------------|----------------------|------------------------------|
| Singapore Equity Fund | 0.30 | -4.53 | 0.60 | -1.00 | 6.15 | 2.22 | 4.05 | 7.53 |
| Benchmark | 0.48 | -4.72 | 0.19 | -0.48 | 6.63 | 2.72 | 5.02 | 9.15 |

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The returns are calculated using bid-to-bid prices, in Singapore Dollar terms, with dividends and distributions reinvested. Source: Bloomberg and Factset, as of end September 2019.

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

Fund Manager

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. Fullerton Fund Management Company Ltd and State Street Global Advisors Singapore Limited are the Sub-Investment Managers of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2019, Income had S\$35.64 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Fullerton Fund Management Company Ltd (Fullerton)

Fullerton Fund Management is an Asia based specialist, with investment capabilities across fixed income, equity, multi-asset and alternatives. The firm was incorporated in Singapore in 2003, and is a majority owned subsidiary of Temasek Holdings. Fullerton has been managing collective investment schemes or discretionary funds since 2004. Clients include statutory boards, government bodies, large institutions and corporates, as well as key distribution partners. Fullerton has associated offices in Shanghai, Tokyo and London, and is regulated by the Monetary Authority of Singapore. As of 30 June 2019, Fullerton Fund Management's assets under management was S\$46.96 billion.

State Street Global Advisors Singapore Limited (SSGA)

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

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

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

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

*Assets under management were US\$2.9 trillion as of 30 June 2019. AUM reflects approx. US\$36 billion (as of 30 June 2019) with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated. Please note that AUM totals are unaudited.

Risks

Key Risks

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

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

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

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

Market and Credit Risks

You are exposed to market risks. Prices of the securities held by the sub-fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries.

You are exposed to greater market risks as this is an equity fund. Historically, equities have greater volatility than bonds and other fixed income securities. The sub-fund's valuation and the price at which you can exit may correspondingly fluctuate more strongly on a day-to-day basis compared to sub-funds investing in bonds and other fixed income securities.

Liquidity Risks

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

Product-Specific Risks

You are exposed to derivatives risks. The sub-fund may invest in derivatives instruments including futures, options, forwards, swaps or credit derivatives for purposes of hedging and/or efficient portfolio management. Derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. The usage of derivatives may negatively impact the value of the sub-fund.

The global exposure of the sub-fund to financial derivatives or embedded financial derivatives will be calculated using the commitment approach and in accordance with provisions of the Code on Collective Investment Schemes. The Manager will ensure that the risk management and compliance procedures are adequate and have been or will be implemented and that it has the necessary expertise to manage the risks relating to the use of financial derivatives.

Expense and Turnover Ratio

| | Expense Ratio | Turnover Ratio |
|------------------------|---------------|----------------|
| As of 31 December 2018 | 0.74% | 20.51% |
| As of 31 December 2017 | 0.70% | 17.21% |

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

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.

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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.

SSGA

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

Conflicts of Interest

Income

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

Fullerton

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

SSGA

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

Other Parties

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

Material Information

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

Reports

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

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

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

IMPORTANT NOTES

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

From 17 September 2018, Fullerton has been included as one of the Sub-Investment Manager of the sub fund.

Information correct as of 26 November 2019