SEMI-ANNUAL FUND REPORT

FOR THE HALF YEAR AS OF
30 JUNE 2018

made different

an NTUC Social Enterprise

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CIO Message

1st September 2018

Dear Policyholder

Since the beginning of the year, we have seen global growth slowed down and division among major economies as compared to the strong momentum in 2017. Headwinds and risks to global growth are rising, mainly in the forms of rising interest rates globally and compounded by several geopolitical issues. The global economic outlook is clouded by trade tension after the announcement of trade tariffs imposed by US on China and retaliatory moves by the Chinese authority. There are also signs of China's economy slowdown due to the tightening credit condition. For Singapore, final 1st quarter gross domestic product grew by 4.4% year-on-year mainly attributed by robust growth in services industry. With the improving macroeconomic backdrop, Monetary Authority of Singapore, in its April 2018 Monetary Policy Statement, increased the slope of the SGD Nominal Effective Exchange Rate policy band slightly from zero percent previously and the authority expected core inflation to gradually rise to upper half of its 1-2% forecast range.

Heading into the 2nd half of the year, the markets are likely to remain uncertain and to be constrained by persistent and rising trade protectionism risks, shifting expectations of monetary policy normalisation in advanced economies and deleveraging cycle in China. Nonetheless, the best strategy to achieve long-term return on investment is still to focus on diversification and periodic rebalancing of one's portfolio in this market environment that stresses cautious optimism.

I am glad to share that our Investment-Linked Policy (ILP) funds continue to perform well among the peers as 80% of them were ranked in 1st and 2nd quartile in their Morningstar categories in 1st half of 2018 period. Our ILP funds were also represented in the Lipper Leader categories. Amongst them, the Global Managed Fund (Growth) and Prime Fund obtained the "Lipper Leader" status in the following categories – "Consistent Return", "Expense" and "Total Return"- respectively in 1st quarter of 2018. The Singapore Bond Fund and Takaful Fund achieved "Lipper Leader" in three categories, namely "Consistent Return", "Total Return" and "Preservation" in the same review.

The latest Semi-Annual Fund Report for the financial period ended June 2018 can be downloaded at https://www.income.com.sg/fund/factsheet/2018jun.pdf. You may also access your Investment-Linked Policy statement via me@income, our online customer portal at www.income.com.sg.

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

Mark Wang
Chief Investment Officer

Summary of Fund Performance as of 30 June 2018

	Launch Date	Fund Size (S$ million)	Performance (1 year)	Performance (2 years – Cumulative)
Core Funds				
Global Bond Fund	Jan-03	122	0.76%	-2.04%
Global Equity Fund	Apr-98	251	7.27%	30.18%
Singapore Bond Fund	Mar-00	317	-0.66%	2.03%
Singapore Equity Fund	Jan-03	156	4.51%	23.03%
Managed Funds				
Asia Managed Fund	Sep-95	147	11.54%	40.13%
Global Managed Fund (Balanced)	Jan-03	170	3.74%	13.36%
Global Managed Fund (Conservative)	Jan-03	12	2.39%	7.34%
Global Managed Fund (Growth)	Jan-03	251	5.03%	19.41%
Singapore Managed Fund	May-94	85	2.64%	14.91%
Target Maturity Funds				
AIM Now	Sep-09	76	0.83%	4.90%
AIM 2025	Sep-09	17	3.90%	15.16%
AIM 2035	Sep-09	23	7.16%	24.79%
AIM 2045	Sep-09	28	7.54%	26.73%
Specialised Funds				
Money Market Fund	May-06	15	0.86%	2.18%
Thematic Funds				
Asian Bond Fund	May-16	32	-3.22%	-0.47%
Asian Income Fund	May-14	655	0.27%	7.79%
Global Income Fund	Mar-15	90	-0.47%	6.33%
Global Technology Fund	Aug-00	89	19.59%	71.07%
Prime Fund	Aug-73	256	6.75%	22.05%
Takaful Fund	Sep-95	20	11.81%	36.12%
Average Return			**4.61%**	**18.25%**

Notes:

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

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

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

Global Bond Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	2 January 2003
Fund Size	S$122.09 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.85% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Amundi Singapore Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars
Structure	Single Fund

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Deutschland Rep 0.5% 150228	12.2	10.0	BTPS 2.2% 010627	12.4	10.1
US Treasury Note 2.25% 150227	7.9	6.4	Singapore Government Bonds 4% 010918	10.5	8.5
TSY INFL IX N/B 0.125% 150422	7.8	6.4	Deutschland Rep 2.5% 150846	5.8	4.7
US Treasury Note 1.75% 151120	4.7	3.8	Mexican Bonos De Desarrollo 7.75% 131142	5.0	4.1
Singapore Government Bonds 4% 010918	4.1	3.3	Singapore Government Bonds 2.375% 011017	5.0	4.1
Japan Govt 20-yr 2.1% 201229	3.8	3.1	US Treasury Note 3% 151145	5.0	4.0
US Treasury Infl. Index Bond 0.625% 150126	3.3	2.7	Japan Govt 10-yr 0.1% 201226	4.7	3.8
US Treasury Note 3% 150545	2.7	2.2	Bonos Del Estado 1.5% 300427	3.9	3.2
Deutschland Rep 2.5% 150846	2.7	2.2	Japan Govt 20-yr 2.1% 201229	3.8	3.1
US Treasury Infl. Index Bond 0.875% 150247	2.6	2.1	US Treasury Infl. Index Bond 0.625% 150126	3.3	2.7

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

FUND MANAGER

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

Global Bond 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.

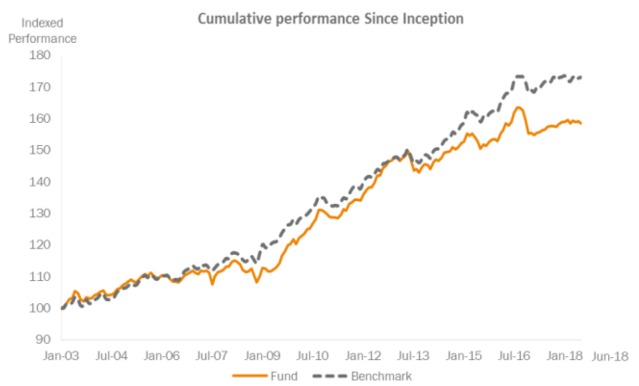
As of 30 June 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Amundi Singapore Limited

Amundi Singapore Limited is a wholly-owned subsidiary of Amundi Asset Management. It was established in Singapore in 1989 as a business hub for Amundi's group operations in South East Asia. Amundi Singapore Limited is licensed and regulated by the Monetary Authority of Singapore and has been managing collective investment schemes and/or discretionary funds since 1989. It has S$11.08 billion in assets under management as of 30 June 2018.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Bond Fund	-0.38%	-0.50%	-0.19%	0.76%
Benchmark	0.13%	-0.01%	-0.26%	1.11%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Bond Fund	1.76%	1.99%	3.60%	3.02%
Benchmark	2.88%	3.46%	4.20%	3.61%



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

Volatility

	3-year (annualised)
Global Bond Fund	2.92%

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

MARKET REVIEW

Market Review

The year started with generalised sell-offs and central bank actions. Trade tensions rose after the announcement of some import tariff increases. The European Central Bank (ECB) released hawkish minutes from their December meeting, the Bank of Japan (BOJ) announced the reduction by 10 billion yen of long-term Japan government bonds purchases, and its Governor, Mr. Kuroda surprised markets with hawkish comments on inflation and economic outlooks. The Bank of Canada, raised interest rates again in January and the US Federal Reserve (Fed)'s Federal Open Market Committee ended the month by delivering an upbeat assessment of the US economy and expected inflation to "move up this year" and stabilise around its target of 2%, a message that reinforced the likelihood of three hikes this year.

With economic data from all developed markets coming in, spring yields moved upwards, and the 5-year German yield moved back into positive territory for the 1st time since 2015. The US announced that they would start imposing tariffs on Chinese steel and other goods in retaliation for intellectual property theft that the US alleges China has undertaken over the last few decades. In retaliation, China announced that they would impose tariffs on US agricultural exports like fruit and wine. This threat of trade wars raised concerns about the impact on the private sector, and risk assets such as corporate bonds, underperformed government bonds as their yield spreads widened. This will be a longer term issue to watch for. The most impactful event of the 1st six months however, came from Italy after the coalition between anti-EU "League" and populist "5-Star" parties failed to form a government – creating worries that a snap election could be called. This led Italian government bond yields to rise sharply, with the 2-year Italian government bond yield rising from -0.16% at the end of April, to a peak of 2.90% on the 30th of May.

In the final part of the half, the ECB held their annual forum at Sintra in Portugal where announcements made by various central banks highlighted the current environment of divergent monetary policy; the ECB and BOJ did not announce the end of tapering, while on the other hand, the Bank of England prepared markets for a potential rate rise before August. The Fed also stated that given current growth, they maintain target to keep rates rising at a steady pace. Markets were much calmer compared to the early part when Italian politics brought heightened risk aversion, leading the 10 year US treasury yield to end the 1st half of 2018 at 2.86%.

Market Outlook

We are currently overall underweight duration, in particular in the US, Europe and UK as central banks undergo change. We remain overweight credit, and within FX, we have a

Global Bond Fund

preference for the US Dollar (USD) while remaining underweight many Asian Emerging Market (EM) currencies.

Our central case scenario remains one of global expansion but we note with less momentum. The economic outlook is still positive and broadly unchanged, with global growth expected to remain above potential with balanced risks. Central Banks will remove excess accommodation and communicate accordingly, but will do this carefully to avoid market disruption. Inflation risks is tilted to the upside (notably in the US) even if current inflation data remain broadly muted. Geopolitical issues and the turmoil linked to the escalation of trade tensions will continue to loom.

Our positioning reflects the aforementioned outlook, by being broadly underweight duration as we expect global growth, inflation and central banks normalisation policies to push rates higher. In currencies, our strongest conviction is on overweight dollar as a solid rebound is expected for US gross domestic product for the next quarters thanks to confirmed growth drivers and a strong tax effect. Also, we remain allocated to credit and EM amid global expansion being positive for risk asset classes. Within credit, we overweight financials which exhibit good fundamentals and provide a yield pick-up. We are selectively long emerging currencies like Mexican Peso (MXN), Brazilian Real (BRL) or Indian Rupee (INR) as valuations, technical and carry levels are still attractive.

RISKS

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

The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes. You should be aware that past performance is not indicative of future performance. The value of the units may rise or fall as the performance of the sub-fund changes.

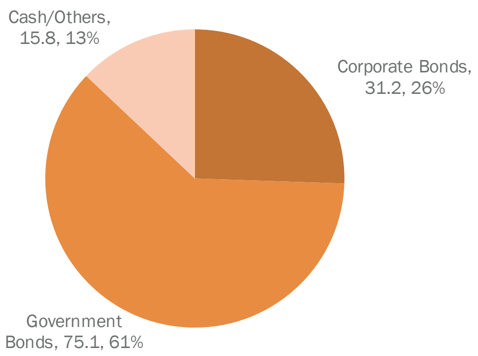
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

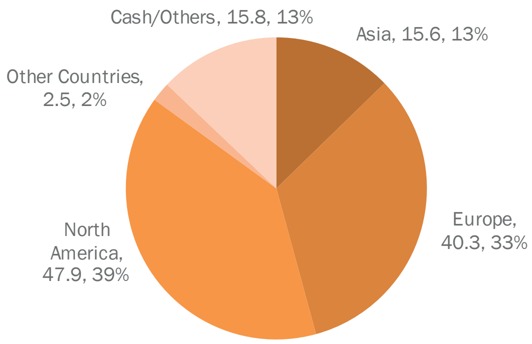
	Expense ratio	Turnover ratio
As of 30 June 2018	0.88%	74.84%
As of 30 June 2017	0.89%	156.63%

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

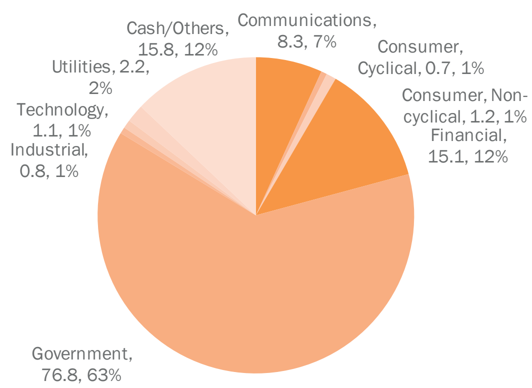
ASSET ALLOCATION AS OF 30 JUNE 2018



COUNTRY ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



Global Bond Fund

CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	54.7	44.8
AA+	1.5	1.2
AA	3.5	2.9
AA-	2.2	1.8
A	12.1	9.9
A-	3.1	2.5
BBB+	10.2	8.3
BBB	10.9	8.9
BBB-	6.8	5.5
BB+	0.5	0.4
BB	0.8	0.7
Total	106.3	87.1

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

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	124,799,846
Purchase of units	3,882,355
Redemption of units	(6,405,045)
Gain/(loss) on investments and other income	319,680
Management fees & other charge	(510,422)
Value of fund as of 30 June 2018	122,086,414

Units in issue	77,006,022
Net asset value per unit	
- at the beginning of the year	1.588
- as of 30 June 2018	1.585

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	6,807	-	(1,004,641)	(339,007)
Futures	(464,435)	-	2,113,005	(890,412)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$510,422.

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

Amundi

The Sub-Investment Manager currently does not receive or enter into soft dollar and commission sharing arrangements in their management of the ILP. Should the Sub-Manager receive or enter into such soft dollar and commission sharing arrangements, it will comply with the soft dollars standards prescribed by the Investment Management Association of Singapore. The goods and services which the Sub-Investment Manager may receive under the soft dollar and commission sharing arrangements (if any) 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 the investment decision making process. The Sub-Investment Manager will not accept or enter into soft dollar and commission sharing arrangements unless such soft dollar and commission sharing arrangements would, in the opinion of the Sub-Investment Manager, assist the Sub-Investment Manager in the management of the ILP. The Sub-Investment Manager shall ensure at all times best execution is carried out for the transactions, and that no unnecessary trades are entered into in order to qualify for such soft dollar and commission sharing arrangements. The Sub-Investment Manager shall not retain for its own account, cash or commission rebates arising out of transactions for the ILP executed in or outside Singapore.

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.

Amundi

The Sub-Investment Manager is or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the ILP. The Sub-Investment Manager will ensure that the performance of its respective duties will not be impaired by any such involvement. If a conflict of interest does arise, the Sub-Investment Manager will try to ensure that it is resolved fairly and in the interest of the clients.

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Global Equity Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	1 April 1998
Fund Size	S$250.99 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Morgan Stanley Investment Management Company, MFS International Ltd and Wellington Management Singapore Pte Ltd
Benchmark	MSCI World Index in Singapore Dollars
Structure	Single Fund

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Accenture Plc	7.1	2.8	Reckitt Benckiser Group	6.6	2.6
Visa Inc	7.1	2.8	Visa Inc	5.7	2.3
Reckitt Benckiser Group	6.0	2.4	Accenture Plc	5.3	2.1
Thermo Fisher Scientific Inc	5.6	2.2	Thermo Fisher Scientific Inc	4.8	1.9
LVMH Moet Hennessy Louis Vui EUR0.30	4.4	1.8	Nestle SA	4.7	1.9
Bayer AG	4.4	1.8	Bayer AG	4.6	1.8
Medtronic Plc	4.3	1.7	Pernod Ricard SA	4.3	1.7
Pernod Ricard SA	4.2	1.7	The Walt Disney Co	4.3	1.7
Stratasys Inc	4.2	1.7	Medtronic Plc	4.1	1.6
Diageo Plc	4.1	1.6	Unilever Plc	4.0	1.6

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

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. Morgan Stanley Investment Management Company, MFS International Singapore Pte Ltd, and Wellington Management Singapore Pte Ltd are the Sub-Investment Managers of the sub-fund.

NTUC Income Insurance Co-operative Limited (Income)

Income was established in 1970 to provide affordable insurance for workers in Singapore. Today, over two million people in Singapore look to NTUC 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 2018, Income had S$34.96 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.

Global Equity Fund

Morgan Stanley Investment Management Company (MSIM)

MSIM was established in 1975 as a subsidiary of Morgan Stanley Group Inc. As of 30 June 2018, MSIM employs 645 investment professionals worldwide in 21 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 30 June 2018, MSIM managed US$474 billion in assets for its clients.

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$473 billion (as of 30 June 2018). MFS believes in active bottom-up research aimed at consistently identifying high-quality investments by focusing on companies that have potential to generate above-average and sustainable earnings. MFS has a global network of research analysts and portfolio managers based in Boston, Toronto, Mexico City, London, Tokyo, Hong Kong, Singapore and Sydney.

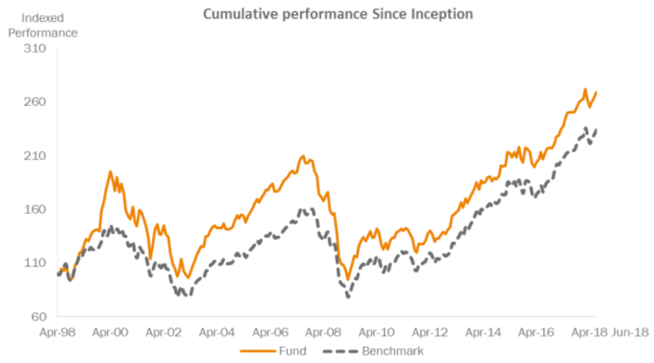
^Prior to November 2013, MFS was operating as a branch of MFS International Limited and was an exempted fund manager under the Singaporean regulatory regime.

Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1.07 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in 60 countries, as of 30 June 2018. WMC's singular focus is investments — from global equities and fixed income to currencies and commodities. WMC describes themselves as a community of teams that create solutions designed to respond to specific client needs. WMC's most distinctive strength is their proprietary, independent research, which is shared across all areas of the organisation and used only for managing clients' portfolios. Tracing its roots to the founding of Wellington Fund in 1928, the firm has offices in Boston, Massachusetts; Chicago, Illinois; Radnor, Pennsylvania; San Francisco, California; Beijing; Frankfurt; Hong Kong; London; Singapore; Sydney; Tokyo; Luxembourg and Zurich.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Equity Fund	1.80%	5.21%	2.28%	7.27%
Benchmark	1.90%	5.78%	2.47%	10.01%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Equity Fund	8.83%	10.70%	5.37%	5.00%
Benchmark	8.93%	11.54%	6.30%	4.29%



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

Volatility

	3-year (annualised)
Global Equity Fund	8.74%

Calculated using bid-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 2.8% in Singapore Dollar (SGD) terms in the 1st half of 2018. Continued though less synchronised global growth and relatively low interest rates helped support equities broadly.

The US S&P 500 Index returned 3.7% in SGD terms for the 1st half of 2018. While economic and earnings growth remained solid, the 1st half of 2018 saw a significant uptick in market volatility. US corporate earnings were buoyed by a major US tax reform package passed at the end of 2017.

European stocks, as measured by the STOXX 50 Index, returned -1.8% in SGD terms in the 1st half of 2018. A somewhat weaker pace of growth was seen in the year's 1st half as Europe's economy moderated from the torrid pace of late 2017. Geopolitical uncertainty surrounding Italy's new populist government along with concerns over growing US protectionism were headwinds for markets.

In Japan, the Nikkei Composite Index returned 2.7% in SGD terms in the 1st half of 2018. Moderating global industrial production and global trade friction were headwinds in early 2018, though a weaker yen against the US Dollar (USD) was a tailwind for Japan's exporters during the most recent quarter.

Emerging Market (EM), as measured by the MSCI EM Index returned -4.6% in SGD terms during the 1st half of 2018. Tighter financial conditions as a result of somewhat firmer US bond yields and a stronger USD were headwinds for EM, as were growing concerns over protectionism.

Market Outlook

Global growth became less synchronised during the 1st half of 2018 as the US maintained a solid growth trajectory but other developed economies grew more slowly than the fast pace of late 2017. While the global pace of growth is less robust than seen late last year, it remains stronger than the challenging late 2015-early 2016 period.

Inflation remains well-contained globally with the US Federal Reserve (Fed) and the European Central Bank (ECB) both meeting their 2% inflation targets in recent months. Policy remains accommodative despite gradual hikes from the Fed as the ECB signalled an end to its asset purchase programme in June, though it simultaneously issued dovish forward guidance that it does not expect to raise rates until after the summer of 2019. The Bank of Japan (BOJ) remains solidly on the monetary sidelines while the People's Bank of China has been lowering its reserve requirement ratio of late. From a valuation perspective, global equities have derated during the 1st half of the year. The trailing 12-month price-to-earnings (P/E) ratio for the MSCI World index has declined to 19.4x from 22.3x in late February of this year, just before the spike in equity volatility.

United States: US continued to grow solidly as unemployment fell to a 17-year low of 3.8% in May, though wage growth remained moderate. The Fed raised rates twice, in March and in June, and are expected to maintain a gradual tightening pace for the next year or more. Earnings were boosted dramatically by the enactment of broad-based tax reform in late 2017 which helped boost S&P 500 earnings by 25% in 1st quarter and 2nd quarter of 2018. 20% year-on-year growth is expected as earnings season gets underway. The rapid rise in earnings has not been met with a surge in stock prices however, allowing trailing 12-month earnings to derate to 19.7x from 23.4x in late January, perhaps reflecting headwinds from a firmer USD and fallout from protectionist US trade policies. A flattening US yield curve remains a cause for concern as curve inversions often precede recessions. Uncertainty surrounding US trade policy is particularly acute, with tariffs on billions of dollars in selected Chinese imports coming into effect in early July with potentially hundreds of billions more to follow later in the year. US tariffs on steel and aluminium imports are already in place, sparking countervailing tariffs on US exports to the European Union. Meanwhile, acrimonious North America Free Trade Agreement (NAFTA) talks have bogged down without an agreement. Elsewhere, geopolitical risks have subsided somewhat in the wake of the US-North Korea summit as provocative rhetoric has cooled substantially.

Europe: Economic growth downshifted in 1st quarter while an anticipated 2nd quarter rebound has failed to materialise. Europe's economy continues to expand, but not as robustly as in late 2017. Recent data suggest growth has begun to stabilise to a more sustainable level than the torrid pace experienced at the end of last year. Political uncertainty surrounding Italy's newly-installed anti-establishment government, along with a sharp decline in European bond yields since their January peaks, have helped undermine the euro versus its major competitors on the foreign exchange market. A weaker exchange rate should provide European exporters with a modest tailwind. Additionally, political instability has spread to Germany, where Angela Merkel's coalition is at risk of fraying over disagreements related to immigration policy. Growing international trade friction remains a particular risk to the export-heavy European economy, as ongoing Brexit uncertainty. Trailing 12-month earnings multiples have derated to 16.8x, below last quarter's 17.6x and its 18.4x, 20-year average. Sales growth has declined modestly from a quarter ago on a trailing 12-month basis, but remains robust at 14.5% versus a 2.6%, 20-year average. Net margin growth is holding firm at 7.0%, compared with a 5.8% long-term average, while dividend yields are just above their 20-year average, growing at a 3.2% rate.

Japan: Against a backdrop of modest domestic economic growth and solid but decelerating global growth, consumer and business sentiment in Japan remains relatively healthy, although businesses are increasingly wary of growing US protectionism. A rising labour force participation rate and very low unemployment (2.2%) are not translating into strong wage growth, nor to a significant rise in consumer price index (CPI). CPI was last reported at 0.6%, well below the BOJ's 2.0% target. Japan's economy contracted at an annualised rate of 0.6% in 1st quarter, snapping an eight-quarter streak of gross domestic product growth. Despite the soft patch, which was influenced by particularly harsh winter weather, growth is seen rebounding and averaging around 1.0% for all of 2018. Growing global trade tensions are risk to the outlook given Japan's close supply chain links with China and other regional manufacturing economies, though recent USD/JPY strength has been a tailwind. No material change in the BOJ's ultra-easy monetary policy is seen in the near-to-medium-term given Japan's continued inflation shortfall. The pace of bond purchases continues to slow as the market abides by the BOJ's yield target of near zero percent on the 10-year Japan government bond.

Emerging Markets: After outperforming developed market equities in 2017, EM equities have been an underperformer thus far in 2018. A strong USD, rising rates and commodity prices and global trade tensions are major concerns, especially for export-dependent economies. The uneven pace of global growth is a source of regional apprehension. Growth in 2017 was unusually synchronised, while 2018 has experienced a slowdown from last year's fast pace in most regions outside the US. However, on balance, EM economies continue to grow. Of particular concern for the region is how well countries that have closely-integrated supply chains with China, such as South Korea and Taiwan, are able to weather the gathering global storm over global trade. Latin America will garner increased attention after Mexico leftist elected Andres Manuel Lopez Obrador as the president on 1st July by a huge plurality. AMLO, as he is known, vows to increase social spending while at the same time maintaining fiscal discipline, which are seemingly incompatible aspirations. From a P/E perspective, EM has derated below its 20-year average of 14.9x, trading at 13.8x.

RISKS

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

Global Equity Fund

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

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

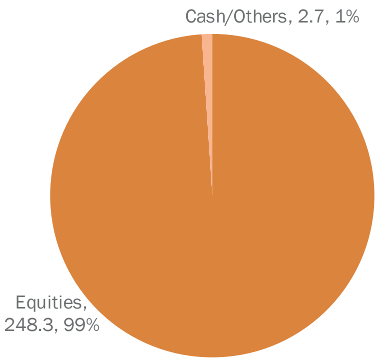
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

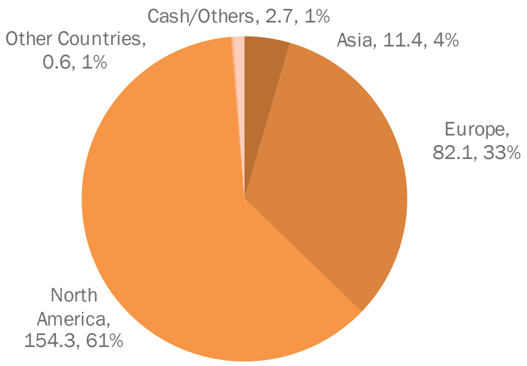
	Expense ratio	Turnover ratio
As of 30 June 2018	1.28%	30.19%
As of 30 June 2017	1.29%	35.86%

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

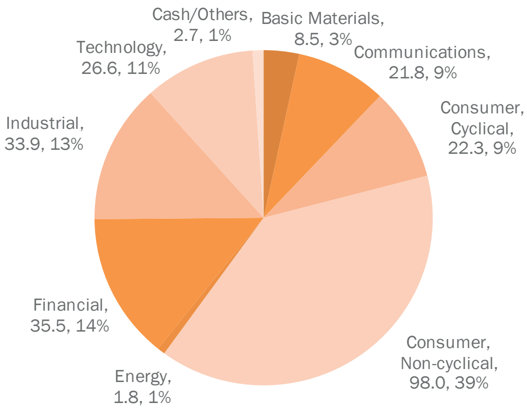
ASSET ALLOCATION AS OF 30 JUNE 2018



COUNTRY ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under Global Equity Fund.

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	254,508,619
Purchase of units	6,513,698
Redemption of units	(16,196,481)
Gain/(loss) on investments and other income	7,739,761
Management fees & other charge	(1,576,538)
Value of fund as of 30 June 2018	250,989,059

Units in issue	72,729,199
Net asset value per unit	
- at the beginning of the year	3.373
- as of 30 June 2018	3.451

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(644)	-	(14,612)	(270)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$1,576,538.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

Morgan Stanley^

Research received by MSIM Limited from 3 January 2018 (other than research that qualifies as a minor monetary benefit) will be paid out of its own resources. MSIM must take all sufficient steps to obtain the best possible result 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 "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 consideration 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, in the opinion of the Sub-Investment Manager, assist the Sub-Investment Manager in the management of the ILP. The Sub-Investment Manager confirmed that the trades were executed on a best execution basis, that is, the Sub-Investment Manager took all reasonable steps to obtain the best possible result of the ILP, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades.

MFS International^

MFS will pay for external research for all accounts beginning January 3, 2018. NTUC Income's portfolios which are managed by MFS are under the scope of 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

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

REPORTS

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

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

Singapore Bond Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	1 March 2000
Fund Size	S$316.58 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.5% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Narrowly Focused – Country – Singapore
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	Markit iBoxx ALBI Singapore Government 3+ Index
Structure	Single Fund

With effect from 31 May 2017, the benchmark, UOB Singapore Government Bond Index Long has been replaced by Markit iBoxx ALBI Singapore Government 3+ Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 2.875% 010930	51.2	16.2	Singapore Government Bonds 2.875% 010930	53.3	17.9
Singapore Government Bonds 3.375% 010933	25.4	8.0	Singapore Government Bonds 2.25% 010836	26.2	8.8
Singapore Government Bonds 2.75% 010442	20.3	6.4	Singapore Government Bonds 2.75% 010346	16.6	5.6
Singapore Government Bonds 2.75% 010346	14.7	4.7	Singapore Government Bonds 3% 010924	16.3	5.5
Singapore Government Bonds 3.5% 010327	13.4	4.2	Singapore Government Bonds 3.5% 010327	14.0	4.7
Singapore Government Bonds 1.625% 011019	10.0	3.2	CMT MTN Pte Ltd Capita 3.48% 060824	7.2	2.6
Singapore Government Bonds 2.375% 010625	10.0	3.2	Singapore Government Bonds 2.875% 010729	7.6	2.6
Export-Import Bk Korea 2.318% 270922	8.8	2.8	DBS Cap Funding 5.75% 290549	6.0	2.0
CMT MTN Pte Ltd Capita 3.48% 060824	7.5	2.4	Temasek FINL I 4% 071229	5.6	1.9
Mapletree Trea MAPLSP 2.85% 290825	6.8	2.2	Ascendas Pte Ltd 3.5% 180123	5.5	1.9

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

FUND MANAGER

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

NTUC Income Insurance Co-operative Limited (Income)

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

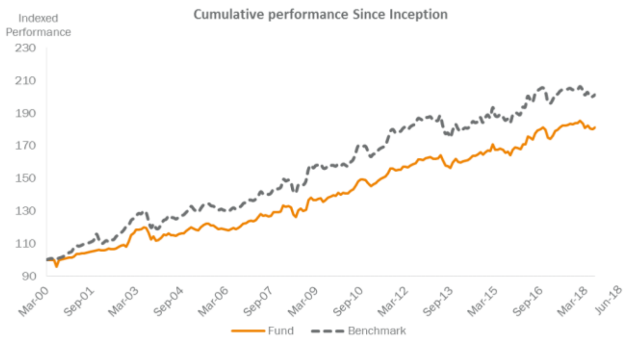
Singapore Bond Fund

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

As of 30 June 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Singapore Bond Fund	0.50%	-0.66%	-2.21%	-0.66%
Benchmark	0.56%	-0.76%	-2.44%	-1.64%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Bond Fund	3.05%	2.82%	3.68%	3.29%
Benchmark	2.75%	2.55%	3.62%	3.89%



Changes to benchmarks during the life of the sub-fund: Since inception to 31 May 2017 - UOB Singapore Government Bond Index (Long).
With effect from 31 May 2017, the benchmark has been changed to Markit iBoxx ALBI Singapore Government 3+ Index.

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

Volatility

	3-year (annualised)
Singapore Bond Fund	3.78%

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

MARKET REVIEW

The Singapore Bond Fund returned -2.21% for the six months ended 30 June 2018. Although this is better than its benchmark return of -2.44%, the performance was negatively impacted by actual and expectation of further interest rate hikes led by the US Federal Reserve (Fed).

2nd quarter's advance estimates indicate Singapore's economy grew by 3.8% over the corresponding period in 2017, albeit less robust than market's expectation. While services and manufacturing industries continue to expand, the same cannot be said about the construction sector, which has been weak for the last two years. Meanwhile, Singapore's inflation numbers are likely to stay within the expected range for the rest of the year, namely 0% to 1% for Consumer Price Index All Items Inflation and 1% to 2% for Core Inflation (which excludes private road transport and accommodation).

The flush liquidity environment which marked the last decade is expected to diminish progressively. The Fed will continue with its multi-year balance sheet normalisation exercise and the European Central Bank is expected to terminate the quantitative easing programme by December 2018. With central banks stepping back, financial assets, especially those which have benefited from central banks' purchases, may increasingly be dependent on market forces to determine their clearing prices. Trump Administration's trade policy also looks unfavourable to Asia at the margin. While the globally synchronised growth story remains on track, these uncertainties will offset the moderate growth and low inflation environment conducive to the financial markets.

Markets are likely to remain volatile for the rest of 2018, so we will endeavour to minimise the negative impact of higher rates while keeping Singapore government securities as core holding to weather short to medium-term uncertainties. The Singapore Bond Fund favours a strategy of shorter duration (than benchmark) coupled with investment in selective credits to keep the portfolio quality high. We are constructive on credits as corporate fundamentals remain sound. We would continue to look for good quality assets with decent credit spread to provide yield enhancement.

RISKS

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

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

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

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

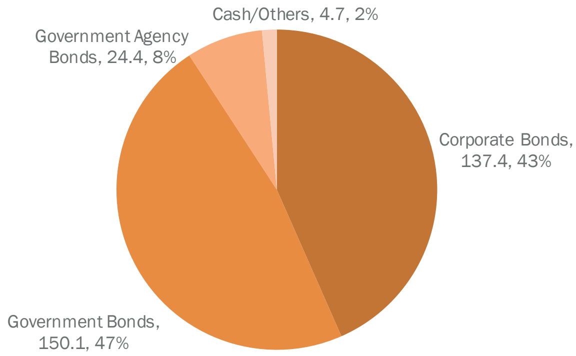
Singapore Bond Fund

EXPENSE AND TURNOVER RATIO

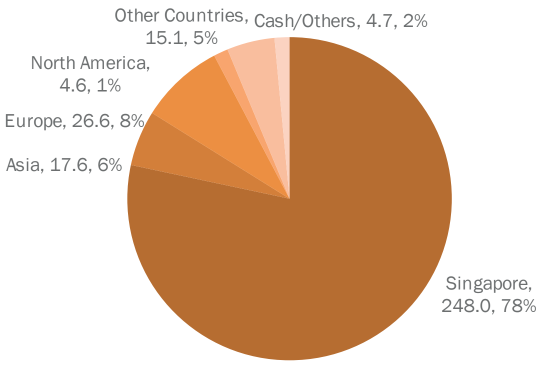
	Expense ratio	Turnover ratio
As of 30 June 2018	0.52%	53.68%
As of 30 June 2017	0.52%	42.25%

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

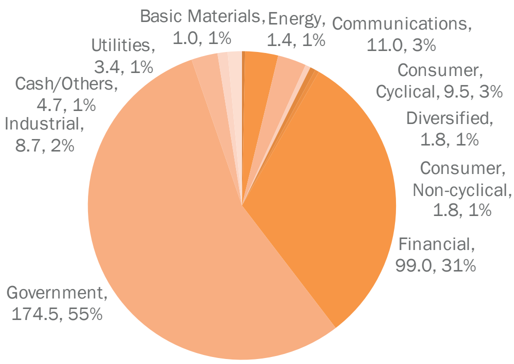
ASSET ALLOCATION AS OF 30 JUNE 2018



COUNTRY ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	165.3	52.2
AA+	1.0	0.3
AA	17.0	5.4
AA-	1.0	0.3
A+	16.5	5.2
A	18.5	5.8
A-	15.3	4.8
BBB+	4.9	1.6
BBB	22.7	7.2
BBB-	6.3	2.0
Not rated	43.4	13.7
Total	311.9	98.5

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

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	321,427,552
Purchase of units	15,677,343
Redemption of units	(13,392,277)
Gain/(loss) on investments and other income	(6,352,877)
Management fees & other charge	(779,876)
Value of fund as of 30 June 2018	316,579,865

Units in issue	174,671,657
Net asset value per unit	
- at the beginning of the year	1.853
- as of 30 June 2018	1.812

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Swaps	(9,965)	-	-	(27,943)
Forwards	-	-	25,236	(25,259)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$779,876.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

CONFLICTS OF INTEREST

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Singapore Equity Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	2 January 2003
Fund Size	S$155.79 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.65% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Narrowly Focused – Country – Singapore
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	State Street Global Advisors Singapore Limited (SSGA)
Benchmark	FTSE Straits Times Index (FTSE STI)
Structure	Single Fund

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
DBS Group Holdings Ltd	27.1	17.4	DBS Group Holdings Ltd	22.8	14.1
Oversea-Chinese Banking Corp	21.6	13.9	Oversea-Chinese Banking Corp	21.6	13.4
United Overseas Bank Ltd	15.6	10.0	Singapore Telecommunications Ltd	13.9	8.6
Singapore Telecommunications Ltd	9.7	6.2	United Overseas Bank Ltd	13.7	8.5
Keppel Corp Ltd	6.5	4.2	Hongkong Land Holdings Ltd	7.5	4.6
Jardine Strategic Holdings Ltd	6.2	4.0	Thai Beverage PCL	6.9	4.3
Jardine Matheson Holdings	5.9	3.8	CapitaLand Ltd	6.7	4.1
Genting Singapore Ltd	4.9	3.1	Jardine Matheson Holdings	6.5	4.0
Hongkong Land Holdings Ltd	4.4	2.8	Global Logistic Properties Ltd	6.4	4.0
Thai Beverage PCL	4.4	2.8	Singapore Technologies Engineering Ltd	4.8	3.0

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

FUND MANAGER

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Singapore Equity Fund

State Street Global Advisors Singapore Limited (SSGA Singapore)

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

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

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$2.72 trillion as of 30 June 2018. AUM reflects approx. US$32.9 billion (as of 30 June 2018) 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.*

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Singapore Equity Fund	-4.73%	-3.95%	-2.42%	4.51%
Benchmark	-4.65%	-3.31%	-2.25%	4.85%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Equity Fund	2.88%	3.77%	3.44%	8.18%
Benchmark	3.17%	4.25%	4.48%	9.86%

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

Volatility

	3-year (annualised)
Singapore Equity Fund	13.00%

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

MARKET REVIEW

FTSE Straits Times index (STI) swung wildly between gains and losses during the 1^{st} half of 2018, amid escalating threat of US-China trade war and rapidly deteriorating credit condition in China. The index declined 3.9% as at the end of June 2018, performing in-line with MSCI Asia ex Japan. The technology sector fared worst, with Venture Corp, the only constituent in the sector, coming under heavy selling pressure due to investor concerns over a significant fall in demand at one of its key customers. The telecom sector is the 2^{nd} worst performer as the industry grappled with competition from Over-The-Top service providers and potential new entrant in the mobile communication market. Starhub, which has large exposure to both Pay TV and mobile segments, saw its share price plunge 41.8% during the period in review. On a more positive note, ComfortDelgro is the best performing stock in the STI with total return of 22.0%. Fierce competition from private hire car operators abated after Uber reached an agreement to merge its Southeast Asia business with Grab. ComfortDelgro's taxi fleet, which has been shrinking for nearly two years, is likely to start expanding again after the transport operator placed orders for 700 new taxis in May 2018.

On the economic front, final 1^{st} quarter gross domestic product grew by 4.4% year-on-year (yoy) driven by an acceleration in services, which the Ministry of Trade and Industry attributed to robust growth in the fund management, financial intermediation and insurance segments. Industrial production expanded by 11% yoy in May, driven by strong momentum in the electronics and biomedical clusters. Non-Oil Domestic Exports (NODX) expanded 15.5% yoy in May to the highest in 7 months as non-electronics exports surged to 26.2% yoy. Electronics exports fell another 7.8% in May for its sixth consecutive month of decline, a divergence from electronics production which grew 17.1% in May, which could be attributed to inventory build-up. Overall NODX growth was supported by exports to the US, EU and Japan, offsetting the decline in NODX to other Asia ex-Japan countries. On the domestic front, prices of private residential property, as represented by Urban Redevelopment Authority's 1^{st} quarter 2018 private residential price index, continued to rise by 3.9% quarter-on-quarter for the 3^{rd} consecutive quarter. With the improving macroeconomic backdrop, Monetary Authority of Singapore, in its April 2018 Monetary Policy Statement, increased the slope of the SGD Nominal Effective Exchange Rate policy band slightly from zero percent previously and the authority expected core inflation to gradually rise to the upper half of its 1-2% forecast range.

Heading into the 2^{nd} half of the year, we expect the imminent trade tariffs imposed by US on China, retaliatory moves by the Chinese authority, further potential hikes in US Federal Reserve funds rate, and the drag from tight credit condition on the Chinese economy to keep market volatility at an elevated level. Singapore, being an open economy, is likely to be impacted if the US-China trade spat were to escalate into a full-blown trade war. While the rising interest rate environment is positive for bank profitability, the risk of a full-blown trade war and market volatility poses threat to trade loans and wealth management activities. Meanwhile, management rejuvenation at Singapore Press gave the disrupted business a new lease of life as the new team charts new strategy and direction for the ailing media company. The portfolio remains positioned in high quality names which offer resilience during these uncertain times. Despite the improving sentiment in the property sector, we have reduced our exposure to the property sector in favour of health care and consumer stocks with superior earnings quality.

RISKS

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

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

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

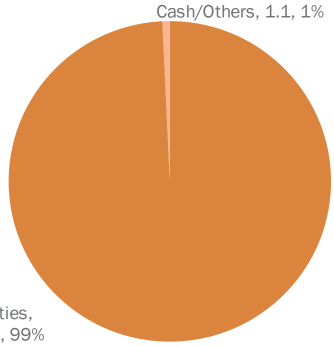
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

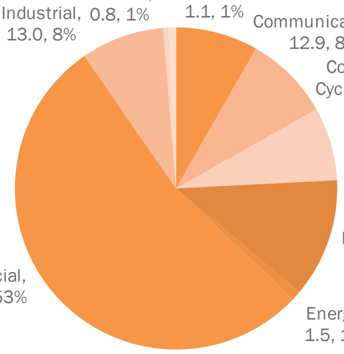
	Expense ratio	Turnover ratio
As of 30 June 2018	0.73%	24.24%
As of 30 June 2017	0.70%	28.71%

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

ASSET ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under Singapore Equity Fund.

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	162,395,417
Purchase of units	9,752,511
Redemption of units	(12,748,915)
Gain/(loss) on investments and other income	(3,082,518)
Management fees & other charge	(525,653)
Value of fund as of 30 June 2018	155,790,842

Units in issue	46,082,328
Net asset value per unit	
- at the beginning of the year	3.465
- as of 30 June 2018	3.381

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Futures	1,261	-	(93,747)	(899)

Singapore Equity Fund

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Ascendas REIT	2.1	1.3
CapitaLand Mall Trust	1.6	1.0
CapitaLand Mall Trust	1.3	0.8
Mapletree Commercial Trust REIT NPV	0.9	0.6
Hutchison Port Holdings	0.6	0.4
Far East Hospitality Trust NPV	0.6	0.4

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$525,653.

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

State Street

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.

State Street

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Asia Managed Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	1 September 1995
Fund Size	S$147.15 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Custodian	Citibank N.A.
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
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	70% MSCI AC Asia ex-Japan Index in Singapore Dollars 30% Markit iBoxx ALBI Singapore Government 3+ Index
Structure	Single Fund

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

TOP 10 HOLDINGS

Asia Managed Fund

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	101.6	69.0	Schroder Asian Growth Fund	82.6	69.8
Singapore Bond Fund	44.6	30.3	Singapore Bond Fund	35.6	30.1

Schroder Asian Growth Fund^

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Samsung Electronics	97.5	6.6	Samsung Electronics	64.3	7.6
Alibaba Group Holding	90.8	6.2	Taiwan Semiconductor Manufacturing	56.8	6.7
Tencent Holdings	85.8	5.9	Tencent Holdings	54.1	6.4
Taiwan Semiconductor Manufacturing	75.3	5.1	Alibaba Group Holding	50.4	5.9
AIA Group	55.1	3.8	AIA Group	33.9	4.0
HDFC Bank	49.4	3.4	HDFC Bank	33.4	3.9
Huazhu Group	36.4	2.5	China Pacific Insurance Group	22.0	2.6
China Pacific Insurance Group	36.4	2.5	Hon Hai Precision Industry	20.7	2.4
Techtronic Industries	35.8	2.4	Techtronic Industries	20.4	2.4
China Petroleum & Chemical	35.6	2.4	New Oriental Education & Technology Group	20.3	2.4

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

Asia Managed Fund

FUND MANAGER

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

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

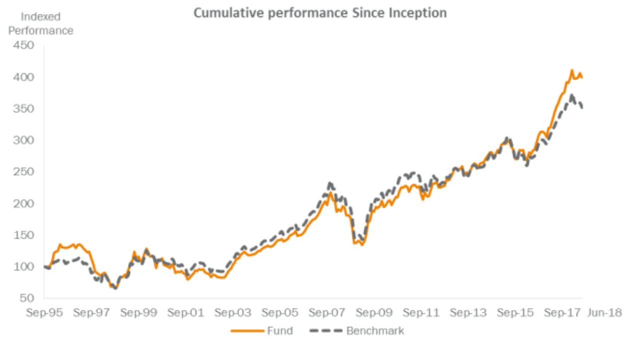
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$593.3 billion (as of 30 June 2018).

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

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Asia Managed Fund	-1.48%	0.56%	0.40%	11.54%
Benchmark	-1.89%	-1.34%	-2.63%	5.71%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asia Managed Fund	11.27%	10.24%	8.25%	6.25%
Benchmark	6.19%	7.66%	5.99%	5.66%



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 99 to Mar 2000 - 45% FTSE STI, 20% HSI, 15% SET, 20% UOB Long Bond Index; Since Mar 97 to Mar 99 - 25% DBS 50, 25% KLCI, 10% SET, 40% Singapore 3-Month Deposit rate; Since inception to Feb 97 - 33.33% DBS 50, 33.33% KLCI, 33.33% Singapore 3-Month Deposit rate.

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

Volatility

	3-year (annualised)
Asia Managed Fund	8.94%

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

MARKET REVIEW

Asian equities started 2018 strongly but ended the 1st half of the year firmly down, with global trade concerns serving to increase risk aversion. The ongoing efforts of the Chinese government to deleverage the economy and tighten excess credits in the shadow banking system also fuelled concerns that economic growth momentum could decelerate.

ASEAN markets were among the weakest index countries, with Philippines and Indonesia in particular posting sharp falls, as worries over weakening currencies and the wobbly bond markets hit economies running both current account and government budget deficits.

Following an extended period of low interest rates, the US Federal Reserve continues to maintain a hawkish stance with further tightening of monetary policy. Rising bond yields and a strengthening US Dollar (USD) remain potential headwinds for equity markets in the near-term in a move towards normalisation. In contrast to previous "taper tantrums" however, Asian Emerging Markets generally look better placed today from a macro perspective. Current account deficits have been reduced, with most Asian countries running a surplus. Currencies have already weakened in recent years and inflationary pressures in the region remain benign outside of India and the Philippines. Recent Renminbi weakness is not expected to continue aggressively given the risk of inciting capital outflows. Real interest rates remain reasonably attractive in most markets.

Asia Managed Fund

While we may still see "risk-off"-driven selling of assets and FX in some countries in response to any sharp USD moves, we do not expect this to escalate or cause any systemic problems on the ground in Asia.

More recently however, with escalating trade tensions between US and China, politics and protectionism have however taken centre stage as key drivers of markets and investor sentiment amidst a sense of heightened uncertainty. Even with the 1st set of tariffs having taken effect, our base case remains that a wide ranging, very destructive trade war is not in anyone's interest. The real risk to Asian earnings remain hard to gauge given that the announced tariffs to date are fairly narrow in scope and will have little impact on the listed corporate sector in Asia. The impact on the Chinese economy is also expected to be manageable as policy levers remain available, including dialling down the current tightening and deleveraging measures. China has also shown its willingness to reduce import barriers and further liberalise its domestic markets to find a better balance to trade.

Rather than impacting earnings forecasts today, this heightened uncertainty is contributing to a greater overall risk premium for equities and more volatility as investors await the latest tweet from the US President. Our base case remains that a destructive trade war is not in anyone's interest, and that the risk from increased tariffs will ultimately prove manageable in the context of overall Asian earnings – particularly given the significant increase in importance for domestic consumption in countries like China today. We will reassess our positions as more details emerge, but we do not see this undermining the broader investment case for equities in the region over the longer term.

As long-term investors, we have not made any dramatic changes to our strategy in light of current market uncertainty and portfolio turnover remains low. We remain geared towards secular growth trends including consumption and services related areas like internet and e-commerce, travel, healthcare and education. In China, over the years we have preferred to focus on areas with strong secular tailwinds rather than try to trade the shorter term mini-cycles in investment spending, which are far more vulnerable to shifts in policy stances.

Recent market weakness has seen value start to emerge in select areas and we are monitoring for opportunities. Valuations in ASEAN have come off but have yet to reach levels compelling enough. This year we have been topping up positions in developed market banks and insurance stocks which are beneficiaries of the higher interest rate environment. We have also added, very selectively, to some energy companies that are positioned to benefit from higher oil prices. Within the technology and internet space, after a very strong run last year, we have taken some profits in recent months due to valuation concerns and lack of any earnings 'beat'.

Asian markets are now trading at slightly below their long-term averages levels. Market Earnings Per Share (EPS) growth expectations for 2018 is in the low-teens. After a period of very strong and consistent upward earnings revisions through 2017 and early 2018, momentum has faded more recently, with some modest downgrades in numbers at the margin although double digit growth this year still looks realistic.

RISKS

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

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

EXPENSE AND TURNOVER RATIO

Asia Managed Fund

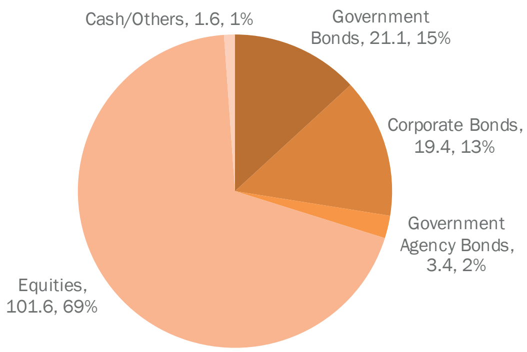
	Expense ratio	Turnover ratio
As of 30 June 2018	1.38%	5.07%
As of 30 June 2017	1.49%	10.80%

Schroder Asian Growth Fund

	Expense ratio	Turnover ratio
As of 30 June 2018	1.35%	13.06%
As of 30 June 2017	1.36%	19.97%

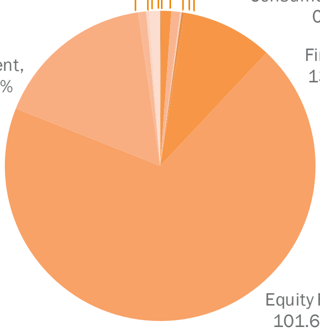
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

ASSET ALLOCATION AS OF 30 JUNE 2018



Asia Managed Fund

SECTOR ALLOCATION AS OF 30 JUNE 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	23.3	15.8
AA+	0.1	0.1
AA	2.4	1.6
AA-	0.1	0.1
A+	2.3	1.6
A	2.6	1.8
A-	2.2	1.5
BBB+	0.7	0.5
BBB	3.2	2.2
BBB-	0.9	0.6
Not rated	6.1	4.2
Total	43.9	29.8

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

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	143,154,219
Purchase of units	15,181,298
Redemption of units	(11,878,589)
Gain/(loss) on investments and other income	814,702
Management fees & other charge	(121,882)
Value of fund as of 30 June 2018	147,149,748

Units in issue	45,162,800
Net asset value per unit	
- at the beginning of the year	3.245
- as of 30 June 2018	3.258

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	101.6	69.0
Singapore Bond Fund	44.6	30.3

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$121,882.

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

More information can be found in the Fund Report of Singapore Bond Fund.

Schroder^

In the management of the Schroder Asian Growth Fund, Schroder may accept soft dollar commissions from, or enter into soft dollar arrangement with, stockbrokers who execute trades on behalf of the Schroder Asian Growth Fund and the soft dollars received are restricted to the following kinds of services:

i. Research, analysis or price information;
ii. Performance measurement;
iii. Portfolio valuations; and
iv. Administration services.

Schroder may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist Schroder in their management of the Schroder Asian Growth

Fund, (b) best execution is carried out for the transactions, and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. Schroder shall not receive goods and services such as travel, accommodation and entertainment.

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.

Schroder^

The Managers may from time to time have to deal with competing or conflicting interests between the other unit trusts which are managed by the Managers and the Trust. For example, the Managers 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 Trust, as a decision whether or not to make the same investment or sale for the Trust depends on factors such as the cash availability and portfolio balance of the Trust. However the Managers will use reasonable endeavours at all times to act fairly and in the interests of the Trust. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other unit trusts managed by the Managers and the Trust, the Managers will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the Trust and the other unit trusts managed by the Managers.

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

Associates of the Trustee may be engaged to provide financial, banking or brokerage services to the Trust 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 Trust, where provided, and such activities with the Trustee, where entered into, will be on an arm's length basis.

^Schroder (information extracted from Prospectus of Schroder Asian Growth Fund. (Source: Schroder Investment Management (Singapore) Limited)

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Global Managed Fund (Balanced)

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	2 January 2003
Fund Size	S$170.05 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.9375% per annum at sub-fund level Prior to 15 June 2016, the management fees were charged at core sub-fund levels
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	10% FTSE Straits Times Index (FTSE STI) 40% MSCI World Index in Singapore Dollars 15% Markit iBoxx ALBI Singapore Government 3+ Index 35% Barclays Global Aggregate Index (SGD Hedged)
Structure	Single Fund

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Global Equity Fund	67.5	39.7	Global Equity Fund	69.0	39.8
Global Bond Fund	59.6	35.1	Global Bond Fund	61.0	35.2
Singapore Bond Fund	25.6	15.1	Singapore Bond Fund	26.0	15.0
Singapore Equity Fund	16.9	10.0	Singapore Equity Fund	17.5	10.1

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

FUND MANAGER

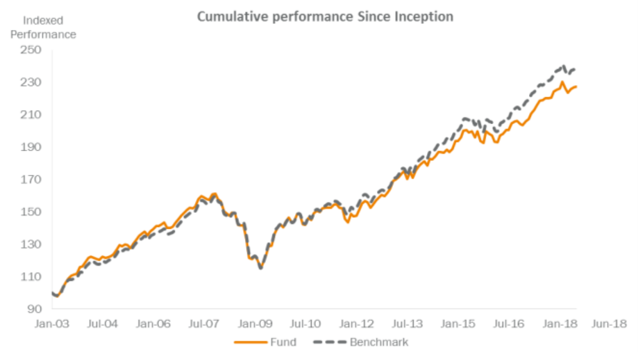
NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

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

Global Managed Fund (Balanced)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Balanced)	0.22%	1.65%	0.57%	3.74%
Benchmark	0.42%	1.87%	0.39%	4.66%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Balanced)	5.10%	5.95%	4.83%	5.44%
Benchmark	5.46%	6.73%	5.30%	5.78%



Changes to benchmarks during the life of the sub-fund: Since inception to 31 May 2017 – 10% FTSE Straits Times Index (FTSE STI), 40% MSCI World Index in Singapore Dollars, 15% UOB Singapore Government Bond Index Long, 35% Barclays Global Aggregate in Singapore Dollars.

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.

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

Volatility

	3-year (annualised)
Global Managed Fund (Balanced)	4.37%

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

MARKET REVIEW

Global Bond

Market Review

The year started with generalised sell-offs and central bank actions. Trade tensions rose after the announcement of some import tariff increases. The European Central Bank (ECB) released hawkish minutes from their December meeting, the Bank of Japan (BOJ) announced the reduction by 10 billion yen of long-term Japan government bonds purchases, and its Governor, Mr. Kuroda surprised markets with hawkish comments on inflation and economic outlooks. The Bank of Canada, raised interest rates again in January and the US Federal Reserve (Fed)'s Federal Open Market Committee ended the month by delivering an upbeat assessment of the US economy and expected inflation to "move up this year" and stabilise around its target of 2%, a message that reinforced the likelihood of three hikes this year.

With economic data from all developed markets coming in, spring yields moved upwards, and the 5-year German yield moved back into positive territory for the 1st time since 2015. The US announced that they would start imposing tariffs on Chinese steel and other goods in retaliation for intellectual property theft that the US alleges China has undertaken over the last few decades. In retaliation, China announced that they would impose tariffs on US agricultural exports like fruit and wine. This threat of trade wars raised concerns about the impact on the private sector, and risk assets such as corporate bonds, underperformed government bonds as their yield spreads widened. This will be a longer term issue to watch for. The most impactful event of the 1st six months however, came from Italy after the coalition between anti-EU "League" and populist "5-Star" parties failed to form a government – creating worries that a snap election could be called. This led Italian government bond yields to rise sharply, with the 2 year Italian government bond yield rising from -0.16% at the end of April, to a peak of 2.90% on the 30th of May.

In the final part of the half, the ECB held their annual forum at Sintra in Portugal where announcements made by various central banks highlighted the current environment of divergent monetary policy; the ECB and BOJ did not announce the end of tapering, while on the other hand, the Bank of England prepared markets for a potential rate rise before August. The Fed also stated that given current growth, they maintain target to keep rates rising at a steady pace. Markets were much calmer compared to the early part when Italian politics brought heightened risk aversion, leading the 10 year US treasury yield to end the 1st half of 2018 at 2.86%.

Market Outlook

We are currently overall underweight duration, in particular in the US, Europe and UK as central banks undergo change. We remain overweight credit, and within FX, we have a preference for the US Dollar (USD) while remaining underweight many Asian Emerging Market (EM) currencies.

Our central case scenario remains one of global expansion but we note with less momentum. The economic outlook is still positive and broadly unchanged, with global growth expected to remain above potential with balanced risks. Central Banks will remove excess accommodation and communicate accordingly, but will do this carefully to avoid market disruption. Inflation risks is tilted to the upside (notably in the US) even if current inflation data remain broadly muted. Geopolitical issues and the turmoil linked to the escalation of trade tensions will continue to loom.

Our positioning reflects the aforementioned outlook, by being broadly underweight duration as we expect global growth, inflation and central banks normalisation policies to push rates higher. In currencies, our strongest conviction is on overweight USD as a solid rebound is expected for US gross domestic product (GDP) for the next quarters thanks to confirmed growth drivers and a strong tax effect. Also, we remain allocated to credit and EM amid global expansion being positive for risk asset classes. Within credit, we overweight financials which exhibit good fundamentals and provide a yield pick-up. We are selectively long emerging currencies like Mexican Peso (MXN), Brazilian Real (BRL) or Indian Rupee (INR) as valuations, technical and carry levels are still attractive.

Singapore Bond

The Singapore Bond Fund returned -2.21% for the six months ended 30th June 2018. Although this is better than its benchmark return of -2.44%, the performance was negatively impacted by actual and expectation of further interest rate hikes led by the US Federal Reserve (Fed).

2nd quarter's advance estimates indicate Singapore's economy grew by 3.8% over the corresponding period in 2017, albeit less robust than market's expectation. While services and manufacturing industries continue to expand, the same cannot be said about the construction sector, which has been weak for the last two years. Meanwhile, Singapore's inflation numbers are likely to stay within the expected range for the rest of the year, namely 0% to 1% for consumer price index (CPI)-All Items Inflation and 1% to 2% for Core Inflation (which excludes private road transport and accommodation).

The flush liquidity environment which marked the last decade is expected to diminish progressively. The Fed will continue with its multi-year balance sheet normalisation exercise and the ECB is expected to terminate the quantitative easing programme by December 2018. With central banks stepping back, financial assets, especially those which have benefited from central banks' purchases, may increasingly be dependent on market forces to determine their clearing prices. Trump Administration's trade policy also looks unfavourable to Asia at the margin. While the globally synchronised growth story remains on track, these uncertainties will offset the moderate growth and low inflation environment conducive to the financial markets.

Markets are likely to remain volatile for the rest of 2018, so we will endeavour to minimise the negative impact of higher rates while keeping Singapore government securities as core holding to weather short to medium-term uncertainties. The Singapore Bond Fund favours a strategy of shorter duration (than benchmark) coupled with investment in selective credits to keep the portfolio quality high. We are constructive on credits as corporate fundamentals remain sound. We would continue to look for good quality assets with decent credit spread to provide yield enhancement.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned 2.8% in Singapore Dollar (SGD) terms in the 1st half of 2018. Continued though less synchronised global growth and relatively low interest rates helped support equities broadly.

The US S&P 500 Index returned 3.7% in SGD terms for the 1st half of 2018. While economic and earnings growth remained solid, the 1st half of 2018 saw a significant uptick in market volatility. US corporate earnings were buoyed by a major US tax reform package passed at the end of 2017.

European stocks, as measured by the STOXX 50 Index, returned -1.8% in SGD terms in the 1st half of 2018. A somewhat weaker pace of growth was seen in the year's 1st half as Europe's economy moderated from the torrid pace of late 2017. Geopolitical uncertainty surrounding Italy's new populist government along with concerns over growing US protectionism were headwinds for markets.

In Japan, the Nikkei Composite Index returned 2.7% in SGD terms in the 1st half of 2018. Moderating global industrial production and global trade friction were headwinds in early 2018, though a weaker yen against the USD was a tailwind for Japan's exporters during the most recent quarter.

EM, as measured by the MSCI EM Index returned -4.6% in SGD terms during the 1st half of 2018. Tighter financial conditions as a result of somewhat firmer US bond yields and a stronger USD were headwinds for EM, as were growing concerns over protectionism.

Market Outlook

Global growth became less synchronised during the 1st half of 2018 as the US maintained a solid growth trajectory but other developed economies grew more slowly than the fast pace of late 2017. While the global pace of growth is less robust than seen late last year, it remains stronger than the challenging late 2015-early 2016 period.

Inflation remains well-contained globally with the Fed and the ECB both meeting their 2% inflation targets in recent months. Policy remains accommodative despite gradual hikes from the Fed as the ECB signalled an end to its asset purchase programme in June, though it simultaneously issued dovish forward guidance that it does not expect to raise rates until after the summer of 2019. The BOJ remains solidly on the monetary sidelines while the People's Bank of China has been lowering its reserve requirement ratio of late. From a valuation perspective, global equities have derated during the 1st half of the year. The trailing 12-month price-to-earnings ratio (P/E) for the MSCI World index has declined to 19.4x from 22.3x in late February of this year, just before the spike in equity volatility.

United States: US continued to grow solidly as unemployment fell to a 17-year low of 3.8% in May, though wage growth remained moderate. The Fed raised rates twice, in March and in June, and are expected to maintain a gradual tightening pace for the next year or more. Earnings were boosted dramatically by the enactment of broad-based tax reform in late 2017 which helped boost S&P 500 earnings by 25% in 1st quarter and 2nd quarter of 2018. 20% year-on-year growth is expected as earnings season gets underway. The rapid rise in earnings has not been met with a surge in stock prices however, allowing trailing 12-month earnings to derate to 19.7x from 23.4x in late January, perhaps reflecting headwinds from a firmer USD and fallout from protectionist US trade policies. A flattening US yield curve remains a cause for concern as curve inversions often precede recessions. Uncertainty surrounding US trade policy is particularly acute, with tariffs on billions of dollars in selected Chinese imports coming into effect in early July with potentially hundreds of billions more to follow later in the year. US tariffs on steel and aluminium imports are already in place, sparking countervailing tariffs on US exports to the European Union. Meanwhile, acrimonious North America Free Trade Agreement (NAFTA) talks have bogged down without an agreement. Elsewhere, geopolitical risks have subsided somewhat in the wake of the US-North Korea summit as provocative rhetoric has cooled substantially.

Europe: Economic growth downshifted in 1st quarter while an anticipated 2nd quarter rebound has failed to materialise. Europe's economy continues to expand, but not as robustly as in late 2017. Recent data suggest growth has begun to stabilise to a more sustainable level than the torrid pace experienced at the end of last year. Political uncertainty surrounding Italy's newly-installed anti-establishment government, along with a sharp decline in European bond yields since their January peaks, have helped undermine the euro versus its major competitors on the foreign exchange market. A weaker exchange rate should provide European exporters with a modest tailwind. Additionally, political instability has spread to Germany, where Angela Merkel's coalition is at risk of fraying over disagreements related to immigration policy. Growing international trade friction remains a particular risk to the export-heavy European economy, as ongoing Brexit uncertainty. Trailing 12-month earnings multiples have derated to 16.8x, below last quarter's 17.6x and its 18.4x, 20-year average. Sales growth has declined modestly from a quarter ago on a trailing 12-month basis, but remains robust at 14.5% versus a 2.6%, 20-year average. Net margin growth is holding firm at 7.0%, compared with a 5.8% long-term average, while dividend yields are just above their 20-year average, growing at a 3.2% rate.

Japan: Against a backdrop of modest domestic economic growth and solid but decelerating global growth, consumer and business sentiment in Japan remains relatively healthy, although businesses are increasingly wary of growing US protectionism. A rising labour force participation rate and very low unemployment (2.2%) are not translating into strong wage growth, nor to a significant rise in CPI. CPI was last reported at 0.6%, well below the BOJ's 2.0% target. Japan's economy contracted at an annualised rate of 0.6% in 1st quarter, snapping an eight-quarter streak of GDP growth. Despite the soft patch, which was influenced by particularly harsh winter weather, growth is seen rebounding and averaging around 1.0% for all of 2018. Growing global trade tensions are a risk to the outlook given Japan's close supply chain links with China and other regional manufacturing economies, though recent USD/JPY strength has been a tailwind. No material change in the BOJ's ultra-easy monetary policy is seen in the near-to-medium-term given Japan's continued inflation shortfall. The pace of bond purchases continues to slow as the market abides by the BOJ's yield target of near zero percent on the 10-year Japan government bond.

Emerging markets: After outperforming developed market equities in 2017, EM equities have been an underperformer thus far in 2018. A strong USD, rising rates and commodity prices and global trade tensions are major concerns, especially for export-dependent economies. The uneven pace of global growth is a source of regional apprehension. Growth in 2017 was unusually synchronised, while 2018 has experienced a slowdown from last year's fast pace in most regions outside the US. However, on balance, EM economies continue to grow. Of particular concern for the region is how well countries that have closely-integrated supply chains with China, such as South Korea and Taiwan, are able to weather the gathering global storm over global trade. Latin America will garner increased attention after Mexico leftist elected Andres Manuel Lopez Obrador as the president on 1st July by a huge plurality. AMLO, as he is known, vows to increase social spending while at the same time maintaining fiscal discipline, which are seemingly incompatible aspirations. From a P/E perspective, EM has derated below its 20-year average of 14.9x, trading at 13.8x.

Singapore Equity

FTSE Straits Times index (STI) swung wildly between gains and losses during the 1st half of 2018, amid escalating threat of US-China trade war and rapidly deteriorating credit condition in China. The index declined 3.9% as at the end of June 2018, performing in-line with MSCI Asia ex Japan. The technology sector fared worst, with Venture Corp, the only constituent in the sector, coming under heavy selling pressure due to investor concerns over a significant fall in demand at one of its key customers. The telecom sector is the 2nd worst performer as the industry grappled with competition from Over-The-Top service providers and potential new entrant in the mobile communication market. Starhub, which has large exposure to both Pay TV and mobile segments, saw its share price plunge 41.8% during the period in review. On a more positive note, ComfortDelgro is the best performing stock in the STI with total return of 22.0%. Fierce competition from private hire car operators abated after Uber reached an agreement to merge its Southeast Asia business with Grab. ComfortDelgro’s taxi fleet, which has been shrinking for nearly two years, is likely to start expanding again after the transport operator placed orders for 700 new taxis in May 2018.

On the economic front, final 1st quarter GDP grew by 4.4% year-on-year (yoy) driven by an acceleration in services, which the Ministry of Trade and Industry attributed to robust growth in the fund management, financial intermediation and insurance segments. Industrial production expanded by 11% yoy in May, driven by strong momentum in the electronics and biomedical clusters. Non-Oil Domestic Exports (NODX) expanded 15.5% yoy in May to the highest in 7 months as non-electronics exports surged to 26.2% yoy. Electronics exports fell another 7.8% in May for its sixth consecutive month of decline, a divergence from electronics production which grew 17.1% in May, which could be attributed to inventory build-up. Overall NODX growth was supported by exports to the US, EU and Japan, offsetting the decline in NODX to other Asia ex-Japan countries. On the

Global Managed Fund (Balanced)

domestic front, prices of private residential property, as represented by Urban Redevelopment Authority's 1st quarter of 2018 private residential price index, continued to rise by 3.9% quarter-on-quarter for the 3rd consecutive quarter. With the improving macroeconomic backdrop, Monetary Authority of Singapore, in its April 2018 Monetary Policy Statement, increased the slope of the SGD Nominal Effective Exchange Rate policy band slightly from zero percent previously and the authority expected core inflation to gradually rise to the upper half of its 1-2% forecast range.

Heading into the 2nd half of the year, we expect the imminent trade tariffs imposed by US on China, retaliatory moves by the Chinese authority, further potential hikes in Fed funds rate, and the drag from tight credit condition on the Chinese economy to keep market volatility at an elevated level. Singapore, being an open economy, is likely to be impacted if the US-China trade spat were to escalate into a full-blown trade war. While the rising interest rate environment is positive for bank profitability, the risk of a full-blown trade war and market volatility poses threat to trade loans and wealth management activities. Meanwhile, management rejuvenation at Singapore Press gave the disrupted business a new lease of life as the new team charts new strategy and direction for the ailing media company. The portfolio remains positioned in high quality names which offer resilience during these uncertain times. Despite the improving sentiment in the property sector, we have reduced our exposure to the property sector in favour of health care and consumer stocks with superior earnings quality.

RISKS

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

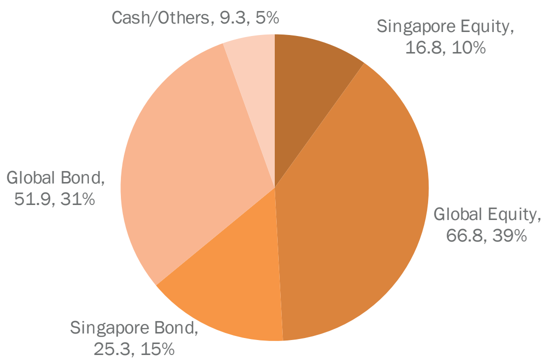
The Manager intends to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated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

EXPENSE AND TURNOVER RATIO

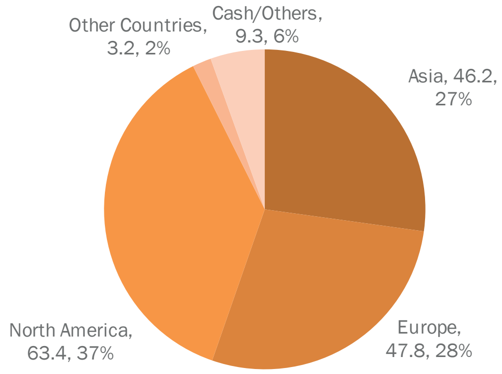
	Expense ratio	Turnover ratio
As of 30 June 2018	1.14%	4.00%
As of 30 June 2017	1.23%	5.41%

Please refer to the Fund Reports of Global Equity Fund and Global Bond Fund for details on the turnover and expense ratios.
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

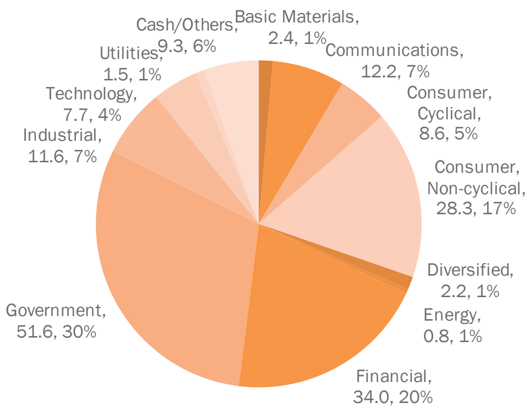
ASSET ALLOCATION AS OF 30 JUNE 2018



COUNTRY ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



Global Managed Fund (Balanced)

CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	40.1	23.6
AA+	0.8	0.5
AA	3.1	1.8
AA-	1.2	0.7
A+	1.3	0.8
A	7.4	4.4
A-	2.7	1.6
BBB+	5.4	3.2
BBB	7.1	4.2
BBB-	3.8	2.2
BB+	0.3	0.2
BB	0.4	0.2
Not rated	3.5	2.1
Total	77.2	45.4

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

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	173,729,150
Purchase of units	4,010,624
Redemption of units	(8,696,230)
Gain/(loss) on investments and other income	1,005,862
Management fees & other charge	2,003
Value of fund as of 30 June 2018	170,051,409

Units in issue	74,771,161
Net asset value per unit	
- at the beginning of the year	2.261
- as of 30 June 2018	2.274

EXPOSURE TO DERIVATIVES

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

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Global Equity Fund	67.5	39.7
Global Bond Fund	59.6	35.1
Singapore Bond Fund	25.6	15.1
Singapore Equity Fund	16.9	10.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$(2,003).

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager did not retain for its own account cash or commission rebates arising out of transactions executed in or outside Singapore. Soft dollar commission/arrangement had been received/entered into by the Manager in respect of the sub-fund. The soft dollar commission/arrangement relates essentially to research services, economic and political analyses, portfolio analyses, market analyses, data and quotation services, computer hardware and software used for and in support of the investment process.

The Manager did not accept or enter into soft dollar commission/arrangement unless such commission /arrangement would, in the opinion of the Manager, assist the Manager in the management of the sub-fund. The Manager confirmed that trades were made on best execution basis, that is, the Manager took all reasonable steps to obtain the best possible result for the sub-fund, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction, and there was no churning of trades. The said brokers had also executed trades for other sub-funds managed by the Manager.

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

CONFLICTS OF INTEREST

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

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

Global Managed Fund (Balanced)

REPORTS

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

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

Global Managed Fund (Conservative)

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	2 January 2003
Fund Size	S$12.11 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.87% per annum at sub-fund level Prior to 15 June 2016, the management fees were charged at core sub-fund levels
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	5% FTSE Straits Times Index (FTSE STI) 25% MSCI World Index in Singapore Dollars 20% Markit iBoxx ALBI Singapore Government 3+ Index 50% Barclays Global Aggregate Index (SGD Hedged)
Structure	Single Fund

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Global Bond Fund	6.0	49.6	Global Bond Fund	5.9	49.8
Global Equity Fund	3.0	24.5	Global Equity Fund	2.9	24.7
Singapore Bond Fund	2.4	19.9	Singapore Bond Fund	2.3	19.9
Singapore Equity Fund	0.6	4.9	Singapore Equity Fund	0.6	5.0

^ Please refer to the Fund Report of Global Bond Fund for the top 10 holdings.

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

FUND MANAGER

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

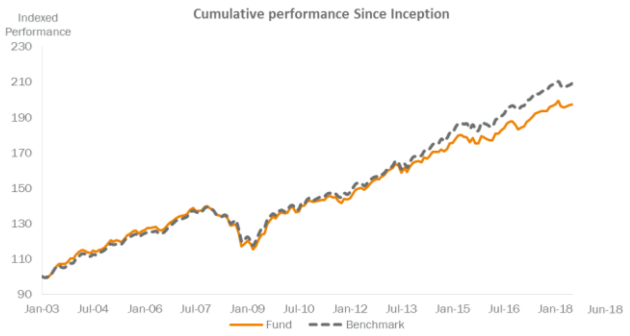
More information can be found in the respective Fund Reports of Singapore Equity Fund, Singapore Bond Fund, Global Equity Fund and Global Bond Fund.

Global Managed Fund (Conservative)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Conservative)	0.15%	0.87%	0.10%	2.39%
Benchmark	0.42%	1.12%	-0.06%	2.98%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Conservative)	3.92%	4.43%	4.36%	4.48%
Benchmark	4.49%	5.41%	4.87%	4.88%



Changes to benchmarks during the life of the sub-fund: Since inception to 31 May 2017 – 5% FTSE Straits Times Index (FTSE STI), 25% MSCI World Index in Singapore Dollars, 20% UOB Singapore Government Bond Index Long, 50% Barclays Global Aggregate in Singapore Dollars.

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.

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

Volatility

	3-year (annualised)
Global Managed Fund (Conservative)	3.16%

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

MARKET REVIEW

Global Bond

Market Review

The year started with generalised sell-offs and central bank actions. Trade tensions rose after the announcement of some import tariff increases. The European Central Bank (ECB) released hawkish minutes from their December meeting, the Bank of Japan (BOJ) announced the reduction by 10 billion yen of long-term Japan government bonds purchases, and its Governor, Mr. Kuroda surprised markets with hawkish comments on inflation and economic outlooks. The Bank of Canada, raised interest rates again in January and the US Federal Reserve (Fed)'s Federal Open Market Committee ended the month by delivering an upbeat assessment of the US economy and expected inflation to "move up this year" and stabilise around its target of 2%, a message that reinforced the likelihood of three hikes this year.

With economic data from all developed markets coming in, spring yields moved upwards, and the 5-year German yield moved back into positive territory for the 1st time since 2015. The US announced that they would start imposing tariffs on Chinese steel and other goods in retaliation for intellectual property theft that the US alleges China has undertaken over the last few decades. In retaliation, China announced that they would impose tariffs on US agricultural exports like fruit and wine. This threat of trade wars raised concerns about the impact on the private sector, and risk assets such as corporate bonds, underperformed government bonds as their yield spreads widened. This will be a longer term issue to watch for. The most impactful event of the 1st six months however, came from Italy after the coalition between anti-EU "League" and populist "5-Star" parties failed to form a government – creating worries that a snap election could be called. This led Italian government bond yields to rise sharply, with the 2 year Italian government bond yield rising from -0.16% at the end of April, to a peak of 2.90% on the 30th of May.

In the final part of the half, the ECB held their annual forum at Sintra in Portugal where announcements made by various central banks highlighted the current environment of divergent monetary policy; the ECB and BOJ did not announce the end of tapering, while on the other hand, the Bank of England prepared markets for a potential rate rise before August. The Fed also stated that given current growth, they maintain target to keep rates rising at a steady pace. Markets were much calmer compared to the early part when Italian politics brought heightened risk aversion, leading the 10 year US treasury yield to end the 1st half of 2018 at 2.86%.

Market Outlook

We are currently overall underweight duration, in particular in the US, Europe and UK as central banks undergo change. We remain overweight credit, and within FX, we have a preference for the US Dollar (USD) while remaining underweight many Asian Emerging Market (EM) currencies.

Our central case scenario remains one of global expansion but we note with less momentum. The economic outlook is still positive and broadly unchanged, with global growth expected to remain above potential with balanced risks. Central banks will remove excess accommodation and communicate accordingly, but will do this carefully to avoid market disruption. Inflation risks is tilted to the upside (notably in the US) even if current inflation data remain broadly muted. Geopolitical issues and the turmoil linked to the escalation of trade tensions will continue to loom.

Our positioning reflects the aforementioned outlook, by being broadly underweight duration as we expect global growth, inflation and central banks normalisation policies to push rates higher. In currencies, our strongest conviction is on overweight dollar as a solid rebound is expected for US gross domestic product (GDP) for the next quarters thanks to confirmed growth drivers and a strong tax effect. Also, we remain allocated to credit and EM amid global expansion being positive for risk asset classes. Within credit, we overweight financials which exhibit good fundamentals and provide a yield pick-up. We are selectively long emerging currencies like Mexican Peso (MXN), Brazilian Real (BRL) or Indian Rupee (INR) as valuations, technical and carry levels are still attractive.

Singapore Bond

The Singapore Bond Fund returned -2.21% for the six months ended 30th June 2018. Although this is better than its benchmark return of -2.44%, the performance was negatively impacted by actual and expectation of further interest rate hikes led by the Fed.

2nd quarter's advance estimates indicate Singapore's economy grew by 3.8% over the corresponding period in 2017, albeit less robust than market's expectation. While services and manufacturing industries continue to expand, the same cannot be said about the construction sector, which has been weak for the last two years. Meanwhile, Singapore's inflation numbers are likely to stay within the expected range for the rest of the year, namely 0% to 1% for consumer price index (CPI)-All Items Inflation and 1% to 2% for Core Inflation (which excludes private road transport and accommodation).

The flush liquidity environment which marked the last decade is expected to diminish progressively. The Fed will continue with its multi-year balance sheet normalisation exercise and the ECB is expected to terminate the quantitative easing programme by December 2018. With central banks stepping back, financial assets, especially those which have benefited from central banks' purchases, may increasingly be dependent on market forces to determine their clearing prices. Trump Administration's trade policy also looks unfavourable to Asia at the margin. While the globally synchronised growth story remains on track, these uncertainties will offset the moderate growth and low inflation environment conducive to the financial markets.

Markets are likely to remain volatile for the rest of 2018, so we will endeavour to minimise the negative impact of higher rates while keeping Singapore government securities as core holding to weather short to medium-term uncertainties. The Singapore Bond Fund favours a strategy of shorter duration (than benchmark) coupled with investment in selective credits to keep the portfolio quality high. We are constructive on credits as corporate fundamentals remain sound. We would continue to look for good quality assets with decent credit spread to provide yield enhancement.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned 2.8% in Singapore Dollar (SGD) terms in the 1st half of 2018. Continued though less synchronised global growth and relatively low interest rates helped support equities broadly.

The US S&P 500 Index returned 3.7% in SGD terms for the 1st half of 2018. While economic and earnings growth remained solid, the 1st half of 2018 saw a significant uptick in market volatility. US corporate earnings were buoyed by a major US tax reform package passed at the end of 2017.

European stocks, as measured by the STOXX 50 Index, returned -1.8% in SGD terms in the 1st half of 2018. A somewhat weaker pace of growth was seen in the year's 1st half as Europe's economy moderated from the torrid pace of late 2017. Geopolitical uncertainty surrounding Italy's new populist government along with concerns over growing US protectionism were headwinds for markets.

In Japan, the Nikkei Composite Index returned 2.7% in SGD terms in the 1st half of 2018. Moderating global industrial production and global trade friction were headwinds in early 2018, though a weaker yen against the USD was a tailwind for Japan's exporters during the most recent quarter.

EM, as measured by the MSCI EM Index returned -4.6% in SGD terms during the 1st half of 2018. Tighter financial conditions as a result of somewhat firmer US bond yields and a stronger USD were headwinds for EM, as were growing concerns over protectionism.

Market Outlook

Global growth became less synchronised during the 1st half of 2018 as the US maintained a solid growth trajectory but other developed economies grew more slowly than the fast pace of late 2017. While the global pace of growth is less robust than seen late last year, it remains stronger than the challenging late 2015-early 2016 period.

Inflation remains well-contained globally with the Fed and the ECB both meeting their 2% inflation targets in recent months. Policy remains accommodative despite gradual hikes from the Fed as the ECB signalled an end to its asset purchase programme in June, though it simultaneously issued dovish forward guidance that it does not expect to raise rates until after the summer of 2019. The BOJ remains solidly on the monetary sidelines while the People's Bank of China has been lowering its reserve requirement ratio of late. From a valuation perspective, global equities have derated during the 1st half of the year. The trailing 12-month price-to-earnings ratio (P/E) for the MSCI World index has declined to 19.4x from 22.3x in late February of this year, just before the spike in equity volatility.

United States: US continued to grow solidly as unemployment fell to a 17-year low of 3.8% in May, though wage growth remained moderate. The Fed raised rates twice, in March and in June, and are expected to maintain a gradual tightening pace for the next year or more. Earnings were boosted dramatically by the enactment of broad-based tax reform in late 2017 which helped boost S&P 500 earnings by 25% in 1st quarter and 2nd quarter of 2018. 20% year-on-year growth is expected as earnings season gets underway. The rapid rise in earnings has not been met with a surge in stock prices however, allowing trailing 12-month earnings to derate to 19.7x from 23.4x in late January, perhaps reflecting headwinds from a firmer USD and fallout from protectionist US trade policies. A flattening US yield curve remains a cause for concern as curve inversions often precede recessions. Uncertainty surrounding US trade policy is particularly acute, with tariffs on billions of dollars in selected Chinese imports coming into effect in early July with potentially hundreds of billions more to follow later in the year. US tariffs on steel and aluminium imports are already in place, sparking countervailing tariffs on US exports to the European Union. Meanwhile, acrimonious North America Free Trade Agreement (NAFTA) talks have bogged down without an agreement. Elsewhere, geopolitical risks have subsided somewhat in the wake of the US-North Korea summit as provocative rhetoric has cooled substantially.

Europe: Economic growth downshifted in 1st quarter while an anticipated 2nd quarter rebound has failed to materialise. Europe's economy continues to expand, but not as robustly as in late 2017. Recent data suggest growth has begun to stabilise to a more sustainable level than the torrid pace experienced at the end of last year. Political uncertainty surrounding Italy's newly-installed anti-establishment government, along with a sharp decline in European bond yields since their January peaks, have helped undermine the euro versus its major competitors on the foreign exchange market. A weaker exchange rate should provide European exporters with a modest tailwind. Additionally, political instability has spread to Germany, where Angela Merkel's coalition is at risk of fraying over disagreements related to immigration policy. Growing international trade friction remains a particular risk to the export-heavy European economy, as ongoing Brexit uncertainty. Trailing 12-month earnings multiples have derated to 16.8x, below last quarter's 17.6x and its 18.4x, 20-year average. Sales growth has declined modestly from a quarter ago on a trailing 12-month basis, but remains robust at 14.5% versus a 2.6%, 20-year average. Net margin growth is holding firm at 7.0%, compared with a 5.8% long-term average, while dividend yields are just above their 20-year average, growing at a 3.2% rate.

Japan: Against a backdrop of modest domestic economic growth and solid but decelerating global growth, consumer and business sentiment in Japan remains relatively healthy, although businesses are increasingly wary of growing US protectionism. A rising labour force participation rate and very low unemployment of 2.2% are not translating into strong wage growth, nor to a significant rise in CPI. CPI was last reported at 0.6%, well below the BOJ's 2.0% target. Japan's economy contracted at an annualised rate of 0.6% in 1st quarter, snapping an eight-quarter streak of GDP growth. Despite the soft patch, which was influenced by particularly harsh winter weather, growth is seen rebounding and averaging around 1.0% for all of 2018. Growing global trade tensions are a risk to the outlook given Japan's close supply chain links with China and other regional manufacturing economies, though recent USD/JPY strength has been a tailwind. No material change in the BOJ's ultra-easy monetary policy is seen in the near-to-medium-term given Japan's continued inflation shortfall. The pace of bond purchases continues to slow as the market abides by the BOJ's yield target of near zero percent on the 10-year Japan government bond.

Emerging markets: After outperforming developed market equities in 2017, EM equities have been an underperformer thus far in 2018. A strong USD, rising rates and commodity prices and global trade tensions are major concerns, especially for export-dependent economies. The uneven pace of global growth is a source of regional apprehension. Growth in 2017 was unusually synchronised, while 2018 has experienced a slowdown from last year's fast pace in most regions outside the US. However, on balance, EM economies continue to grow. Of particular concern for the region is how well countries that have closely-integrated supply chains with China, such as South Korea and Taiwan, are able to weather the gathering global storm over global trade. Latin America will garner increased attention after Mexico leftist elected Andres Manuel Lopez Obrador as the president on 1st July by a huge plurality. AMLO, as he is known, vows to increase social spending while at the same time maintaining fiscal discipline, which are seemingly incompatible aspirations. From a P/E perspective, EM has derated below its 20-year average of 14.9x, trading at 13.8x.

Singapore Equity

FTSE Straits Times index (STI) swung wildly between gains and losses during the 1st half of 2018, amid escalating threat of US-China trade war and rapidly deteriorating credit condition in China. The index declined 3.9% as at the end of June 2018, performing in-line with MSCI Asia ex Japan. The technology sector fared worst, with Venture Corp, the only constituent in the sector, coming under heavy selling pressure due to investor concerns over a significant fall in demand at one of its key customers. The telecom sector is the 2nd worst performer as the industry grappled with competition from Over-The-Top service providers and potential new entrant in the mobile communication market. Starhub, which has large exposure to both Pay TV and mobile segments, saw its share price plunge 41.8% during the period in review. On a more positive note, ComfortDelgro is the best performing stock in the STI with total return of 22.0%. Fierce competition from private hire car operators abated after Uber reached an agreement to merge its Southeast Asia business with Grab. ComfortDelgro's taxi fleet, which has been shrinking for nearly two years, is likely to start expanding again after the transport operator placed orders for 700 new taxis in May 2018.

On the economic front, final 1st quarter GDP grew by 4.4% year-on-year (yoy) driven by an acceleration in services, which the Ministry of Trade and Industry attributed to robust growth in the fund management, financial intermediation and insurance segments. Industrial production expanded by 11% yoy in May, driven by strong momentum in the electronics and biomedical clusters. Non-Oil Domestic Exports (NODX) expanded 15.5% yoy in May to the highest in 7 months as non-electronics exports surged to 26.2% yoy. Electronics exports fell another 7.8% in May for its sixth consecutive month of decline, a divergence from electronics production which grew 17.1% in May, which could be

Global Managed Fund (Conservative)

attributed to inventory build-up. Overall NODX growth was supported by exports to the US, EU and Japan, offsetting the decline in NODX to other Asia ex-Japan countries. On the domestic front, prices of private residential property, as represented by Urban Redevelopment Authority's 1st quarter of 2018 private residential price index, continued to rise by 3.9% quarter-on-quarter for the 3rd consecutive quarter. With the improving macroeconomic backdrop, Monetary Authority of Singapore, in its April 2018 Monetary Policy Statement, increased the slope of the SGD Nominal Effective Exchange Rate policy band slightly from zero percent previously and the authority expected core inflation to gradually rise to the upper half of its 1-2% forecast range.

Heading into the 2nd half of the year, we expect the imminent trade tariffs imposed by US on China, retaliatory moves by the Chinese authority, further potential hikes in Fed funds rate, and the drag from tight credit condition on the Chinese economy to keep market volatility at an elevated level. Singapore, being an open economy, is likely to be impacted if the US-China trade spat were to escalate into a full-blown trade war. While the rising interest rate environment is positive for bank profitability, the risk of a full-blown trade war and market volatility poses threat to trade loans and wealth management activities. Meanwhile, management rejuvenation at Singapore Press gave the disrupted business a new lease of life as the new team charts new strategy and direction for the ailing media company. The portfolio remains positioned in high quality names which offer resilience during these uncertain times. Despite the improving sentiment in the property sector, we have reduced our exposure to the property sector in favour of health care and consumer stocks with superior earnings quality.

RISKS

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

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

You should be aware that past performance is not indicative of future performance. The value of the units may rise or fall as the performance of the sub-fund changes. Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

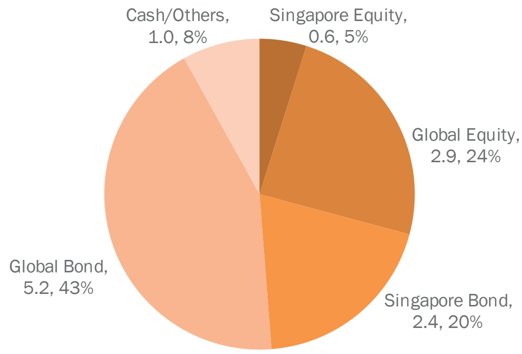
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2018	1.05%	6.44%
As of 30 June 2017	1.12%	4.18%

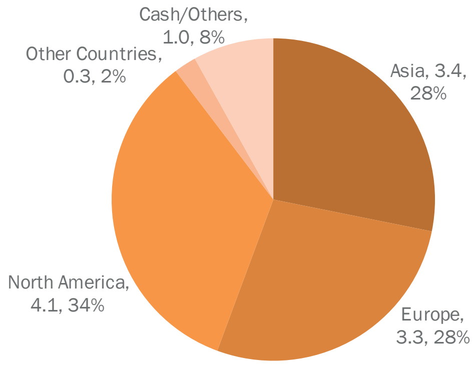
Please refer to the Fund Report of Global Bond Fund for details on the turnover and expense ratios.

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

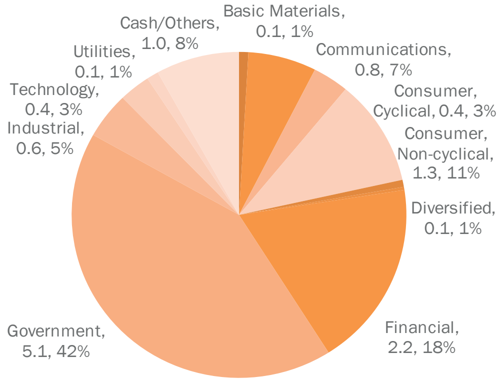
ASSET ALLOCATION AS OF 30 JUNE 2018



COUNTRY ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



Global Managed Fund (Conservative)

CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	3.9	32.6
AA+	0.1	0.7
AA	0.3	2.5
AA-	0.1	1.0
A+	0.1	1.0
A	0.7	6.1
A-	0.3	2.2
BBB+	0.5	4.4
BBB	0.7	5.8
BBB-	0.4	3.2
BB+	0.0	0.2
BB	0.0	0.3
Not rated	0.3	2.7
Total	7.6	62.8

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

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	12,370,357
Purchase of units	207,818
Redemption of units	(487,472)
Gain/(loss) on investments and other income	14,945
Management fees & other charge	(448)
Value of fund as of 30 June 2018	12,105,200

Units in issue	6,131,142
Net asset value per unit	
- at the beginning of the year	1.972
- as of 30 June 2018	1.974

EXPOSURE TO DERIVATIVES

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

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Global Bond Fund	6.0	49.6
Global Equity Fund	3.0	24.5
Singapore Bond Fund	2.4	19.9
Singapore Equity Fund	0.6	4.9

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$448.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

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

CONFLICTS OF INTEREST

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

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

Global Managed Fund (Conservative)

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

Global Managed Fund (Growth)

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	2 January 2003
Fund Size	S$250.86 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.005% per annum at sub-fund level Prior to 15 June 2016, the management fees were charged at core sub-fund levels
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	15% FTSE Straits Times Index (FTSE STI) 55% MSCI World Index in Singapore Dollars 10% Markit iBoxx ALBI Singapore Government 3+ Index 20% Barclays Global Aggregate Index (SGD Hedged)
Structure	Single Fund

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Global Equity Fund	137.8	54.9	Global Equity Fund	137.7	54.8
Global Bond Fund	50.6	20.2	Global Bond Fund	50.5	20.1
Singapore Equity Fund	37.7	15.0	Singapore Equity Fund	38.1	15.2
Singapore Bond Fund	25.4	10.1	Singapore Bond Fund	25.2	10.0

^ Please refer to the Fund Report of Global Bond Fund for the top 10 holdings.

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

FUND MANAGER

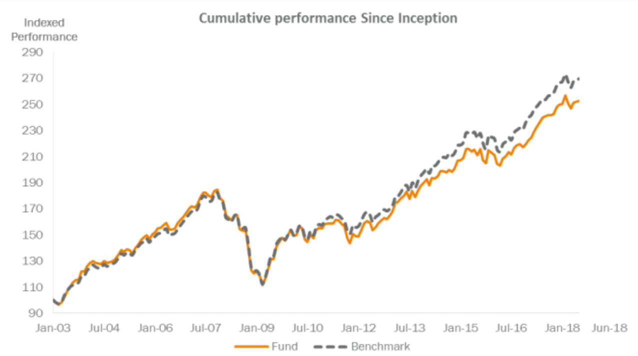
NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

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

Global Managed Fund (Growth)

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Managed Fund (Growth)	0.28%	2.39%	0.96%	5.03%
Benchmark	0.43%	2.61%	0.81%	6.35%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Growth)	6.19%	7.30%	5.04%	6.17%
Benchmark	6.39%	8.03%	5.65%	6.61%



Changes to benchmarks during the life of the sub-fund: Since inception to 31 May 2017 – 15% FTSE Straits Times Index (FTSE STI), 55% MSCI World Index in Singapore Dollars, 10% UOB Singapore Government Bond Index Long, 20% Barclays Global Aggregate in Singapore Dollars.

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

Volatility

	3-year (annualised)
Global Managed Fund (Growth)	5.95%

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

MARKET REVIEW

Global Bond

Market Review

The year started with generalised sell-offs and central bank actions. Trade tensions rose after the announcement of some import tariff increases. The European Central Bank (ECB) released hawkish minutes from their December meeting, the Bank of Japan (BOJ) announced the reduction by 10 billion yen of long-term Japan government bonds purchases, and its Governor, Mr. Kuroda surprised markets with hawkish comments on inflation and economic outlooks. The Bank of Canada, raised interest rates again in January and the US Federal Reserve (Fed)'s Federal Open Market Committee ended the month by delivering an upbeat assessment of the US economy and expected inflation to "move up this year" and stabilise around its target of 2%, a message that reinforced the likelihood of three hikes this year.

With economic data from all developed markets coming in, spring yields moved upwards, and the 5-year German yield moved back into positive territory for the 1st time since 2015. The US announced that they would start imposing tariffs on Chinese steel and other goods in retaliation for intellectual property theft that the US alleges China has undertaken over the last few decades. In retaliation, China announced that they would impose tariffs on US agricultural exports like fruit and wine. This threat of trade wars raised concerns about the impact on the private sector, and risk assets such as corporate bonds, underperformed government bonds as their yield spreads widened. This will be a longer term issue to watch for. The most impactful event of the 1st six months however, came from Italy after the coalition between anti-EU "League" and populist "5-Star" parties failed to form a government – creating worries that a snap election could be called. This led Italian government bond yields to rise sharply, with the 2-year Italian government bond yield rising from -0.16% at the end of April, to a peak of 2.90% on the 30th of May.

In the final part of the half, the ECB held their annual forum at Sintra in Portugal where announcements made by various central banks highlighted the current environment of divergent monetary policy; the ECB and BOJ did not announce the end of tapering, while on the other hand, the Bank of England prepared markets for a potential rate rise before August. The Fed also stated that given current growth, they maintain target to keep rates rising at a steady pace. Markets were much calmer compared to the early part when Italian politics brought heightened risk aversion, leading the 10 year US treasury yield to end the 1st half of 2018 at 2.86%.

Market Outlook

We are currently overall underweight duration, in particular in the US, Europe and UK as central banks undergo change. We remain overweight credit, and within FX, we have a preference for the US Dollar (USD) while remaining underweight many Asian Emerging Market (EM) currencies.

Our central case scenario remains one of global expansion but we note with less momentum. The economic outlook is still positive and broadly unchanged, with global growth expected to remain above potential with balanced risks. Central banks will remove excess accommodation and communicate accordingly, but will do this carefully to avoid market disruption. Inflation risks is tilted to the upside (notably in the US) even if current inflation data remain broadly muted. Geopolitical issues and the turmoil linked to the escalation of trade tensions will continue to loom.

Our positioning reflects the aforementioned outlook, by being broadly underweight duration as we expect global growth, inflation and central banks normalisation policies to push rates higher. In currencies, our strongest conviction is on overweight dollar as a solid rebound is expected for US gross domestic product (GDP) for the next quarters thanks to confirmed growth drivers and a strong tax effect. Also, we remain allocated to credit and EM amid global expansion being positive for risk asset classes. Within credit, we overweight financials which exhibit good fundamentals and provide a yield pick-up. We are selectively long emerging currencies like Mexican Peso (MXN), Brazilian Real (BRL) or Indian Rupee (INR) as valuations, technical and carry levels are still attractive.

Singapore Bond

The Singapore Bond Fund returned -2.21% for the six months ended 30th June 2018. Although this is better than its benchmark return of -2.44%, the performance was negatively impacted by actual and expectation of further interest rate hikes led by the Fed.

2nd quarter's advance estimates indicate Singapore's economy grew by 3.8% over the corresponding period in 2017, albeit less robust than market's expectation. While services and manufacturing industries continue to expand, the same cannot be said about the construction sector, which has been weak for the last two years. Meanwhile, Singapore's inflation numbers are likely to stay within the expected range for the rest of the year, namely 0% to 1% for consumer price index (CPI)-All Items Inflation and 1% to 2% for Core Inflation (which excludes private road transport and accommodation).

The flush liquidity environment which marked the last decade is expected to diminish progressively. The Fed will continue with its multi-year balance sheet normalisation exercise and the ECB is expected to terminate the quantitative easing programme by December 2018. With central banks stepping back, financial assets, especially those which have benefited from central banks' purchases, may increasingly be dependent on market forces to determine their clearing prices. Trump Administration's trade policy also looks unfavourable to Asia at the margin. While the globally synchronised growth story remains on track, these uncertainties will offset the moderate growth and low inflation environment conducive to the financial markets.

Markets are likely to remain volatile for the rest of 2018, so we will endeavour to minimise the negative impact of higher rates while keeping Singapore government securities as core holding to weather short to medium-term uncertainties. The Singapore Bond Fund favours a strategy of shorter duration (than benchmark) coupled with investment in selective credits to keep the portfolio quality high. We are constructive on credits as corporate fundamentals remain sound. We would continue to look for good quality assets with decent credit spread to provide yield enhancement.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned 2.8% in Singapore Dollar (SGD) terms in the 1st half of 2018. Continued though less synchronised global growth and relatively low interest rates helped support equities broadly.

The US S&P 500 Index returned 3.7% in SGD terms for the 1st half of 2018. While economic and earnings growth remained solid, the 1st half of 2018 saw a significant uptick in market volatility. US corporate earnings were buoyed by a major US tax reform package passed at the end of 2017.

European stocks, as measured by the STOXX 50 Index, returned -1.8% in SGD terms in the 1st half of 2018. A somewhat weaker pace of growth was seen in the year's 1st half as Europe's economy moderated from the torrid pace of late 2017. Geopolitical uncertainty surrounding Italy's new populist government along with concerns over growing US protectionism were headwinds for markets.

In Japan, the Nikkei Composite Index returned 2.7% in SGD terms in the 1st half of 2018. Moderating global industrial production and global trade friction were headwinds in early 2018, though a weaker yen against the USD was a tailwind for Japan's exporters during the most recent quarter.

EM, as measured by the MSCI EM Index returned -4.6% in SGD terms during the 1st half of 2018. Tighter financial conditions as a result of somewhat firmer US bond yields and a stronger USD were headwinds for EM, as were growing concerns over protectionism.

Market Outlook

Global growth became less synchronised during the 1st half of 2018 as the US maintained a solid growth trajectory but other developed economies grew more slowly than the fast pace of late 2017. While the global pace of growth is less robust than seen late last year, it remains stronger than the challenging late 2015-early 2016 period.

Inflation remains well-contained globally with the Fed and the ECB both meeting their 2% inflation targets in recent months. Policy remains accommodative despite gradual hikes from the Fed as the ECB signalled an end to its asset purchase programme in June, though it simultaneously issued dovish forward guidance that it does not expect to raise rates until after the summer of 2019. The BOJ remains solidly on the monetary sidelines while the People's Bank of China has been lowering its reserve requirement ratio of late. From a valuation perspective, global equities have derated during the 1st half of the year. The trailing 12-month price-to-earnings ratio (P/E) for the MSCI World index has declined to 19.4x from 22.3x in late February of this year, just before the spike in equity volatility.

United States: US continued to grow solidly as unemployment fell to a 17-year low of 3.8% in May, though wage growth remained moderate. The Fed raised rates twice, in March and in June, and are expected to maintain a gradual tightening pace for the next year or more. Earnings were boosted dramatically by the enactment of broad-based tax reform in late 2017 which helped boost S&P 500 earnings by 25% in 1st quarter and 2nd quarter of 2018. 20% year-on-year growth is expected as earnings season gets underway. The rapid rise in earnings has not been met with a surge in stock prices however, allowing trailing 12-month earnings to derate to 19.7x from 23.4x in late January, perhaps reflecting headwinds from a firmer USD and fallout from protectionist US trade policies. A flattening US yield curve remains a cause for concern as curve inversions often precede recessions. Uncertainty surrounding US trade policy is particularly acute, with tariffs on billions of dollars in selected Chinese imports coming into effect in early July with potentially hundreds of billions more to follow later in the year. US tariffs on steel and aluminium imports are already in place, sparking countervailing tariffs on US exports to the European Union. Meanwhile, acrimonious North America Free Trade Agreement (NAFTA) talks have bogged down without an agreement. Elsewhere, geopolitical risks have subsided somewhat in the wake of the US-North Korea summit as provocative rhetoric has cooled substantially.

Europe: Economic growth downshifted in 1st quarter while an anticipated 2nd quarter rebound has failed to materialise. Europe's economy continues to expand, but not as robustly as in late 2017. Recent data suggest growth has begun to stabilise to a more sustainable level than the torrid pace experienced at the end of last year. Political uncertainty surrounding Italy's newly-installed anti-establishment government, along with a sharp decline in European bond yields since their January peaks, have helped undermine the euro versus its major competitors on the foreign exchange market. A weaker exchange rate should provide European exporters with a modest tailwind. Additionally, political instability has spread to Germany, where Angela Merkel's coalition is at risk of fraying over disagreements related to immigration policy. Growing international trade friction remains a particular risk to the export-heavy European economy, as ongoing Brexit uncertainty. Trailing 12-month earnings multiples have derated to 16.8x, below last quarter's 17.6x and its 18.4x, 20-year average. Sales growth has declined modestly from a quarter ago on a trailing 12-month basis, but remains robust at 14.5% versus a 2.6%, 20-year average. Net margin growth is holding firm at 7.0%, compared with a 5.8% long-term average, while dividend yields are just above their 20-year average, growing at a 3.2% rate.

Japan: Against a backdrop of modest domestic economic growth and solid but decelerating global growth, consumer and business sentiment in Japan remains relatively healthy, although businesses are increasingly wary of growing US protectionism. A rising labour force participation rate and very low unemployment of 2.2% are not translating into strong wage growth, nor to a significant rise in CPI. CPI was last reported at 0.6%, well below the BOJ's 2.0% target. Japan's economy contracted at an annualised rate of 0.6% in 1st quarter, snapping an eight-quarter streak of GDP growth. Despite the soft patch, which was influenced by particularly harsh winter weather, growth is seen rebounding and averaging around 1.0% for all of 2018. Growing global trade tensions are a risk to the outlook given Japan's close supply chain links with China and other regional manufacturing economies, though recent USD/JPY strength has been a tailwind. No material change in the BOJ's ultra-easy monetary policy is seen in the near-to-medium-term given Japan's continued inflation shortfall. The pace of bond purchases continues to slow as the market abides by the BOJ's yield target of near zero percent on the 10-year Japan government bond.

Emerging markets: After outperforming developed market equities in 2017, EM equities have been an underperformer thus far in 2018. A strong USD, rising rates and commodity prices and global trade tensions are major concerns, especially for export-dependent economies. The uneven pace of global growth is a source of regional apprehension. Growth in 2017 was unusually synchronised, while 2018 has experienced a slowdown from last year's fast pace in most regions outside the US. However, on balance, EM economies continue to grow. Of particular concern for the region is how well countries that have closely-integrated supply chains with China, such as South Korea and Taiwan, are able to weather the gathering global storm over global trade. Latin America will garner increased attention after Mexico leftist elected Andres Manuel Lopez Obrador as the president on 1st July by a huge plurality. AMLO, as he is known, vows to increase social spending while at the same time maintaining fiscal discipline, which are seemingly incompatible aspirations. From a P/E perspective, EM has derated below its 20-year average of 14.9x, trading at 13.8x.

Singapore Equity

FTSE Straits Times index (STI) swung wildly between gains and losses during the 1st half of 2018, amid escalating threat of US-China trade war and rapidly deteriorating credit condition in China. The index declined 3.9% as at the end of June 2018, performing in-line with MSCI Asia ex Japan. The technology sector fared worst, with Venture Corp, the only constituent in the sector, coming under heavy selling pressure due to investor concerns over a significant fall in demand at one of its key customers. The telecom sector is the 2nd worst performer as the industry grappled with competition from Over-The-Top service providers and potential new entrant in the mobile communication market. Starhub, which has large exposure to both Pay TV and mobile segments, saw its share price plunge 41.8% during the period in review. On a more positive note, ComfortDelgro is the best performing stock in the STI with total return of 22.0%. Fierce competition from private hire car operators abated after Uber reached an agreement to merge its Southeast Asia business with Grab. ComfortDelgro’s taxi fleet, which has been shrinking for nearly two years, is likely to start expanding again after the transport operator placed orders for 700 new taxis in May 2018.

On the economic front, final 1st quarter GDP grew by 4.4% year-on-year (yoy) driven by an acceleration in services, which the Ministry of Trade and Industry attributed to robust growth in the fund management, financial intermediation and insurance segments. Industrial production expanded by 11% yoy in May, driven by strong momentum in the electronics and biomedical clusters. Non-Oil Domestic Exports (NODX) expanded 15.5% yoy in May to the highest in 7 months as non-electronics exports surged to 26.2% yoy. Electronics exports fell another 7.8% in May for its sixth consecutive month of decline, a divergence from electronics production which grew 17.1% in May, which could be attributed to inventory build-up. Overall NODX growth was supported by exports to the US, EU and Japan, offsetting the decline in NODX to other Asia ex-Japan countries. On the

Global Managed Fund (Growth)

domestic front, prices of private residential property, as represented by Urban Redevelopment Authority's 1st quarter of 2018 private residential price index, continued to rise by 3.9% quarter-on-quarter for the 3rd consecutive quarter. With the improving macroeconomic backdrop, Monetary Authority of Singapore, in its April 2018 Monetary Policy Statement, increased the slope of the SGD Nominal Effective Exchange Rate policy band slightly from zero percent previously and the authority expected core inflation to gradually rise to the upper half of its 1-2% forecast range.

Heading into the 2nd half of the year, we expect the imminent trade tariffs imposed by US on China, retaliatory moves by the Chinese authority, further potential hikes in Fed funds rate, and the drag from tight credit condition on the Chinese economy to keep market volatility at an elevated level. Singapore, being an open economy, is likely to be impacted if the US-China trade spat were to escalate into a full-blown trade war. While the rising interest rate environment is positive for bank profitability, the risk of a full-blown trade war and market volatility poses threat to trade loans and wealth management activities. Meanwhile, management rejuvenation at Singapore Press gave the disrupted business a new lease of life as the new team charts new strategy and direction for the ailing media company. The portfolio remains positioned in high quality names which offer resilience during these uncertain times. Despite the improving sentiment in the property sector, we have reduced our exposure to the property sector in favour of health care and consumer stocks with superior earnings quality.

RISKS

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

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

You should be aware that past performance is not indicative of future performance. The value of the units may rise or fall as the performance of the sub-fund changes. Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP sub-fund.

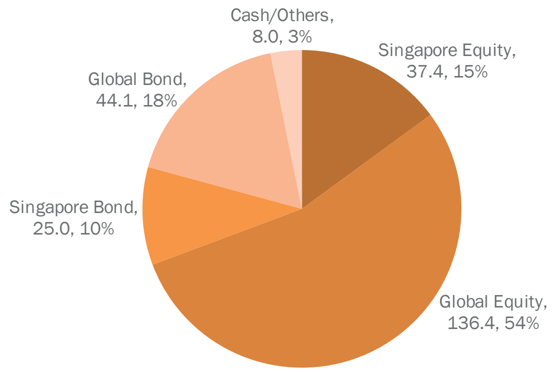
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2018	1.17%	4.86%
As of 30 June 2017	1.26%	5.81%

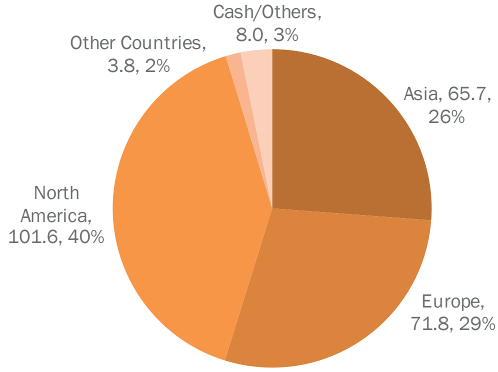
Please refer to the Fund Report of Global Equity Fund for details on the turnover and expense ratios.

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

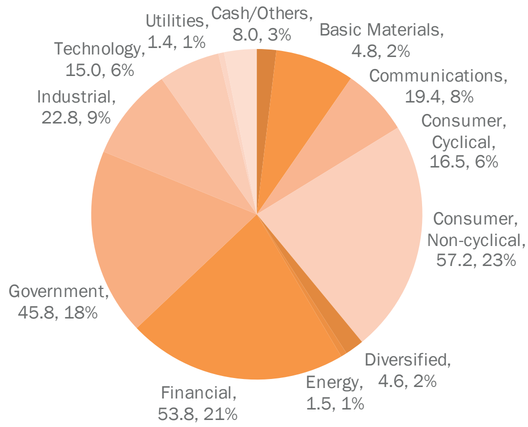
ASSET ALLOCATION AS OF 30 JUNE 2018



COUNTRY ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



Global Managed Fund (Growth)

CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	35.9	14.3
AA+	0.7	0.3
AA	2.8	1.1
AA-	1.0	0.4
A+	1.3	0.5
A	6.5	2.6
A-	2.5	1.0
BBB+	4.6	1.8
BBB	6.3	2.5
BBB-	3.3	1.3
BB+	0.2	0.1
BB	0.3	0.1
Not rated	3.5	1.4
Total	69.0	27.5

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

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	254,549,135
Purchase of units	5,767,602
Redemption of units	(11,950,934)
Gain/(loss) on investments and other income	2,495,838
Management fees & other charge	2,539
Value of fund as of 30 June 2018	250,864,180

Units in issue	99,227,992
Net asset value per unit	
- at the beginning of the year	2.504
- as of 30 June 2018	2.528

EXPOSURE TO DERIVATIVES

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

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Global Equity Fund	137.8	54.9
Global Bond Fund	50.6	20.2
Singapore Equity Fund	37.7	15.0
Singapore Bond Fund	25.4	10.1

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$(2,539).

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

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

CONFLICTS OF INTEREST

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

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

Global Managed Fund (Growth)

REPORTS

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

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

Singapore Managed Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	1 May 1994
Fund Size	S$85.20 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Narrowly Focused – Country – Singapore
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	60% FTSE Straits Times Index (FTSE STI) 40% 3-month SIBOR
Structure	Single Fund

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	33.9	39.8	Singapore Bond Fund	32.2	38.1
DBS Group Holdings Ltd	9.6	11.3	DBS Group Holdings Ltd	8.2	9.7
Oversea-Chinese Banking Corp	7.7	9.1	Oversea-Chinese Banking Corp	7.7	9.1
United Overseas Bank Ltd	3.7	4.3	Thai Beverage PCL	3.2	3.8
Jardine Strategic Holdings Ltd	2.7	3.2	CapitaLand Ltd	3.0	3.6
Keppel Corp Ltd	2.7	3.2	Global Logistic Properties Ltd	3.0	3.5
Singapore Technologies Engineering Ltd	2.3	2.7	Singapore Telecommunications Ltd	3.0	3.5
Genting Singapore Ltd	2.2	2.5	UOL GROUP LIMITED SGD1	2.8	3.3
Comfortdelgro Corp Ltd	2.0	2.4	Hongkong Land Holdings Ltd	2.8	3.3
Wilmar International Ltd	1.9	2.2	United Overseas Bank Ltd	2.7	3.2

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

FUND MANAGER

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

NTUC Income Insurance Co-operative Limited (Income)

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

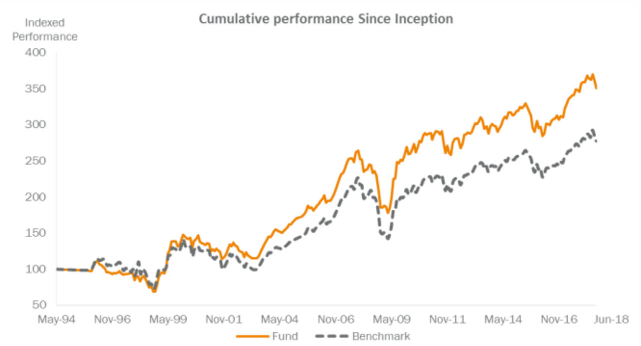
As a social enterprise, Income is committed to making insurance accessible, affordable and sustainable for all.

As of 30 June 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Singapore Managed Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Singapore Managed Fund	-2.70%	-3.17%	-2.25%	2.64%
Benchmark	-2.74%	-1.76%	-0.97%	3.59%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Managed Fund	3.20%	3.58%	4.16%	5.63%
Benchmark	2.55%	3.05%	3.35%	3.98%



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

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

Volatility

	3-year (annualised)
Singapore Managed Fund	8.06%

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

MARKET REVIEW

FTSE Straits Times index (STI) swung wildly between gains and losses during the 1st half of 2018, amid escalating threat of US-China trade war and rapidly deteriorating credit condition in China. The index declined 3.9% as at the end of June 2018, performing in-line with MSCI Asia ex Japan. The technology sector fared worst, with Venture Corp, the only constituent in the sector, coming under heavy selling pressure due to investor concerns over a significant fall in demand at one of its key customers. The telecom sector is the 2nd worst performer as the industry grappled with competition from Over-The-Top service providers and potential new entrant in the mobile communication market. Starhub, which has large exposure to both Pay TV and mobile segments, saw its share price plunge 41.8% during the period in review. On a more positive note, ComfortDelgro is the best performing stock in the STI with total return of 22.0%. Fierce competition from private hire car operators abated after Uber reached an agreement to merge its Southeast Asia business with Grab. ComfortDelgro's taxi fleet, which has been shrinking for nearly two years, is likely to start expanding again after the transport operator placed orders for 700 new taxis in May 2018.

On the economic front, final 1st quarter gross domestic product grew by 4.4% year-on-year (yoy) driven by an acceleration in services, which the Ministry of Trade and Industry attributed to robust growth in the fund management, financial intermediation and insurance segments. Industrial production expanded by 11% yoy in May, driven by strong momentum in the electronics and biomedical clusters. Non-Oil Domestic Exports (NODX) expanded 15.5% yoy in May to the highest in 7 months as non-electronics exports surged to 26.2% yoy. Electronics exports fell another 7.8% in May for its sixth consecutive month of decline, a divergence from electronics production which grew 17.1% in May, which could be attributed to inventory build-up. Overall NODX growth was supported by exports to the US, EU and Japan, offsetting the decline in NODX to other Asia ex-Japan countries. On the domestic front, prices of private residential property, as represented by Urban Redevelopment Authority's 1st quarter 2018 private residential price index, continued to rise by 3.9% quarter-on-quarter for the 3rd consecutive quarter. With the improving macroeconomic backdrop, Monetary Authority of Singapore, in its April 2018 Monetary Policy Statement, increased the slope of the SGD Nominal Effective Exchange Rate policy band slightly from zero percent previously and the authority expected core inflation to gradually rise to the upper half of its 1-2% forecast range.

Heading into the 2nd half of the year, we expect the imminent trade tariffs imposed by US on China, retaliatory moves by the Chinese authority, further potential hikes in US Federal Reserve funds rate, and the drag from tight credit condition on the Chinese economy to keep market volatility at an elevated level. Singapore, being an open economy, is likely to be impacted if the US-China trade spat were to escalate into a full-blown trade war. While the rising interest rate environment is positive for bank profitability, the risk of a full-blown trade war and market volatility poses threat to trade loans and wealth management activities. Meanwhile, management rejuvenation at Singapore Press gave the disrupted business a new lease of life as the new team charts new strategy and direction for the ailing media company. The portfolio remains positioned in high quality names which offer resilience during these uncertain times. Despite the improving sentiment in the property sector, we have reduced our exposure to the property sector in favour of health care and consumer stocks with superior earnings quality.

RISKS

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

Singapore Managed Fund

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

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

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

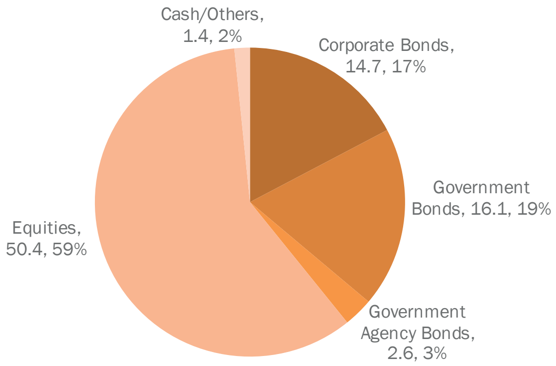
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2018	1.07%	34.01%
As of 30 June 2017	1.06%	29.91%

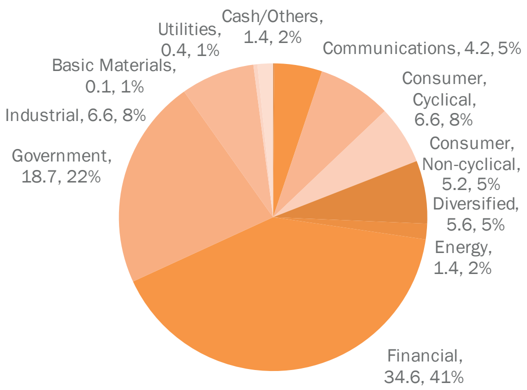
Please refer to the Fund Report of Singapore Bond Fund for details on the turnover and expense ratios.

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

ASSET ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	17.7	20.8
AA+	0.1	0.1
AA	1.8	2.1
AA-	0.1	0.1
A+	1.8	2.1
A	2.0	2.3
A-	1.6	1.9
BBB+	0.5	0.6
BBB	2.4	2.9
BBB-	0.7	0.8
Not rated	4.6	5.5
Total	33.4	39.2

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

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	90,313,673
Purchase of units	3,525,454
Redemption of units	(6,739,091)
Gain/(loss) on investments and other income	(1,539,826)
Management fees & other charge	(359,124)
Value of fund as of 30 June 2018	85,201,086

Units in issue	28,482,225
Net asset value per unit	
- at the beginning of the year	3.060
- as of 30 June 2018	2.991

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	33.9	39.8
Mapletree Commercial Trust REIT NPV	0.8	0.9
Far East Hospitality Trust NPV	0.5	0.6

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$359,124.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

More information can be found in the Fund Report of Singapore Bond Fund.

CONFLICTS OF INTEREST

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

AIM Now Fund

INVESTMENT OBJECTIVE

To provide investors with a regular and steady income whilst maintaining a stable capital value.

The sub-fund offers a semi-annual pay-out feature, with a historical distribution of up to 4% per annum (which constitutes of payouts up to 2% of the net asset value on 31 May and 30 November every year). Distributions are not guaranteed and can be made out of income, capital gains, and/or capital of the sub-fund which is expected to result in an immediate reduction of the net asset value per unit/share. Past payout yields do not represent future payout yields.

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	25 September 2009
Fund Size	S$76.48 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	0.85% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management (Singapore) Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars Markit iBoxx ALBI Singapore Government Index MSCI AC Asia ex-Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) Gold Spot hedged to Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	34.6	45.2	Singapore Bond Fund	42.1	45.5
Schroder Asian Investment Grade Credit	10.5	13.7	Schroder Asian Investment Grade Credit	11.7	12.6
Schroder ISF Global Inflation Linked Bond	6.9	9.1	Schroder ISF Global Corporate Bond	6.9	7.5
Schroder ISF Global Bond	6.3	8.2	Schroder ISF Global Bond	6.8	7.4
Schroder ISF Global Corporate Bond	5.7	7.4	Schroder ISF Global Inflation Linked Bond	6.8	7.9
Schroder ISF Global Equity	4.1	5.3	Schroder ISF Global Equity	4.9	5.3
Singapore Equity Fund	3.1	4.0	Schroder ISF Asian Opportunities	3.6	3.9
Schroder ISF Asian Opportunities	3.1	4.0	Singapore Equity Fund	3.0	3.3
SPDR Gold Trust	0.8	1.0	Monetary Authority of Singapore Bills 150917	2.9	3.1
N.A	N.A	N.A	SPDR Gold Trust	2.1	2.2

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

FUND MANAGER

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

AIM Now 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 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

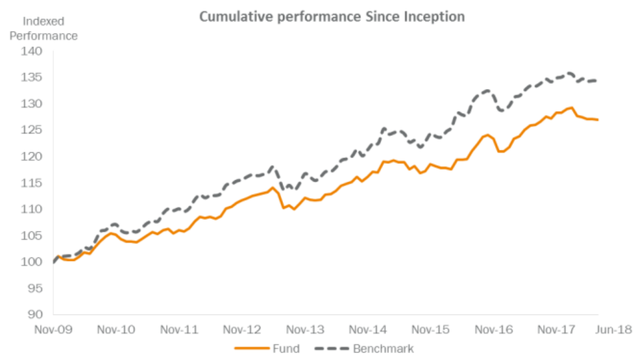
Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992. Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$593.3 billion (as of 30 June 2018).

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

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM Now Fund	-0.07%	-0.39%	-1.54%	0.83%
Benchmark	-0.04%	-0.31%	-1.03%	0.77%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM Now Fund	2.59%	2.88%	N.A.	2.80%
Benchmark	3.05%	3.39%	N.A.	3.47%



Changes to benchmarks during the life of the sub-fund: Since 31 May 2011 to 31 May 2017 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, Gold Spot (SGD Hedged); Since 1 Mar 2010 to 31 May 2011 - MSCI AC World, MSCI AC Asia ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, DJ UBS Commodity Index; Since inception to Feb 2010 - MSCI AC World, MSCI AC Asia ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index.

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

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

Volatility

	3-year (annualised)
AIM Now Fund	2.57%

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

MARKET REVIEW

Market Review

Global equity markets declined in 1st quarter, despite getting off to a strong start at the beginning of 2018. US/China trade tensions dominated the markets, while higher-than-expected inflation data in the US in February also prompted concerns that the Federal Reserve could raise interest rates more quickly than expected. Global bond markets reflected the news, with most major government bond yields climbing while credit spreads widened in the risk-off environment. In the volatile 2nd quarter, global equities regained their footing by posting modest positive returns, as resilient economic and earnings data competed with geopolitical uncertainty to establish the market's direction. However, Asian and Emerging Market (EM) assets underperformed sharply on the back of ongoing trade war rhetoric. In currencies, the US dollar (USD) rebounded against the Singapore dollar (SGD) while the SGD held up better than the majority of Asian and EM currencies which came under renewed selling pressure in the 2nd quarter.

AIM Now underperformed (gross of fees) its benchmark over the 1st half of 2018. Asset allocation effect was negative due mainly to an underweight in global fixed income, which had outperformed, as well as our preference for Asia and Singapore equities, which were sold off in 2nd quarter on the back of global trade concerns. The relative losses were partially offset by an underweight in EM equities and Gold, which underperformed against a backdrop of rising dollar. Stock selection was flat with an outperformance in the underlying Asia and Global equity strategies offset by an underperformance in the fixed income holdings.

Market Outlook

Valuations have improved for the 1st time since 2015. While there are reasons to feel more constructive on risk assets given the re-emergence of valuation opportunities, we continue to position cautiously as the cyclical environment has deteriorated with US-China trade tension, resurgence in political risk in Europe and tighter liquidity remaining on the horizon.

Looking ahead, the overriding issue for markets currently is how the concerns over global trade will play out. Our base case scenario is that the tough US rhetoric on trade tariffs is a negotiating tactic ahead of the midterm elections later this year, which means equities especially EM should have a chance to perform well towards 4th quarter. However, it is also clear that if trade tensions were to escalate further this would have a detrimental effect on markets, so we will protect the portfolio through put options and/or safe haven currencies until there is more clarity on the trade front.

For now we are patiently waiting for better opportunities, focusing on a diversified stance. We continue to retain preferences for short-duration fixed income and inflation-linked bonds which we expect to outperform as inflation creeps higher. In equities, we hold a preference for higher quality US equities as well as the attractively valued Asian and EM.

RISKS

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

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

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

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

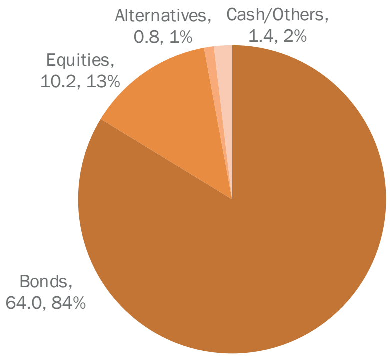
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2018	0.94%	8.50%
As of 30 June 2017	0.91%	33.95%

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

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

ASSET ALLOCATION AS OF 30 JUNE 2018



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	85,115,743
Purchase of units	6,202,589
Redemption of units	(12,675,468)
Dividend distribution	(815,588)
Gain/(loss) on investments and other income	(1,129,605)
Management fees & other charge	(217,722)
Value of fund as of 30 June 2018	76,479,949

Units in issue	82,722,928
Net asset value per unit	
- at the beginning of the year	0.949
- as of 30 June 2018	0.925

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(172,668)	-	235,699	(331,309)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	34.6	45.2
Schroder Asian Investment Grade Credit	10.5	13.7
Schroder ISF Global Inflation Linked Bond	6.9	9.1
Schroder ISF Global Bond	6.3	8.2
Schroder ISF Global Corporate Bond	5.7	7.4
Schroder ISF Global Equity	4.1	5.3
Singapore Equity Fund	3.1	4.0
Schroder ISF Asian Opportunities	3.1	4.0
SPDR Gold Trust	0.8	1.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$217,722.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

More information on soft dollars for Singapore Bond Fund can be found in the Fund Report of Singapore Bond 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.

Schroder

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

AIM 2025 Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	25 September 2009
Fund Size	S$17.07 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.00% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management (Singapore) Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars Markit iBoxx ALBI Singapore Government Index MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) DJ UBS Commodity hedged to Singapore Dollars Gold Spot hedged to Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	3.6	21.0	Singapore Bond Fund	3.1	19.7
Schroder ISF Global Equity	2.4	14.1	Schroder ISF Asian Opportunities	2.7	17.0
Schroder ISF Global Bond	2.1	12.6	Schroder ISF Global Equity	2.4	15.1
Schroder ISF Asian Opportunities	1.9	10.9	Schroder ISF Global Bond	1.5	9.2
Schroder ISF Global Corporate Bond	1.4	8.5	Schroder ISF Global Corporate Bond	1.4	8.5
Schroder Asian Investment Grade Credit	1.2	7.0	Schroder Asian Investment Grade Credit	1.0	6.5
Schroder ISF Global Inflation Linked Bond	1.1	6.3	Schroder ISF Global Inflation Linked Bond	0.9	5.6
Singapore Equity Fund	1.0	5.8	Singapore Equity Fund	0.8	4.9
Schroder Alt Solutions Commodity	0.7	4.1	SPDR Gold Trust	0.3	2.0
Schroder ISF Global Smaller Companies	0.5	3.1	Schroder ISF Global Smaller Companies	0.3	1.9

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

FUND MANAGER

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

AIM 2025 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 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

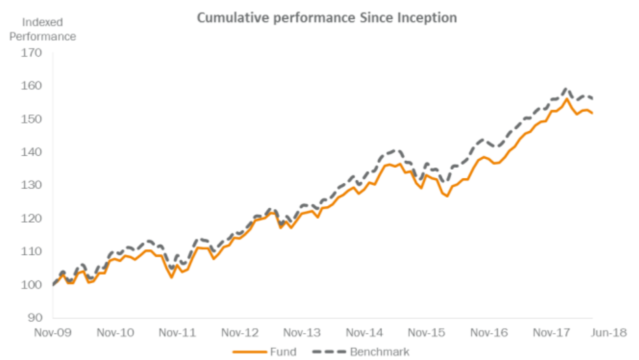
Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$593.3 billion (as of 30 June 2018).

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

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2025 Fund	-0.68%	0.21%	-1.21%	3.90%
Benchmark	-0.42%	0.24%	-0.59%	3.89%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2025 Fund	4.27%	5.33%	N.A.	4.93%
Benchmark	4.45%	5.71%	N.A.	5.28%



Changes to benchmarks during the life of the sub-fund: Since 31 May 2011 to 31 May 2017 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity, Gold Spot (SGD Hedged); Since inception to 31 May 2011 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity.

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

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

Volatility

	3-year (annualised)
AIM 2025 Fund	4.76%

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

MARKET REVIEW

Market Review

Global equity markets declined in 1st quarter, despite getting off to a strong start at the beginning of 2018. US/China trade tensions dominated the markets, while higher-than-expected inflation data in the US in February also prompted concerns that the Federal Reserve could raise interest rates more quickly than expected. Global bond markets reflected the news, with most major government bond yields climbing while credit spreads widened in the risk-off environment. In the volatile 2nd quarter, global equities regained their footing by posting modest positive returns, as resilient economic and earnings data competed with geopolitical uncertainty to establish the market's direction. However, Asian and Emerging Market (EM) assets underperformed sharply on the back of ongoing trade war rhetoric. In currencies, the US dollar (USD) rebounded against the Singapore dollar (SGD) while the SGD held up better than the majority of Asian and EM currencies which came under renewed selling pressure in the 2nd quarter.

AIM 2025 underperformed (gross of fees) its benchmark over the 1st half of 2018. Asset allocation effect was negative due mainly to an underweight in global fixed income, which had outperformed, as well as our preference for Asia and Singapore equities, which were sold off in 2nd quarter on the back of global trade concerns. The relative losses were partially offset by an underweight in EM equities and Gold, which underperformed against a backdrop of rising dollar. Stock selection was flat with an outperformance in the underlying Asia and Global equity strategies offset by an underperformance in the fixed income holdings.

Market Outlook

Valuations have improved for the 1st time since 2015. While there are reasons to feel more constructive on risk assets given the re-emergence of valuation opportunities, we continue to position cautiously as the cyclical environment has deteriorated with US-China trade tension, resurgence in political risk in Europe and tighter liquidity remaining on the horizon.

Looking ahead, the overriding issue for markets currently is how the concerns over global trade will play out. Our base case scenario is that the tough US rhetoric on trade tariffs is a negotiating tactic ahead of the midterm elections later this year, which means equities especially EM should have a chance to perform well towards 4th quarter. However, it is also clear that if trade tensions were to escalate further this would have a detrimental effect on markets, so we will protect the portfolio through put options and/or safe haven currencies until there is more clarity on the trade front.

For now we are patiently waiting for better opportunities, focusing on a diversified stance. We continue to retain preferences for short-duration fixed income and inflation-linked bonds which we expect to outperform as inflation creeps higher. In equities, we hold a preference for higher quality US equities as well as the attractively valued Asian and EM.

RISKS

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

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

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

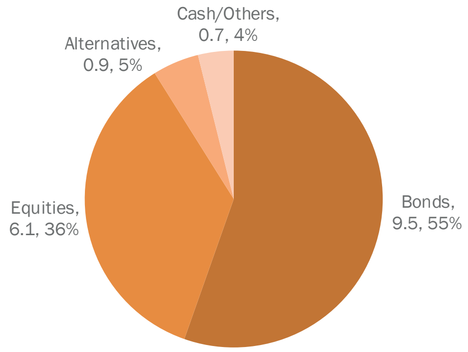
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2018	1.20%	23.47%
As of 30 June 2017	1.13%	41.91%

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

ASSET ALLOCATION AS OF 30 JUNE 2018



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	16,743,975
Purchase of units	1,655,329
Redemption of units	(1,129,584)
Gain/(loss) on investments and other income	(132,310)
Management fees & other charge	(70,656)
Value of fund as of 30 June 2018	17,066,754

Units in issue	11,640,044
Net asset value per unit	
- at the beginning of the year	1.484
- as of 30 June 2018	1.466

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(68,205)	-	21,533	(107,096)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	3.6	21.0
Schroder ISF Global Equity	2.4	14.1
Schroder ISF Global Bond	2.1	12.6
Schroder ISF Asian Opportunities	1.9	10.9
Schroder ISF Global Corporate Bond	1.4	8.5
Schroder Asian Investment Grade Credit	1.2	7.0
Schroder ISF Global Inflation Linked Bond	1.1	6.3
Singapore Equity Fund	1.0	5.8
Schroder Alt Solutions Commodity	0.7	4.1
Schroder ISF Global Smaller Companies	0.5	3.1
Schroder ISF Emerging Markets	0.3	1.8
SPDR Gold Trust	0.2	1.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$70,656.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

Schroder

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

AIM 2035 Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	25 September 2009
Fund Size	S$22.71 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.00% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management (Singapore) Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars Markit iBoxx ALBI Singapore Government Index MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) DJ UBS Commodity hedged to Singapore Dollars Gold Spot hedged to Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.0	22.2	Schroder ISF Global Equity	5.4	26.0
Schroder ISF Asian Opportunities	4.9	21.6	Schroder ISF Asian Opportunities	5.3	25.6
Singapore Equity Fund	2.2	9.8	Singapore Equity Fund	1.7	8.1
Singapore Bond Fund	1.6	6.9	Singapore Bond Fund	1.6	7.8
Schroder ISF Emerging Markets	1.3	5.6	Schroder ISF Emerging Markets	1.2	5.8
Schroder ISF Global Corporate Bond	1.2	5.2	Schroder ISF Global Corporate Bond	1.0	4.7
Schroder ISF Global Inflation Linked Bond	1.2	5.1	Schroder ISF Global Smaller Companies	0.8	3.9
Schroder ISF Global Smaller Companies	1.1	5.0	Schroder Asian Investment Grade Credit	0.8	3.9
Schroder Asian Investment Grade Credit	1.1	4.9	Schroder ISF Global Inflation Linked Bond	0.8	3.9
Schroder ISF Global Bond	1.0	4.2	Schroder ISF Global Bond	0.7	3.5

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

FUND MANAGER

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

AIM 2035 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 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

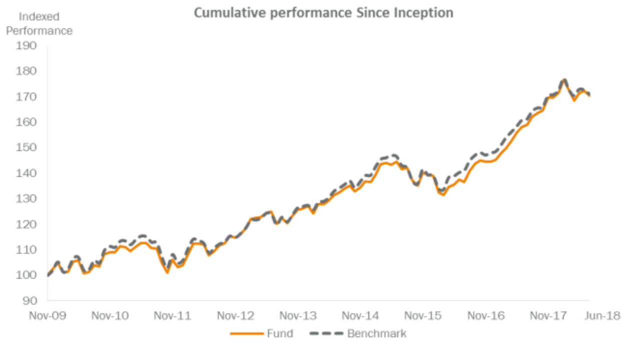
Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$593.3 billion (as of 30 June 2018).

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

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2035 Fund	-1.08%	1.11%	-0.66%	7.16%
Benchmark	-0.95%	0.35%	-0.77%	6.09%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2035 Fund	6.39%	7.23%	N.A.	6.34%
Benchmark	6.13%	7.37%	N.A.	6.39%



Changes to benchmarks during the life of the sub-fund: Since 31 May 2011 to 31 May 2017 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity, Gold Spot (SGD Hedged); Since inception to 31 May 2011 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity.

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

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

Volatility

	3-year (annualised)
AIM 2035 Fund	6.47%

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

MARKET REVIEW

Market Review

Global equity markets declined in 1st quarter, despite getting off to a strong start at the beginning of 2018. US/China trade tensions dominated the markets, while higher-than-expected inflation data in the US in February also prompted concerns that the Federal Reserve could raise interest rates more quickly than expected. Global bond markets reflected the news, with most major government bond yields climbing while credit spreads widened in the risk-off environment. In the volatile 2nd quarter, global equities regained their footing by posting modest positive returns, as resilient economic and earnings data competed with geopolitical uncertainty to establish the market's direction. However, Asian and Emerging Market (EM) assets underperformed sharply on the back of ongoing trade war rhetoric. In currencies, the US dollar (USD) rebounded against the Singapore dollar (SGD) while the SGD held up better than the majority of Asian and EM currencies which came under renewed selling pressure in the 2nd quarter.

AIM 2035 outperformed (gross of fees) its benchmark over the 1st half of 2018 due to positive stock selection, led mainly by an outperformance in the underlying Asia and global equity strategies, as well as in the Commodities holdings.

Asset allocation was marginally negative due mainly to an underweight in global fixed income, which had outperformed, as well as our preference for Asia and Singapore equities, which were sold off in 2nd quarter on the back of global trade concerns. The relative losses were partially offset by an overweight in global equities, supported by strong performance in the US, as well as an underweight in EM equities and Gold, which underperformed against a backdrop of rising USD.

AIM 2035 Fund

Market Outlook

Valuations have improved for the 1st time since 2015. While there are reasons to feel more constructive on risk assets given the re-emergence of valuation opportunities, we continue to position cautiously as the cyclical environment has deteriorated with US-China trade tension, resurgence in political risk in Europe and tighter liquidity remaining on the horizon.

Looking ahead, the overriding issue for markets currently is how the concerns over global trade will play out. Our base case scenario is that the tough US rhetoric on trade tariffs is a negotiating tactic ahead of the midterm elections later this year, which means equities especially EM should have a chance to perform well towards 4th quarter. However, it is also clear that if trade tensions were to escalate further this would have a detrimental effect on markets, so we will protect the portfolio through put options and/or safe haven currencies until there is more clarity on the trade front.

For now we are patiently waiting for better opportunities, focusing on a diversified stance. We continue to retain preferences for short-duration fixed income and inflation-linked bonds which we expect to outperform as inflation creeps higher. In equities, we hold a preference for higher quality US equities as well as the attractively valued Asian and EM.

RISKS

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

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

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

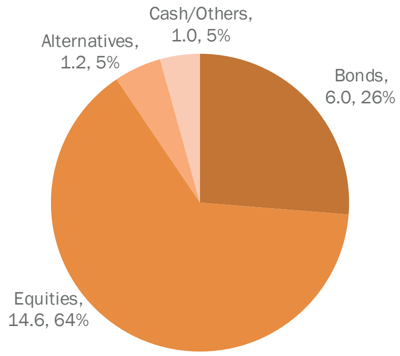
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2018	1.24%	23.72%
As of 30 June 2017	1.13%	44.09%

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

ASSET ALLOCATION AS OF 30 JUNE 2018



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	22,813,341
Purchase of units	1,457,558
Redemption of units	(1,403,395)
Gain/(loss) on investments and other income	(55,777)
Management fees & other charge	(101,720)
Value of fund as of 30 June 2018	22,710,007

Units in issue	13,797,634
Net asset value per unit	
- at the beginning of the year	1.657
- as of 30 June 2018	1.646

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(56,378)	-	16,723	(88,767)

AIM 2035 Fund

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.0	22.2
Schroder ISF Asian Opportunities	4.9	21.6
Singapore Equity Fund	2.2	9.8
Singapore Bond Fund	1.6	6.9
Schroder ISF Emerging Markets	1.3	5.6
Schroder ISF Global Corporate Bond	1.2	5.2
Schroder ISF Global Inflation Linked Bond	1.2	5.1
Schroder ISF Global Smaller Companies	1.1	5.0
Schroder Asian Investment Grade Credit	1.1	4.9
Schroder ISF Global Bond	1.0	4.2
Schroder Alt Solutions Commodity	0.9	4.2
SPDR Gold Trust	0.2	1.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$101,720.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

CONFLICTS OF INTEREST

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.

Schroder

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

AIM 2045 Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	25 September 2009
Fund Size	S$27.80 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.00% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management (Singapore) Limited
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars Markit iBoxx ALBI Singapore Government Index MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) DJ UBS Commodity hedged to Singapore Dollars Gold Spot hedged to Singapore Dollars
Structure	Single Fund

With effect from 31 May 2017, one of the benchmark constituents, UOB Singapore Government Bond Index All, has been replaced by Markit iBoxx ALBI Singapore Government Index. The Annual Management Fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the sub-fund balance at any point of time.

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	6.8	24.4	Schroder ISF Global Equity	6.0	26.0
Schroder ISF Asian Opportunities	6.6	23.7	Schroder ISF Asian Opportunities	5.9	25.6
Singapore Equity Fund	3.0	10.7	Singapore Equity Fund	2.1	9.0
Schroder ISF Emerging Markets	2.3	8.1	Schroder ISF Emerging Markets	1.8	7.9
Schroder ISF Global Smaller Companies	1.9	6.8	Schroder ISF Global Smaller Companies	1.4	6.0
Schroder ISF Global Corporate Bond	1.3	4.7	Singapore Bond Fund	1.1	4.9
Schroder Asian Investment Grade Credit	1.3	4.7	Schroder ISF Global Corporate Bond	1.1	4.7
Schroder Alt Solutions Commodity	1.1	4.1	Schroder Asian Investment Grade Credit	0.9	3.9
Schroder ISF Global Inflation Linked Bond	0.8	2.9	Schroder ISF Global Inflation Linked Bond	0.6	2.8
Singapore Bond Fund	0.7	2.6	Schroder ISF Global Bond	0.6	2.7

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

FUND MANAGER

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

AIM 2045 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 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

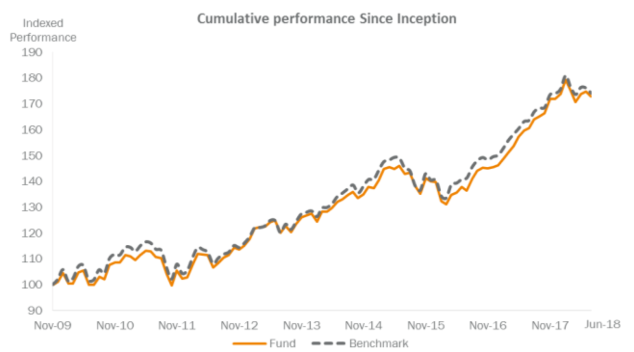
Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$593.3 billion (as of 30 June 2018).

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

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
AIM 2045 Fund	-1.18%	1.15%	-0.65%	7.54%
Benchmark	-1.13%	0.30%	-0.86%	6.43%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2045 Fund	6.52%	7.55%	N.A.	6.51%
Benchmark	6.27%	7.71%	N.A.	6.62%



Changes to benchmarks during the life of the sub-fund: Since 31 May 2011 to 31 May 2017 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity, Gold Spot (SGD Hedged); Since inception to 31 May 2011 - MSCI AC World, MSCI AC Asia Ex Japan, FTSE STI, Barclays Global Agg (SGD Hedged), UOB All Bond Index, FTSE EPRA/NAREIT Developed Real Estate, DJ UBS Commodity.

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

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

Volatility

	3-year (annualised)
AIM 2045 Fund	7.07%

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

MARKET REVIEW

Market Review

Global equity markets declined in 1st quarter, despite getting off to a strong start at the beginning of 2018. US/China trade tensions dominated the markets, while higher-than-expected inflation data in the US in February also prompted concerns that the Federal Reserve could raise interest rates more quickly than expected. Global bond markets reflected the news, with most major government bond yields climbing while credit spreads widened in the risk-off environment. In the volatile 2nd quarter, global equities regained their footing by posting modest positive returns, as resilient economic and earnings data competed with geopolitical uncertainty to establish the market's direction. However, Asian and Emerging Market (EM) assets underperformed sharply on the back of ongoing trade war rhetoric. In currencies, the US dollar (USD) rebounded against the Singapore dollar (SGD) while the SGD held up better than the majority of Asian and EM currencies which came under renewed selling pressure in the 2nd quarter.

AIM 2045 outperformed (gross of fees) its benchmark over the 1st half of 2018 due to positive stock selection, led mainly by an outperformance in the underlying Asia and global equity strategies, as well as in the Commodities holdings.

Asset allocation was marginally negative due mainly to an underweight in global fixed income, which had outperformed, as well as our preference for Asia and Singapore equities, which were sold off in 2nd quarter on the back of global trade concerns. The relative losses were partially offset by an overweight in global equities, supported by strong performance in the US, as well as an underweight in EM equities and Gold, which underperformed against a backdrop of rising USD.

AIM 2045 Fund

Market Outlook

Valuations have improved for the 1st time since 2015. While there are reasons to feel more constructive on risk assets given the re-emergence of valuation opportunities, we continue to position cautiously as the cyclical environment has deteriorated with US-China trade tension, resurgence in political risk in Europe and tighter liquidity remaining on the horizon.

Looking ahead, the overriding issue for markets currently is how the concerns over global trade will play out. Our base case scenario is that the tough US rhetoric on trade tariffs is a negotiating tactic ahead of the midterm elections later this year, which means equities especially EM should have a chance to perform well towards 4th quarter. However, it is also clear that if trade tensions were to escalate further this would have a detrimental effect on markets, so we will protect the portfolio through put options and/or safe haven currencies until there is more clarity on the trade front.

For now we are patiently waiting for better opportunities, focusing on a diversified stance. We continue to retain preferences for short-duration fixed income and inflation-linked bonds which we expect to outperform as inflation creeps higher. In equities, we hold a preference for higher quality US equities as well as the attractively valued Asian and EM.

RISKS

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

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

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

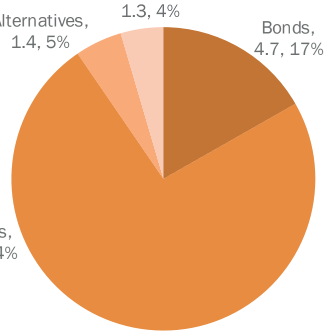
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2018	1.24%	18.58%
As of 30 June 2017	1.13%	39.01%

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 30 JUNE 2018



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	26,852,217
Purchase of units	2,450,375
Redemption of units	(1,318,091)
Gain/(loss) on investments and other income	(65,981)
Management fees & other charge	(123,098)
Value of fund as of 30 June 2018	27,795,422

Units in issue	16,653,787
Net asset value per unit	
- at the beginning of the year	1.680
- as of 30 June 2018	1.669

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(59,540)	-	10,559	(93,547)

AIM 2045 Fund

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	6.8	24.4
Schroder ISF Asian Opportunities	6.6	23.7
Singapore Equity Fund	3.0	10.7
Schroder ISF Emerging Markets	2.3	8.1
Schroder ISF Global Smaller Companies	1.9	6.8
Schroder ISF Global Corporate Bond	1.3	4.7
Schroder Asian Investment Grade Credit	1.3	4.7
Schroder Alt Solutions Commodity	1.1	4.1
Schroder ISF Global Inflation Linked Bond	0.8	2.9
Singapore Bond Fund	0.7	2.6
Schroder ISF Global Bond	0.5	1.8
SPDR Gold Trust	0.3	0.9

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$123,098.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

CONFLICTS OF INTEREST

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.

Schroder

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Money Market Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

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

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	1 May 2006
Fund Size	S$15.10 million
Annual Management Fee	0.25% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	Singapore 3-month Interbank Bid Rate
Structure	Single Fund

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 4% 010918	2.0	13.5	Singapore Government Bonds 0.5% 010418	1.7	10.7
Monetary Authority of Singapore Bills 060718	1.5	9.9	Public Utilities Board 3.9% 310818	1.6	9.6
SingTel Group 3.4875% 080420	1.3	8.5	Monetary Authority of Singapore Bills 210717	1.1	6.7
Public Utilities Board 3.9% 310818	1.3	8.4	Monetary Authority of Singapore Bills 241017	1.1	6.7
SP PowerAssets 4.84% 221018	1.3	8.4	SP PowerAssets 4.84% 221018	1.1	6.5
National University of Singapore 1.708% 130219	1.3	8.3	Korea Dev Bank 2.65% 031218	1.0	6.2
Korea Dev Bank 2.65% 031218	1.0	6.6	National University of Singapore 1.708% 130219	1.0	6.2
Singapore Government Bonds 1.625% 011019	1.0	6.6	Singapore Bus Services 1.8% 120917	1.0	6.2
Bank of China/SG Bchina 2.75% 300619	1.0	6.6	SMRT Capital Pet Ltd 1.2% 051017	1.0	6.2
Mizuho Bank Ltd 2.77% 150319	0.8	5.0	ICBCAS 2.5% 121117	0.8	5.1

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

FUND MANAGER

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

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.

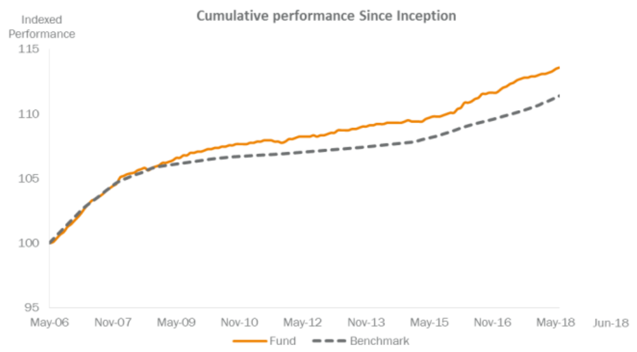
As a social enterprise, Income is committed to making insurance accessible, affordable and sustainable for all.

Money Market Fund

As of 30 June 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Money Market Fund	0.09%	0.34%	0.52%	0.86%
Benchmark	0.11%	0.34%	0.66%	1.15%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Money Market Fund	1.14%	0.88%	0.73%	1.06%
Benchmark	0.97%	0.75%	0.56%	0.90%



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

Volatility

	3-year (annualised)
Money Market Fund	0.29%

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

MARKET REVIEW

The Money Market Fund returned 0.52% for the six months ended 30th June 2018, slightly below its benchmark return of 0.66%.

2nd quarter's advance estimates indicate Singapore's economy grew by 3.8% over the corresponding period in 2017, albeit less robust than market's expectation. While services and manufacturing industries continue to expand, the same cannot be said about the construction sector, which has been weak for the last two years. Meanwhile, Singapore's inflation numbers are likely to stay within the expected range for the rest of the year, namely 0% to 1% for Consumer Price Index All Items Inflation and 1% to 2% for Core Inflation (which excludes private road transport and accommodation).

The flush liquidity environment which marked the last decade is expected to diminish progressively. The US Federal Reserve will continue with its multi-year balance sheet normalisation exercise and the European Central Bank is expected to terminate the quantitative easing programme by December 2018. With central banks stepping back, financial assets, especially those which have benefited from central banks' purchases, may increasingly be dependent on market forces to determine their clearing prices. Trump Administration's trade policy also looks unfavourable to Asia at the margin. While the globally synchronised growth story remains on track, these uncertainties will offset the moderate growth and low inflation environment conducive to the financial markets.

The Money Market Fund is positioned for steady investment returns guided by short-term rates. We remain constructive on credits and continue to work towards identifying qualifying assets with decent credit spread for investment.

RISKS

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

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

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

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

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

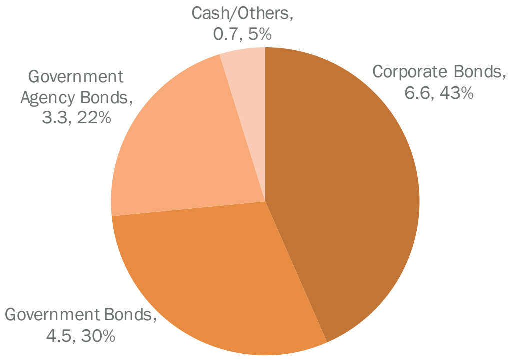
Income's ILP sub-funds are not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP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

EXPENSE AND TURNOVER RATIO

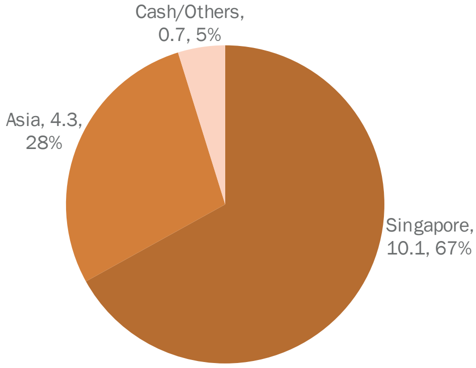
	Expense ratio	Turnover ratio
As of 30 June 2018	0.27%	31.23%
As of 30 June 2017	0.27%	27.13%

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

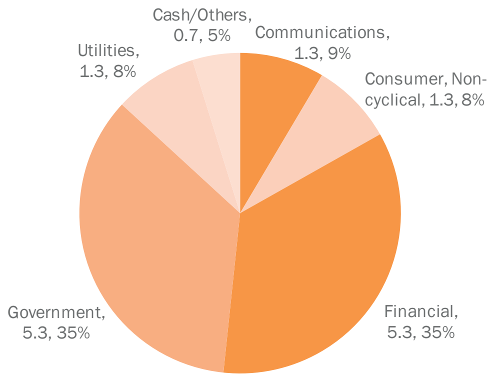
ASSET ALLOCATION AS OF 30 JUNE 2018



COUNTRY ALLOCATION AS OF 30 JUNE 2018



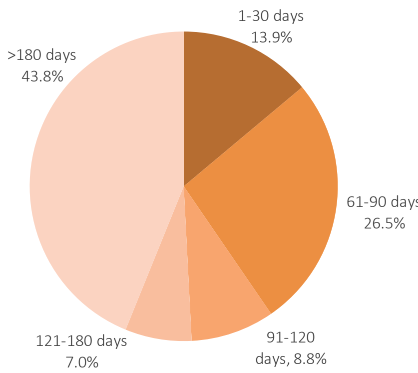
SECTOR ALLOCATION AS OF 30 JUNE 2018



TERM TO MATURITY OF INVESTMENTS AS OF 30 JUNE 2018

Term to maturity

	S$ (mil)	% of NAV
1-30	2.0	13.9
31-60	0.0	0.0
61-90	3.8	26.5
91-120	1.3	8.8
121-180	1.0	7.0
>180	6.3	43.8
Total	14.4	100.0



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	4.3	28.4
AA	2.3	15.0
AA-	0.5	3.3
A+	2.5	16.8
A	1.0	6.6
A-	0.5	3.3
Not rated	3.3	21.7
Total	14.4	95.2

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

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	15,075,885
Purchase of units	16,845,348
Redemption of units	(16,902,476)
Gain/(loss) on investments and other income	96,677
Management fees & other charge	(18,852)
Value of fund as of 30 June 2018	15,096,582

Units in issue	12,891,955
Net asset value per unit	
- at the beginning of the year	1.165
- as of 30 June 2018	1.171

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	38,119	(24,991)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$18,852.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

CONFLICTS OF INTEREST

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Asian Bond Fund

INVESTMENT OBJECTIVE

To provide a medium to long-term rate of return by investing mainly in Asian Fixed Income Securities.

INVESTMENT SCOPE

The sub-fund is invested in the BlackRock Global Funds - Asian Tiger Bond Fund A6 SGD Hedged Share Class (the underlying fund). The underlying fund will invest 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. It may use financial derivative instruments for efficient portfolio management or to hedge market, interest rate and currency risk. Please refer to the "Investment Objectives & Policies" and "Derivatives – General" sections of the Underlying Funds' Luxembourg Prospectus for further information. The Luxembourg Prospectus is available within the Singapore prospectus at www.blackrock.com/sg/en/literature/prospectus/bgf-singapore-prospectus-sg.pdf.

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	3 May 2016
Fund Size	S$31.70 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% per annum, which includes management fee charged by the investment manager of the BlackRock Global Funds - Asian Tiger Bond Fund A6 SGD Share Class.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	BlackRock (Luxembourg) S.A.
Benchmark	J.P. Morgan Asia Credit Index Hedged to Singapore Dollars
Structure	Single Fund

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

TOP 10 HOLDINGS

Asian Bond Fund

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
BGF-ASIAN TIGER BOND-A6SHD BGATA6S	31.9	100.7	BGF-ASIAN TIGER BOND-A6SHD BGATA6S	25.6	99.9

Asian Bond Fund

BlackRock Global Funds – Asian Tiger Bond Fund ^

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Adani Transmission Ltd 4% 030826	0.4	1.2	Rep of India 6.79% 150527	0.6	2.3
Overseas Chinese Town Asia Holding 4.3% 311249	0.4	1.2	Indonesia Government 8.25% 150536	0.4	1.4
Abu Dhabi (Emirate Of) 4.125% 111047	0.4	1.1	Minmetals Bounteous Fin Regs 4.2% 270726	0.3	1.2
CNOOC Nexen Finance 2014 ULC 4.25% 300424	0.4	1.1	Proven Glory Capital Ltd 3.25% 210222	0.3	1.1
CNAC HK SYNBR 5% 050520	0.3	1.1	Hesteel Hong Kong Co Ltd 4.25% 070420	0.3	1.1
Indonesia Govt Mtn Regs 4.75% 180747	0.3	1.1	1Malaysia Development Bhd 5.99% 110522	0.3	1.0
Hutchison Whampoa Int 3.625% 103124	0.3	1.0	CK Hutchinson Int Regs 2.875% 050422	0.3	1.0
1Malaysia Development Bhd 5.99% 110522	0.3	0.9	CNAC HK SYNBR Regs 5% 050520	0.2	1.0
Minejesa Capital BV Regs 4.625% 100830	0.3	0.8	Hutchinson Whampoa Int 3.625% 103124	0.2	1.0
Perusahaan Penerbit SBSN Indonesia Regs 4.55% 290326	0.3	0.8	Sri Lanka Govt Regs 10.75% 150119	0.2	0.9

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Asian Bond Fund was launched on 3 May 2016.

^ Information extracted from the underlying BlackRock Global Funds – Asian Tiger Bond Fund A6 SGD Hedged Share Class. Source: BlackRock (Singapore) Limited.

FUND MANAGER

NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund. It invests all assets in the BlackRock Global Funds – Asian Tiger Bond Fund A6 SGD Hedged Share Class which is managed by the sub-investment Manager BlackRock (Luxembourg) S.A.

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2018, Income had S$34.96 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.

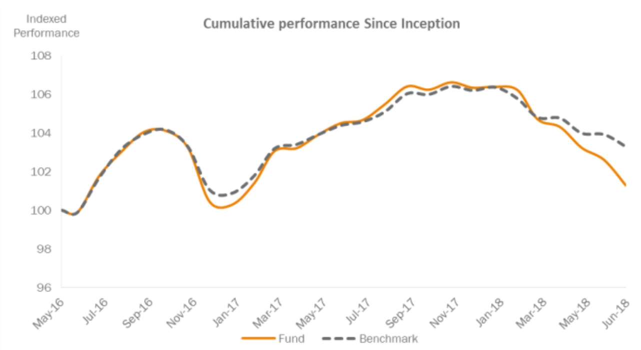
BlackRock (Luxembourg) S.A.

BlackRock helps investors build better financial futures. As a fiduciary to our clients, we provide the investment and technology solutions they need when planning for their most important goals. As of 30 June 2018, the firm managed approximately US$6.3 trillion in assets on behalf of investors worldwide. For additional information on BlackRock, please visit www.blackrock.com/sg.

Asian Bond Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Asian Bond Fund	-1.28%	-2.89%	-4.79%	-3.22%
Benchmark	-0.60%	-1.41%	-2.89%	-1.23%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Bond Fund	N.A.	N.A.	N.A.	0.60%
Benchmark	N.A.	N.A.	N.A.	1.52%



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

Volatility

	3-year (annualised)*
Asian Bond Fund	N.A.

Calculated using bid-bid prices in Singapore Dollar terms, with dividends and distributions reinvested.
*1-year volatility is 2.56% as 3-year volatility data is not available.

MARKET REVIEW

Market Review

The year so far can be characterised as a rolling bear market: while the market did not perform poorly everywhere all at once, key sectors were hit at various points in time. When the market does not move as a monolithic whole, return on the index level masks to an extent sporadic sector-level underperformance that hits active portfolios. For instance, our active positions in financials underperformed following contagion from the Italian political impasse, our positions in Indonesian high yield took a hit from Emerging Market (EM) outflows and our exposures to China high yield were negatively impacted by worries about defaults in Chinese corporate bonds. What was common across these selloffs is that they were caused by fragile technicals and not weak fundamentals. Even in the case of China defaults, they were merely symptomatic of the deleveraging efforts, where less credit was available to already weak companies - it was market unease that caused the selloff. The silver lining to this is that we are now able to get good quality bonds at cheap valuations; we are currently adding risk at a measured pace as the market stabilises.

Markets in the 1st quarter started pricing in the hawkish stance of the US Federal Reserve (Fed) and strong US economic data, causing US treasury yields to take a leg upwards. In the 1st few months of the year, we were overweight US duration because we believed that markets were pricing in economic data into yields excessively and expected a turn in technicals. As this did not materialise, we subsequently removed the position, avoiding further losses in the latter part of the period. These upward bound rates also caused a rather overdue technical stock market correction in February. The resultant increase in volatility and risk aversion affected risk assets globally, one of the repercussions of which was a slight widening of credit spreads in Asia. However, Asian credit markets were less rattled by the sell off than equities - the JP Morgan Asian Credit Index outperformed the MSCI Asia ex-Japan Total Return by more than 4% in February.

Asian credit spreads widened only gently in the 1st quarter as the region remained insulated from some of the risk off in other parts of the world. In the 2nd quarter, particularly in June, significant singular events had spill overs in Asian Credit and shot spreads wider. The Italian political deadlock was one, when the president vetoed the ascent to power of an anti-establishment Eurosceptic coalition, generating market concern that it could ultimately lead to a de facto referendum on Italy's membership with the EU. This was transient as the coalition managed to form a government in June, assuaging investors. More persistent (and closer to home) have been the trade skirmishes between US and China. These have gradually escalated through the period in a tit for tat fashion without a clear resolution as of yet. We see a continuation of these back and forth moves that could possibly peak before midterm elections before subsiding. Currently, we are selective on sectors that are more likely to be impacted by trade tariffs, such as China Technology, Media, and Telecom. For some perspective, however, Asian Credit has proven to be more resilient than broader EM fixed income this year: EM USD Credit (JP Morgan EMBI Global Diversified Index) returned -5.23% and EM Local Bonds (JP Morgan GBI-EM Global Diversified Index) returned -6.44% as of end June. The reason for this is that EM have higher beta than Asia and are more volatile during market distress.

As a corollary of tighter US monetary policy, a rising dollar and trade concerns, EM (including Asian local markets) saw an exodus of funds in the 2nd quarter. Asian currencies floundered, with higher energy prices aggravating the problem for net oil importing countries like India and Indonesia. In a bid to support its currency against a rising US Dollar, Bank Indonesia hiked the seven-day reverse repo rate three times and the Reserve Bank of India delivered its 1st rate hike in 4 years. We believe these moves are part of a broader shift in the stance of Asian central banks towards one that is more hawkish. Considering unfavourable EM local currency flows, coupled with the general hawkishness of Asian Central Banks, we removed off benchmark local currency bond positions in the fund.

Yields in Asian USD credit have risen to levels last seen during taper tantrum in 2013, before the asset class experienced multi-year inflows instigated by attractive valuations. At the end of June, there were 104 issues in the JPM Asian credit index with yield to maturity more than 10%

compared to 25 issues at the beginning of year, reflecting a combination of spread widening and US treasury yields rising. While it is difficult to call the bottom of any sell-off, it is easy to observe the relatively attractive valuations of Asia relative to developed markets - particularly in high yield. This is owing to poorer technicals, less so to fundamentals. Compared to 2013, fundamentals have actually improved in Asia. This creates an attractive entry point for active fund managers to invest in quality companies at attractive valuations.

In terms of performance drivers, our underweight in Philippine investment grade credit and tactical positioning in Malaysian Ringgit (MYR) and Philippine Peso (PHP) was accretive to returns. Duration suppressed returns because of our overweight position earlier in the year. In credit, the asset class in itself saw selloffs across sectors, the largest underperforming ones being China high yield, Australian AT1 financials, China sovereigns/quasi-sovereigns, and Indonesian and Indian credit across the credit spectrum. Our overweight positions in AT1 financials and active positions in some issues within Indonesian high yield and China high yield industrials reduced active returns.

Market Outlook

The global investment paradigm has shifted since the beginning of 2018. The risks we anticipated at 2017 year-end are playing out: policy and geopolitical uncertainty have risen leading to heightened asset price volatility. Also, the surge in oil prices surpassed market expectations. If sustained, higher oil prices can accentuate global inflationary pressures and lead to further shifts in policy outlook. As a result of these policy, geopolitical and inflation uncertainties, we have taken a slightly more cautionary view on Asian credit in the near-term. However, the underlying fundamentals for the asset class continue to be strong and the longer term demand remains firmly anchored around global savings glut and high demand for income by an ageing population.

Borrowing or funding costs have escalated quickly. The Fed hiked rates seven times since December 2016 and given the impetus of the US fiscal stimulus and tax cuts, more are expected as the US economy nears full employment. The Federal Open Market Committee raised the target range for the Fed funds rate 25 basis points as expected on 13th June and consolidated their guidance around ongoing quarterly rate increases. The Summary of Economic Projections saw the 'dot plot' medians revised up in 2018 and that carry the 2019 median higher too. Alongside monetary policy normalisation, we are projecting to see a reduction of approximately US$400 billion in the US balance sheet by end of 2018. The normalisation path in the US contrasts with the weaker data coming from the rest of developed markets this year. Policy divergence has played out since the beginning of the year through higher rates in the US and a stronger greenback, putting pressure on Asian EM. Trade has become a hot topic and major driver of investor and market sentiment. We do not expect an immediate full resolution but believe the economic impact will be less significant than the tough talk on trade suggests. Sentiment could be the biggest casualty and stay fragile in the near-term.

Rising oil price is another risk to the markets. Multiple factors underpinned higher oil prices coming into 2018. Some key ones include underinvestment post the 2013-15 energy market crisis, continued strong demand growth and positioning from the financial sector. Then, in early May, President Donald Trump's decision to pull out of the Iran nuclear deal further exacerbated supply concerns that had been building up. Other OPEC members and the US assure the world that they will alleviate any shortfall, but even so, much uncertainty remains. Rising oil prices affect the region, albeit unevenly, and while key Asian countries have rationalised domestic pricing following the oil price decline in 2015, there is risk of fiscal slippage, current account widening and higher inflation in some countries. That said, higher rates and oil prices have prompted Asian central banks to hike rates. We don't expect oil prices to run significantly higher from current levels, but supply/demand forces should drive the price for the rest of the year.

We have seen mixed success in the US-China trade negotiations. China dropped its anti-dumping probe of US sorghum to help de-escalate a trade war scenario, but the US demand to cut US$200 billion of China's annual trade deficit remains a contentious topic.

So far China has made some modest concessions: 1) lowering market entry barriers, such as scrapping the ownership cap of foreign companies in the auto industry; 2) improving the investment environment by removing subsidies and unfavourable government treatment of foreign companies; 3) strengthening intellectual property protection; and 4) increasing imports, especially in the medical and energy fields. If China sacrifices too much, the domestic reform agenda may be derailed.

China's main focus is domestic reform and they are not interested in waging a currency or trade war. If pushed, however, Beijing is likely to fight back and has the resources to do so. Retaliation on a grand scale would be very disruptive for everyone, including US companies with high stakes in China. It is in everyone's best interest to resolve this through negotiation. We keep a particular focus on credits with exposure to the US-China trade negotiations and stand ready to adjust positioning as the situation evolves.

Yields on Asian credit are now back to levels last seen in early 2014, but the asset class has shown one of the highest risk-adjusted returns across global asset classes (from end 2013 to end of May 2018). With yields back at these levels, investors have not made significant price returns over the period but the income that investors would have received came with low volatility relative to other asset classes. The market is now pricing in three rate hikes over the next one year and current yield levels provide a good buffer in the event of a repricing of Fed expectations. After a nine-month adjustment in yields, we believe value is emerging.

Although yields are near early 2014 levels, fundamentals have improved since then. Indeed, the cheaper valuations recently seen in Asian credit reflect weaker technicals and not deteriorating fundamentals. In Indonesia, we make a distinction between investment grade credit where we maintain a neutral position, and high yield where we see selective opportunities based on improving fundamentals and attractive valuations relative to its global peers. In China, fundamentals in high yield property have improved and while we expect higher supply to put a cap on spread compression, current levels present an opportunity for investors to enter for attractive carry.

We see Asian credit as attractively valued post recent sell-off in risk assets with relatively attractive valuations versus its peers in the US and Europe. We particularly like short-dated high yield, where we have been adding risk selectively. Another reason for optimism is our belief that the trajectory of global rates from here will support credit, and fundamentals in Asia (both sovereign and corporate) remain supportive for the asset class.

RISKS

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

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

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

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

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

EXPENSE AND TURNOVER RATIO

Asian Bond Fund

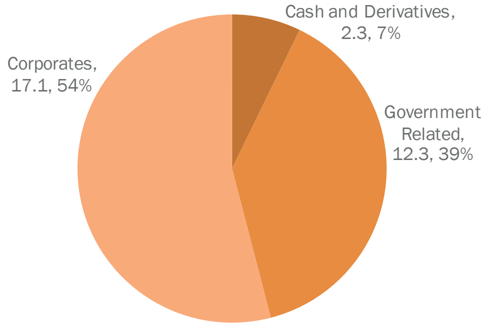
	Expense ratio	Turnover ratio
As of 30 June 2018	1.28%	21.72%
As of 30 June 2017	1.24%	45.35%

BlackRock Global Funds – Asian Tiger Bond Fund

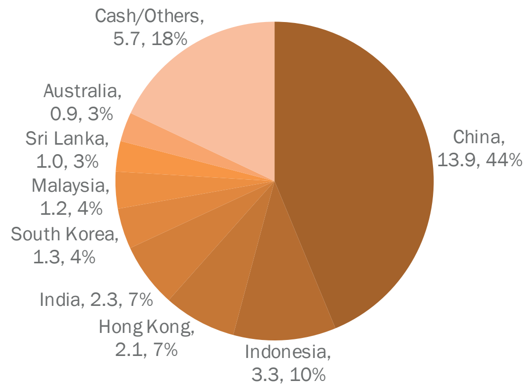
	Expense ratio	Turnover ratio
As of 30 June 2018	1.22%	150.15%
As of 30 June 2017	1.21%	143.07%

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

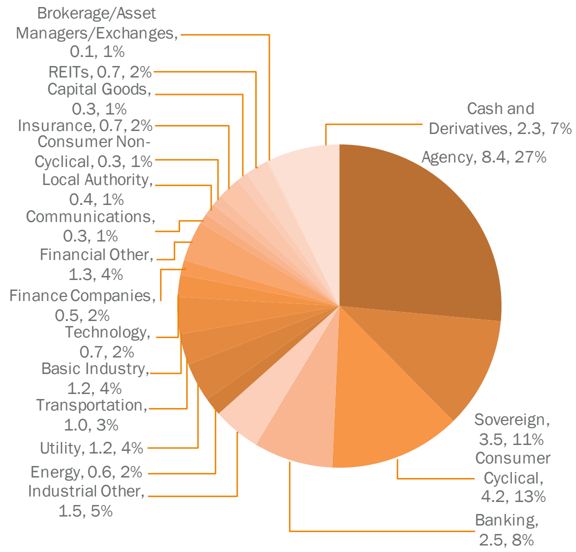
ASSET ALLOCATION^ AS OF 30 JUNE 2018



COUNTRY ALLOCATION^ AS OF 30 JUNE 2018



SECTOR ALLOCATION^ AS OF 30 JUNE 2018



Asian Bond Fund

CREDIT RATINGS OF DEBT SECURITIES^

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AA	0.7	2.3
A	5.7	18.0
BBB	13.1	41.2
BB	3.7	11.7
B	5.5	17.4
CCC	0.3	0.8
Not rated	0.4	1.4
Total	29.4	0.0

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

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).
^ Information extracted from the underlying BlackRock Global Funds – Asian Tiger Bond Fund A6 SGD Hedged Share Class. Source: BlackRock (Singapore) Limited.

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	31,940,764
Purchase of units	4,843,875
Redemption of units	(2,778,711)
Dividend distribution	(731,798)
Gain/(loss) on investments and other income	(1,575,807)
Value of fund as of 30 June 2018	31,698,323

Units in issue	35,686,195
Net asset value per unit	
- at the beginning of the year	0.954
- as of 30 June 2018	0.888

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
BGF-ASIAN TIGER BOND-A6SHD BGATA6S	31.9	100.7

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, there is no management fee paid or payable by the sub-fund to the Investment Manager.

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^

In accordance with new rules coming into force in January 2018 pursuant to EU Directive 2014/65/EU on markets in financial instruments referred to as "MiFID II", the BlackRock Group will no longer pay for external research via client trading commissions for its MiFID II-impacted funds ("MIFID II-impacted funds"). The BlackRock Group shall meet such research costs out of its own resources. MiFID II-impacted funds are those which have appointed the BlackRock Group MiFID firm as investment adviser or where investment management has been delegated by such firm to an overseas affiliate. Funds which have directly appointed an overseas affiliate of the the BlackRock Group within a third country (i.e. outside the European Union) to perform portfolio management are not in-scope for the purposes of MiFID II and will be subject to the local laws and market practices governing external research in the applicable jurisdiction of the relevant affiliate. This means that costs of external research may continue to be met out of the assets of such funds. A list of such funds is available on request from the Management Company. Where investments are made in non-BlackRock Group funds, they will continue to be subject to the external manager's approach to paying for external research in each case. This approach may be different from that of the BlackRock Group and may include the collection of a research charge alongside trading commissions in accordance with applicable laws and market practice. This means that the costs of external research may continue to be met out of the assets within the fund.

Where permitted by applicable regulation (excluding, for the avoidance of doubt, any Funds which are in scope for MiFID II), certain BlackRock Group companies acting as investment adviser to the Funds may accept commissions generated when trading equities with certain brokers in certain jurisdictions. Commissions may be reallocated to purchase eligible research services. Such arrangements may benefit one Fund over another because research can be used for a broader range of clients than just those whose trading funded it. The BlackRock Group has a Use of Commissions Policy designed to ensure only eligible services are purchased and excess commissions are reallocated to an eligible service provider where appropriate.

To the extent that investment advisers within the BlackRock Group are permitted to receive trading commissions or soft dollar commissions, with respect to the Funds (or portion of a Fund) for which they provide investment management and advice, they may select brokers (including, without limitation, brokers who are affiliated with the BlackRock Group or PNC Group) that furnish the BlackRock Group, directly or through third-party or correspondent relationships, with research or execution services which provide, in the BlackRock Group's view, lawful and appropriate assistance to each applicable BlackRock Group company in the investment decision-making or trade execution processes and the nature of which is that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the Funds' performance. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; economic and financial information and analysis; and quantitative analytical software. Research or execution services obtained in this manner may be used in servicing not only the account from which commissions were used to pay for the services, but also other BlackRock Group client accounts. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods and services, general office equipment, computer hardware or premises, membership fees, employee salaries or direct money payments. To the extent that the BlackRock Group uses its clients' commission dollars to obtain research or execution services, the BlackRock Group companies will not have to pay for those products and services themselves. The BlackRock Group companies may receive research or execution services that are bundled with the trade execution, clearing and/or settlement services provided by a particular broker-dealer. To the extent that each BlackRock Group company receives research or execution services on this basis, many of the same potential conflicts related to receipt of these services through third party arrangements exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing and settlement services provided by the broker-dealer and will not be paid by that BlackRock Group company.

Each of the BlackRock Group company may endeavour, subject to best execution, to execute trades through brokers who, pursuant to such arrangements, provide research or execution services in order to ensure the continued receipt of research or execution services that BlackRock Group company believes are useful in their investment decision-making or trade execution process.

Each BlackRock Group company may pay, or be deemed to have paid, commission rates higher than it could have otherwise paid in order to obtain research or execution services if that the BlackRock Group company determines in good faith that the commission paid is reasonable in relation to the value of the research or execution services provided. The BlackRock Group believes that using commission dollars to obtain the research or execution services enhances its investment research and trading processes, thereby increasing the prospect for higher investment returns.

The BlackRock Group may from time to time choose to alter or choose not to engage in the above described arrangements to varying degrees, without notice to the BlackRock Group clients, to the extent permitted by applicable law.

^Source: BlackRock (Singapore) Limited.

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.

BlackRock^

The Management Company and other BlackRock Group companies undertake business for other clients. The BlackRock Group companies, their employees and their other clients face conflicts with the interests of the Management Company and its clients. The BlackRock Group maintains a Conflicts of Interest Policy. It is not always possible for the risk of detriment to a client's interests to be entirely mitigated such that, on every transaction when acting for clients, a risk of detriment to their interests does not remain. The types of conflict scenario giving rise to risks which BlackRock Group considers it cannot with reasonable confidence mitigate are disclosed below. The disclosable conflict scenarios, may be updated from time to time

Please refer to the section "Conflicts of Interest" in Appendix C of the Underlying Fund's Luxembourg Prospectus for more information.

BlackRock's Prospectus Disclosures-
https://www.blackrock.com/sg/en/literature/prospectus/bgf-singapore-prospectus-sg.pdf
^Source: BlackRock (Singapore) Limited.

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Asian Income Fund

INVESTMENT OBJECTIVE

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

The sub-fund offers a monthly pay-out feature, with a historical distribution of 4.75% to 6% per annum. Distributions are not guaranteed and can be made out of income, capital gains, and/or capital of the sub-fund which is expected to result in an immediate reduction of the net asset value per unit/share. Past payout yields do not represent future payout yields. The sub-fund is not a capital guaranteed fund, i.e. the amount of capital invested or return received is not guaranteed. The sub-fund is denominated in Singapore Dollars.

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	12 May 2014
Fund Size	S$654.91 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% per annum, which includes management fee charged by the investment manager of Schroder Asian Income Fund.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management (Singapore) Limited
Reference Benchmark	The fund is neither constrained to nor is it targeting any specific benchmark. However, as an indication of the performance of such a strategy, investors can consider the performance of a reference benchmark comprising 50% MSCI AC Asia Pacific ex-Japan Net and 50% JP Morgan Asia Credit Index.
Structure	Single Fund

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

TOP 10 HOLDINGS

Asian Income Fund

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio – Schroder Asian Income	655.7	100.1	Schroder International Opportunities Portfolio – Schroder Asian Income	477.0	100.0

Asian Income Fund

Schroder International Opportunities Portfolio - Schroder Asian Income ^

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
HK Electric Investments & HKE	13.0	2.0	Schroder ISF Global Multi-Asset Income Fund	13.1	2.7
Link REIT	11.4	1.7	HK Electric Investments & HKE	11.8	2.5
Mapletree North Asia Commercial Trust REIT	11.1	1.7	Fortune REIT	10.4	2.2
Ascendas Real Estate Investment Trust	10.7	1.6	HSBC Holdings Plc	10.4	2.2
CapitaLand Commercial Trust REIT	10.7	1.6	CapitaLand Commercial Trust REIT	9.8	2.1
China Mobile Ltd	10.6	1.6	Mapletree Commercial Trust REIT	9.8	2.1
Fortune REIT	10.6	1.6	Mapletree Greater China Commercial Trust REIT	9.2	1.9
Mapletree Commercial Trust REIT	10.5	1.6	CapitaLand Mall Trust REIT	9.0	1.9
Mapletree Industrial Trust REIT	10.5	1.6	Mapletree Industrial Trust REIT	9.0	1.9
China Construction Bank	10.2	1.6	Ascendas REIT	8.9	1.9

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

FUND MANAGER

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2018 Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management (Singapore) Limited

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

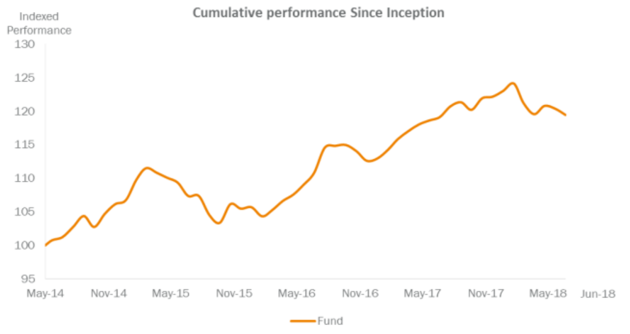
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$593.3 billion (as of 30 June 2018).

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

Asian Income Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Asian Income Fund	-0.77%	-0.09%	-2.90%	0.27%
Benchmark	N.A.	N.A.	N.A.	N.A.
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Income Fund	3.62%	N.A.	N.A.	4.39%
Benchmark	N.A.	N.A.	N.A.	N.A.



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

Volatility

	3-year (annualised)
Asian Income Fund	4.42%

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

MARKET REVIEW

Throughout 1st half of 2018, we maintained our preference for equities over fixed income, which added value as the equity portfolio outperformed fixed income over the period. However, the global exposure offset some of the outperformance as it underperformed assets in Asia.

Our equity portfolio delivered negative returns but performed largely in line with the broader market over the period. Although our less cyclical exposure lagged behind growth-oriented stocks which outperformed in January, the defensive nature of the equity portfolio held up better amid rising concerns over trade-war between US and China and offset much of the underperformance in 2nd quarter.

The fixed income portfolio posted negative returns and underperformed the broad market. While both high yield and investment grade credits declined, the former saw larger negative returns given the lower investors' risk appetite. In China, property developers were weighed down by the central government's tighter measures to curb surging home prices. Elsewhere, our holdings in the local currency bond markets in India and Indonesia detracted value due to the poor sentiment on Emerging Market (EM) and a stronger US dollar (USD).

We have downgraded our view on equities from positive to neutral given the uncertainty surrounding the synchronised global growth environment. The recent weakness in macroeconomic indicators from Europe, Japan and EM has cast doubts on where we are in terms of the economic cycle. While our central case remains that this is just a mid-cycle slowdown, we cannot afford to be complacent given where market valuation is; hence we increased equity protection and lowered physical equity exposures. We are waiting for further evidence (e.g. macroeconomic growth indicators, economic surprise index, etc.) to confirm that global growth remains strong, and we will look to re-allocate back to equities to capture better market valuation.

On the other hand, inflationary pressure remains, especially given the strong oil price and rising wage pressure. This does not bode well for fixed income as an asset class. In addition, although technical support for Asian credit remains stronger within the EM universe, spreads would remain under pressure given lower investors' appetite.

In term of currency, we continue to hold a short-term tactical positive view on USD, which should provide the portfolio with some diversification amid rising volatility. Although we maintain the view that the USD would run out of steam in the longer term due to a high current account and fiscal deficit, the macroeconomic growth divergence and ongoing trade tensions may result in the greenback strength running for longer than anticipated.

Although valuations have improved after the recent sell-off, risk management remains important given the potential risks and uncertainty from trade policy and geopolitics. We will continue to concentrate on high-quality companies with strong balance sheets and solid fundamentals offering sustainable dividend yields in the fund.

RISKS

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

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

The Manager of the sub-fund has the absolute discretion to determine whether a distribution is to be made. The Manager also reserves the right to review and make changes to the distribution policy from time to time. Where the income generated by the sub-fund is insufficient to pay distributions

Asian Income Fund

as declared, the Manager may at its discretion make such distributions out of the capital of the sub-fund. In circumstances where distributions are paid out of the capital of the sub-fund, the NAV of the sub-fund will be reduced.

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

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

EXPENSE AND TURNOVER RATIO

Asian Income Fund

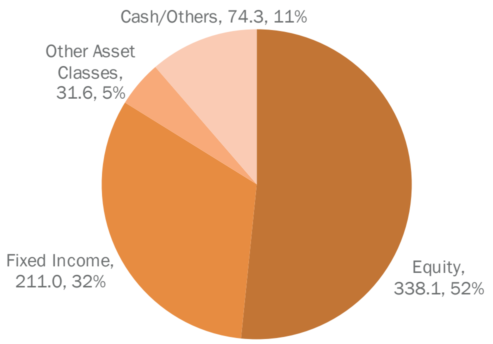
	Expense ratio	Turnover ratio
As of 30 June 2018	1.45%	8.34%
As of 30 June 2017	1.46%	8.29%

Schroder International Opportunities Portfolio - Schroder Asian Income

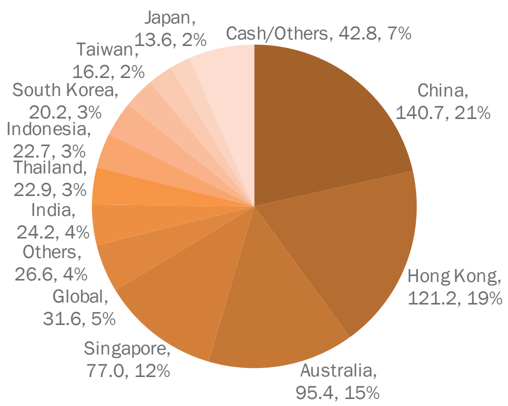
	Expense ratio	Turnover ratio
As of 30 June 2018	1.46%	23.94%
As of 30 June 2017	1.46%	19.04%

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

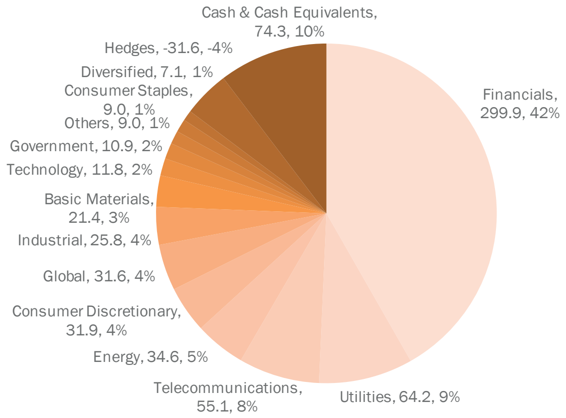
ASSET ALLOCATION^ AS OF 30 JUNE 2018



COUNTRY ALLOCATION^ AS OF 30 JUNE 2018



SECTOR ALLOCATION^ AS OF 30 JUNE 2018



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

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

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	606,311,904
Purchase of units	104,882,143
Redemption of units	(21,901,167)
Dividend distribution	(15,050,606)
Gain/(loss) on investments and other income	(19,329,124)
Value of fund as of 30 June 2018	654,913,150

Units in issue	702,200,642
Net asset value per unit	
- at the beginning of the year	0.984
- as of 30 June 2018	0.933

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Schroder Asian Income Fund	655.7	100.1

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, no management fee paid or payable by the sub-fund to the Investment Manager.

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^

In the management of the underlying Fund, Schroder may accept soft dollar commissions from, or enter into soft dollar arrangement with, stockbrokers who execute trades on behalf of the underlying Fund and the soft dollars received are restricted to the following kinds of services:

i. Research, analysis or price information, including computer or other information facilities;
ii. Performance measurement;
iii. Portfolio valuations; and
iv. Administration services.

Schroder may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist Schroder in their management of the underlying Fund, (b) best execution is carried out for the transactions, and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. Schroder shall not receive goods and services such as travel, accommodation and entertainment.

^Source: Schroder Investment Management (Singapore) Limited

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.

Schroder^

The Managers and/or SIML may from time to time have to deal with competing or conflicting interests between the other funds which are managed by the Managers and/or SIML (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) the Schroder Global Quality Bond. For example, the Managers or SIML 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 and SIML 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 and/or SIML (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 and/or SIML 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 and/or SIML (as the case may be). To the extent that another fund managed by the Managers and/or SIML (as the case may be) intends to purchase substantially similar assets, the Managers and/or SIML (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.

^Source: Schroder Investment Management (Singapore) Limited

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Global Income Fund

INVESTMENT OBJECTIVE

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

The sub-fund offers a monthly distribution pay-out feature, with a historical distribution of 4% to 5% of the net asset value per annum. Distributions are not guaranteed and can be made out of income, capital gains, and/or capital of the sub-fund which is expected to result in an immediate reduction of the net asset value per unit/share. Past payout yields do not represent future payout yields. The sub-fund is not a capital guaranteed fund, i.e. the amount of capital invested or return received is not guaranteed. The sub-fund is denominated in Singapore Dollars.

INVESTMENT SCOPE

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

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	26 March 2015
Fund Size	S$90.41 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% per annum, which includes management fee charged by the investment manager of Schroder International Selection Fund Global Multi-Asset Income.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Schroder Investment Management Limited Schroder Investment Management (Singapore) Limited
Benchmark	The Global Income fund is unconstrained and therefore not managed with reference to a benchmark.
Structure	Single Fund

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

TOP 10 HOLDINGS

Global Income Fund

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Schroder International Selection Fund – Global Multi Asset Income	90.6	100.3	Schroder International Selection Fund – Global Multi Asset Income	75.1	100.0

Global Income Fund

Schroder International Selection Fund Global Multi-Asset Income^

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
US Treasury Note 4.375% 150238	0.7	0.8	Schroder ISF Global Dividend Maximiser I Dis	1.1	1.4
US Treasury Note 4.5% 150236	0.7	0.8	Schroder ISF European Dividend Maximiser I Dis	0.8	1.0
US Treasury Note 4.5% 150538	0.7	0.8	Nota Do Tesouro Nacional 10% 010123	0.8	1.0
US Treasury Note 4.75% 150237	0.7	0.8	iShares USD High Yield Corp Bond UCITS ETF USD Distribution	0.8	1.0
US Treasury Note 5% 150537	0.7	0.8	Indonesia Government 6.125% 150528	0.6	0.7
US Treasury Note 5.25% 151128	0.7	0.8	Republic of Turkey 8.5% 140922	0.5	0.7
US Treasury Note 5.5% 150828	0.7	0.8	Schroder ISF Emerging Multi-Asset Income I Dis	0.4	0.6
US Treasury Note 6.125% 150829	0.7	0.8	Rep of South Africa 6.25% 310336	0.4	0.5
US Treasury Note 6.125% 151127	0.7	0.8	Source Morningstar US Energy	0.4	0.5
US Treasury Note 6.25% 150530	0.7	0.8	Mexican Bonos De Desarrollo 7.75% 290531	0.4	0.5

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

FUND MANAGER

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Schroder Investment Management Limited

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

Schroder Investment Management (Singapore) Limited

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

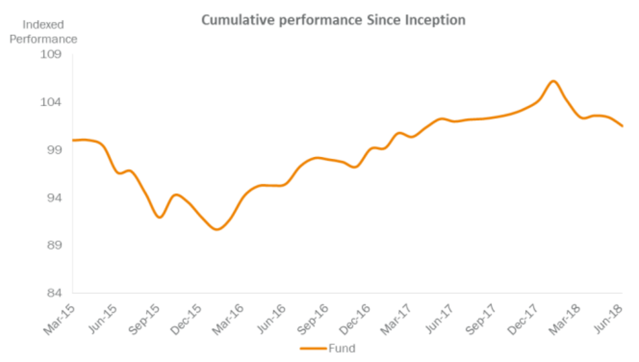
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$593.3 billion (as of 30 June 2018).

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

Global Income Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Income Fund	-0.89%	-0.88%	-2.60%	-0.47%
Benchmark	N.A.	N.A.	N.A.	N.A.
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Income Fund	1.64%	N.A.	N.A.	0.45%
Benchmark	N.A.	N.A.	N.A.	N.A.



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

Volatility

	3-year (annualised)
Global Income Fund	4.48%

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

MARKET REVIEW

Market Review

Global equity markets declined in 1st quarter, despite getting off to a strong start at the beginning of 2018. US/China trade tensions dominated the markets, as investors were weighing in potential consequences of a full-blown trade war breaking out. Higher-than-expected inflation data in the US in February also prompted concerns that the Federal Reserve could raise interest rates more quickly than expected. Global bond markets reflected the news, with most major government bond yields climbing. In the volatile 2nd quarter, global equities regained their ground by posting modest returns, as resilient economic and earnings data competed with geopolitical uncertainty to establish the market's direction. Bond markets struggled despite investors' reduced risk appetite, as monetary policy tightening set the tone.

We entered 2018 with a net equity exposure of 40%, as we believed that investors would reward a strong growth outlook for the year. However, by the end of January, after a strong period of returns, we felt it was prudent to take some profits believing that the scope for positive growth surprises had diminished as forecasts were rapidly upgraded and rising bond yields could also impair stock valuations. We further reduced our equity exposure over the period, ending with a net exposure of 26%. This reflects our concerns that the recent weakness in non-US macroeconomic data may undermine the synchronised growth story that boosted most asset returns in 2017, while US Dollar (USD) strength and geopolitical tensions could continue to act as near-term headwinds.

At the start of the year we had a preference of US and Emerging Market (EM) stocks as these regions had the strongest growth expectations and the attractiveness of the former continues as earnings upgrades have persisted through the 1st half of the year. Despite the growth outlook for emerging markets remaining strong, the intensification of trade war rhetoric and a stronger USD reduced the appeal of the region.

We have continued to hold quality equities as a complement to higher yielding stocks and financials, which have a natural value bias. This helps lessen the negative impact that higher bond yields have on income equities. Towards the end of the period we reduced our exposure to quality as a mixture of rate sensitivity and the potential peak in the performance of growth-related strategies lessened their attraction.

Our allocation to fixed income assets slightly increased from 47% to 49%, but the mix has changed. Our EM local debt position was halved and we sold Latin American credits, as a strengthening USD and ongoing global trade uncertainty continue to weigh on the asset class. We rotated into high coupon paying government bonds.

Later in the period, following the widening of US investment grade spreads and the flattening of the yield curve, we initiated a position in US short-dated investment grade corporates at an attractive entry point. This allocation is consistent with the more cautious approach we initiated at the end of 2017, which focuses on higher credit quality and lower duration securities as we approach the end of the rate-cutting cycle in EM countries and as rates start to rise in the US.

In currencies, we increased our USD exposure from 85% to 90%. While we expect to see further USD weakness over the medium-term as global growth catches up with the US, we believe there is scope for dollar strength in the short-term.

Our overall allocation to alternatives remained broadly unchanged over the period at 13%. We added a new allocation to securitised debt in February. Securitised debt has limited interest rate sensitivity, benefits from rising cash rates in the US and also has a better ratio of spread to credit risk than US high yield. Conversely we reduced our allocation to REITs due their interest rate sensitivity and also master limited partnerships following their rebound in April.

Market Outlook

Our base case is for growth to remain robust but for inflation to continue to pick up and for central banks to continue to reign back from loose monetary policy and embark or continue on a rate hiking cycle. These are the classic signs that we are heading towards the end of an economic cycle. The fund, therefore, has a lower exposure to equities, higher credit quality and shorter bond maturities to navigate this maturing cycle and the additional volatility and uncertainty generated by political events and actions.

For now we are patiently waiting for better opportunities, focusing on maintaining a diversified stance until the outlook for global trade starts to clarify. The Fund's position in cash and cash equivalents has been built up to 12%. Recent market turbulence has created some compelling opportunities across asset classes however, and we will look to gradually increase our exposure as these continue to emerge.

RISKS

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

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

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

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

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

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

EXPENSE AND TURNOVER RATIO

Global Income Fund

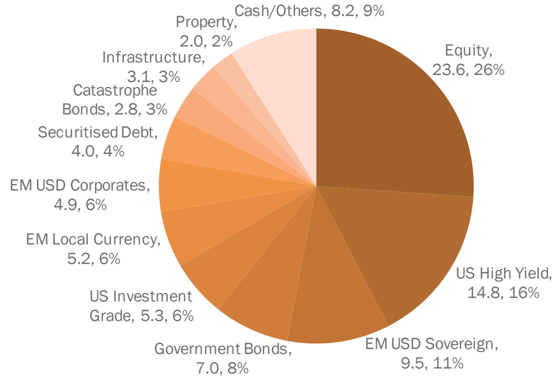
	Expense ratio	Turnover ratio
As of 30 June 2018	1.59%	29.50%
As of 30 June 2017	1.55%	27.49%

Schroder International Selection Fund Global Multi-Asset Income

	Expense ratio	Turnover ratio
As of 30 June 2018	1.56%	110.22%
As of 30 June 2017	1.54%	132.18%

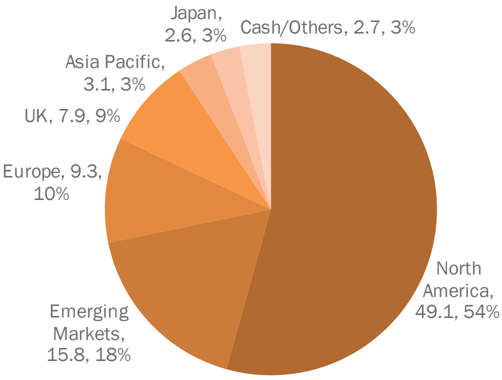
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

ASSET ALLOCATION^ AS OF 30 JUNE 2018

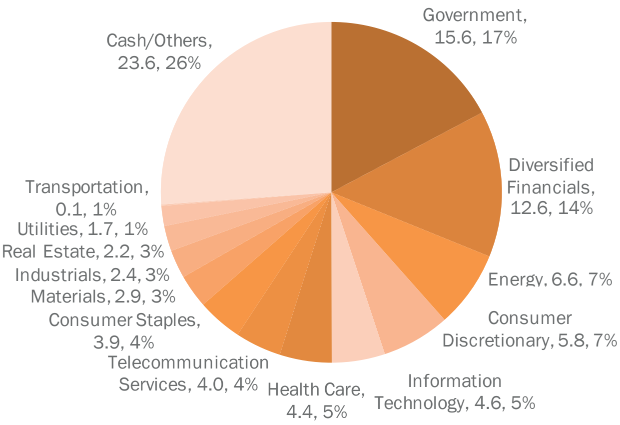


Global Income Fund

COUNTRY ALLOCATION^ AS OF 30 JUNE 2018



SECTOR ALLOCATION^ AS OF 30 JUNE 2018



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

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

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	91,108,689
Purchase of units	14,480,857
Redemption of units	(10,391,018)
Dividend distribution	(2,315,491)
Gain/(loss) on investments and other income	(2,477,006)
Value of fund as of 30 June 2018	90,406,031

Units in issue	108,580,075
Net asset value per unit	
- at the beginning of the year	0.877
- as of 30 June 2018	0.833

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
SISF-GLB M/A INC-ADSGDH SCHGMAH	90.6	100.3

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, there is no management fee paid or payable by the sub-fund to the Investment Manager.

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^

Schroder may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of Schroder, including the relevant sub-fund, and where Schroder 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 interest of the relevant sub-fund. Any such arrangements must be made by Schroder on terms commensurate with best market practice.

^Source: Schroder Investment Management (Singapore) Limited

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.

Schroder^

The Investment Managers and Schroders may effect transactions in which the Investment Managers or Schroders have, directly or indirectly, an interest which might involve a potential conflict with the investment manger's duty to the Company. Neither the Investment Managers nor Schroders shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Manager's fees, unless otherwise provided, be abated.

The Investment Managers will ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.

Such potential conflicting interest or duties may arise because the Investment Managers or Schroder may have invested directly or indirectly in the Company.

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Company and the Investors of the Company. The Depositary shall not carry out activities with regard to the Company that may create conflicts of interest between the Company, the Investors in the Company, the Management Company and the Depositary unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to Investors of the Company.

^Source: Schroder Investment Management (Singapore) Limited

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Global Technology Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	1 August 2000
Fund Size	S$89.08 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Narrowly Focused – Sector – Technology
Investment 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

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Facebook Inc	6.1	6.8	Facebook Inc	4.8	6.1
Amazon.com Inc	5.3	5.9	Alibaba Group Holdings	3.7	4.7
Alphabet Inc Class A	3.3	3.7	Apple Inc	3.2	4.1
Visa Inc	3.0	3.3	Qualcomm Inc	3.1	3.9
Salesforce.com Inc	2.9	3.2	Global Payments Inc	2.5	3.2
Flex Ltd	2.7	3.0	Alliance Data Systems	2.3	3.0
Apple Inc	2.4	2.7	ITRON INC COM NPV	2.2	2.9
ServiceNow Inc	2.0	2.3	Macom Technology Solutions Holdings Inc	2.1	2.7
II-VI Inc	2.0	2.2	Flex Ltd	2.1	2.7
Alibaba Group Holdings	1.9	2.2	Lumentum Holdings Inc	1.9	2.4

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

FUND MANAGER

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2018, Income had S$34.96 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.

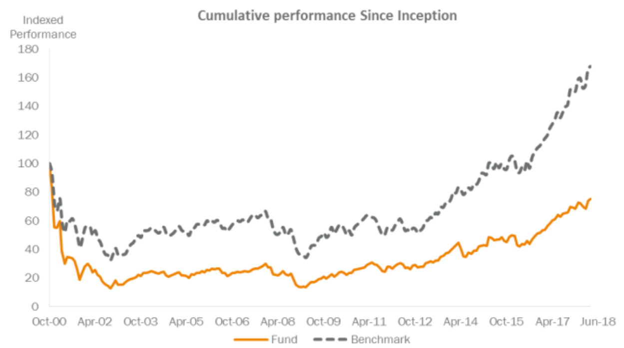
Global Technology Fund

Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1.07 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in 60 countries, as of 30 June 2018. WMC's singular focus is investments — from global equities and fixed income to currencies and commodities. WMC describes themselves as a community of teams that create solutions designed to respond to specific client needs. WMC's most distinctive strength is their proprietary, independent research, which is shared across all areas of the organisation and used only for managing clients' portfolios. Tracing its roots to the founding of Wellington Fund in 1928, the firm has offices in Boston, Massachusetts; Chicago, Illinois; Radnor, Pennsylvania; San Francisco, California; Beijing; Frankfurt; Hong Kong; London; Singapore; Sydney; Tokyo; Luxembourg and Zurich.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Technology Fund	1.35%	7.59%	9.80%	19.59%
Benchmark	1.45%	10.04%	11.65%	27.27%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Technology Fund	17.08%	18.60%	12.81%	-1.60%
Benchmark	20.06%	20.96%	12.83%	2.96%



Changes to benchmarks during the life of the sub-fund: Since inception to Mar 2009 - 100% NASDAQ Composite Index.
From Mar 2009 to 29 April 2016, the benchmark has been changed to Merrill Lynch 100 Technology Index in Singapore Dollar. With effect from 29 April 2016, the benchmark has been changed to MSCI World Information Technology Index in Singapore Dollars unhedged.

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

Volatility

	3-year (annualised)
Global Technology Fund	14.61%

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

MARKET REVIEW

Market Review

In the 1st quarter of 2018, global equities registered their 1st quarterly loss in eight quarters. The information technology sector was a bright spot for global markets, though, and maintained its strong run from 2017. A sharp correction in global markets and a large spike in volatility were initially triggered by concerns about escalating inflation risks in the US. Fears of a global trade war further unsettled financial markets after US President Donald Trump imposed stiff tariffs on steel and aluminium and announced plans to implement tariffs on Chinese imports while also enacting tighter restrictions on acquisitions and technology transfers. As expected, the European Central Bank (ECB) kept interest rates unchanged but signalled that it will begin to normalise monetary policy. The US Federal Reserve (Fed) increased the benchmark Fed funds rate by 25 basis points (bps), noting that the US economic outlook strengthened in recent months. Tensions in Asia appeared to ease after North Korea's leader Kim Jong Un pledged his commitment to denuclearisation and agreed to meet with US officials. In a milestone development, the UK reached a joint agreement with the EU on the legal terms of a Brexit transition deal. Some of most prolific tech-related names dominated headline news, including privacy and data concerns at Facebook and disparaging comments made about Amazon by President Trump.

In the 2nd quarter, global equities (+2.9%) rebounded from the 1st quarter's 1.7% decline, ending the 1st half of the year with a 1.1% gain. The technology sector outperformed the broader index, rallying for the eighth consecutive quarter, outperforming the broader market. Trade concerns escalated, as US President Donald Trump threatened tariffs on European autos in response to the EU's retaliatory tariffs on American products. The US also imposed additional levies on Chinese goods, and China vowed retaliatory tariffs. On the monetary front, strong US economic data gave the Fed confidence to raise interest rates in June and signal the potential for two additional hikes later this year. The ECB announced that quantitative easing will end in December 2018, but its June meeting had a very dovish undertone as the Governing Council pledged to keep policy rates unchanged at least through the summer of 2019. The People's Bank of China lowered the reserve-requirement ratio, the amount of cash banks must keep on reserve, by 100 bps in an effort to boost growth.

Market Outlook

Broadly speaking, the team remains sanguine on the outlook for global technology equities. Despite the strong run of this sector over the past year, we still believe valuations are largely supported by strong fundamentals. The team continues to see a long runway for solid performance and remains focused on quality, long-term secular growth companies that have the ability to deliver double digit growth over time. Many of the trends in the technology space that were once cyclical in nature have become more secular with the rise of powerful forces such as machine learning, Internet-of-Things, artificial intelligence, electrification of

Global Technology Fund

automobiles, rapid data growth, and cloud computing among others. We continue to position the portfolio around these increasingly significant themes.

We are, however, exercising a bit of caution in some areas within the technology sector, namely the semiconductor & semi equipment industry. While we believe unit growth and the long-term structural drivers are still intact (rapid data growth, internet-of-things, artificial intelligence) and multiples remain attractive, the group has had a strong run over the last couple of years and a few macroeconomic factors could present headwinds. This would include continuing trade tensions between the US and China, rising rates and inflation that could hinder further margin expansion, and the progression into the more mature stages of the global economic cycle.

We currently favour semiconductor equipment stocks over semiconductor names. Semiconductor spending is set to grow again for the 7th consecutive year in 2018. Macro headwinds could weigh on semi revenue growth but semi equipment companies should fare better due to secular capital intensity drivers. Evidence of this occurred when Taiwan Semiconductor, the world's largest semiconductor foundry, lowered 2018 revenue guidance but raised its 2018 capex.

RISKS

As the sub-fund has investments concentrating in the global technology sector, it is subject to equity risk which includes market risk, company risk, selection risk, currency risk and counterparty risk. This is not an exhaustive list of risks.
The Managers intend to hedge its foreign currency exposure. Financial derivatives in the Investment-Linked Policy (ILP) sub-fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP sub-fund to financial derivatives or embedded financial derivatives is calculated using the commitment approach described in and in accordance with the provisions of the Code on Collective Investment Schemes.

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

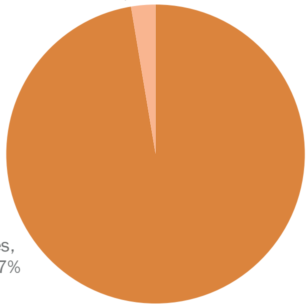
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

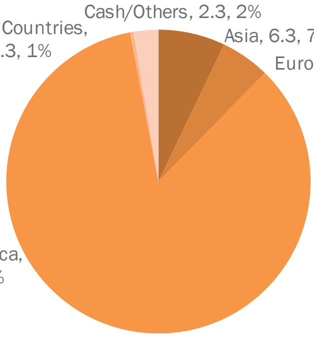
	Expense ratio	Turnover ratio
As of 30 June 2018	1.31%	149.74%
As of 30 June 2017	1.32%	179.20%

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.

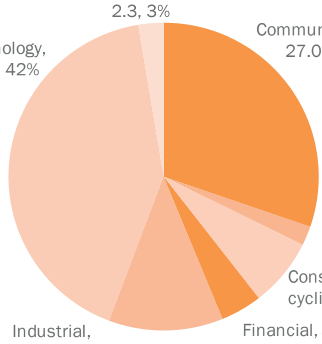
ASSET ALLOCATION AS OF 30 JUNE 2018



COUNTRY ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under the Global Technology Fund.

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	82,969,255
Purchase of units	7,340,757
Redemption of units	(9,439,789)
Gain/(loss) on investments and other income	8,743,619
Management fees & other charge	(538,445)
Value of fund as of 30 June 2018	89,075,397

Units in issue	118,650,678
Net asset value per unit	
- at the beginning of the year	0.684
- as of 30 June 2018	0.751

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	181	(79)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$538,445.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

CONFLICTS OF INTEREST

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Prime Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

The investment scope is Singapore (30%), Hong Kong (20%) and Thailand (10%) stocks and regional bonds (40%). The sub-fund is denominated in Singapore Dollars.

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	2 August 1973
Fund Size	S$255.88 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Custodian	Citibank N.A.
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
Investment Manager	NTUC Income Insurance Co-operative Limited
Benchmark	30% FTSE Straits Times Index (FTSE STI) 20% Hang Seng Index in Singapore Dollars 10% Stock Exchange of Thailand Index in Singapore Dollars 40% 3-month SIBOR
Structure	Single Fund

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	101.9	39.8	Singapore Bond Fund	83.9	36.9
DBS Group Holdings Ltd	16.8	6.6	DBS Group Holdings Ltd	12.3	5.4
Oversea-Chinese Banking Corp	12.8	5.0	Oversea-Chinese Banking Corp	11.7	5.2
Tencent Holdings Ltd	8.7	3.4	Tencent Holdings Ltd	9.9	4.4
PING AN Insurance Group Co	6.5	2.6	HSBC Holdings Plc	6.5	2.9
HSBC Holdings Plc	6.2	2.4	UOL GROUP LIMITED SGD1	5.9	2.6
AIA Group Ltd	6.0	2.3	PING AN Insurance Group Co	5.7	2.5
Industrial & Commercial Bank of China	5.7	2.2	CapitaLand Ltd	5.5	2.4
Singapore Technologies Engineering Ltd	5.2	2.0	AIA Group Ltd	5.4	2.4
Keppel Corp Ltd	4.8	1.9	Thai Beverage PCL	4.8	2.1

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

FUND MANAGER

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

NTUC Income Insurance Co-operative Limited (Income)

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

As of 30 June 2018, Income had S$34.96 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Prime Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Prime Fund	-2.85%	-2.81%	-2.09%	6.75%
Benchmark	-2.78%	-1.63%	-0.94%	5.64%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Prime Fund	4.86%	6.20%	5.24%	8.48%
Benchmark	3.70%	4.77%	4.54%	N.A.

Changes to benchmarks during the life of the sub-fund: 31 Dec 94 to 31 Mar 98 - 33.33% DBS50, 33.33% KLCI, 33.33% Singapore 3-Month Deposit rate.
Important: The comparison to the benchmark commenced from December 1994 even though the inception date for Prime fund was August 1973.

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

Volatility

	3-year (annualised)
Prime Fund	7.44%

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

MARKET REVIEW

All three markets (Singapore, Hong Kong and Thailand) in our investment universe saw their returns falter in the 1st half of 2018 in the face of escalating US-China trade tension and tightening credit condition in China. Despite strong reported corporate earnings and higher dividend pay-outs in the 1st quarter, FTSE Straits Times Index (STI) fell in tandem with the Asia ex-Japan region as the country's open economy is particularly vulnerable to the trade fall-out between US and China. In addition to trade concerns, Hang Seng Index (HSI), which has substantial economic exposure to China, was buffeted by weak credit growth, renewed weakness in the Renminbi (RMB), and rising corporate bond defaults in mainland China. Thailand, the weakest amongst the three markets, was exacerbated by persistent weakness in consumer spending.

STI swung wildly between gains and losses during the 1st half of 2018, amid escalating threat of US-China trade war and rapidly deteriorating credit condition in China. The index ended down 3.9% as at the end of June 2018, performing in-line with MSCI Asia ex Japan. The technology sector fared worst, with Venture Corp, the only constituent in the sector, coming under heavy selling pressure due to investor concerns over a significant fall in demand at one of its key customers. The telecom sector is the 2nd worst performer as the industry grappled with competition from Over-The-Top service providers and potential new entrant in the mobile communication market. Starhub, which has large exposure to both Pay TV and mobile segments, saw its share price plunge 41.8% during the period in review. On a more positive note, ComfortDelgro is the best performing stock in the STI with total return of 22.0%. Fierce competition from private hire car operators abated after Uber reached an agreement to merge its Southeast Asia business with Grab. ComfortDelgro's taxi fleet, which has been shrinking for nearly two years, is likely to start expanding again after the transport operator placed orders for 700 new taxis in May 2018.

On the economic front, final 1st quarter gross domestic product (GDP) grew by 4.4% year-on-year (yoy) driven by an acceleration in services, which the Ministry of Trade and Industry attributed to robust growth in the fund management, financial intermediation and insurance segments. Industrial production expanded by 11% yoy in May, driven by strong momentum in the electronics and biomedical clusters. Non-Oil Domestic Exports (NODX) expanded 15.5% yoy in May to the highest in 7 months as non-electronics exports surged to 26.2% yoy. Electronics exports fell another 7.8% in May for its 6th consecutive month of decline, a divergence from electronics production which grew 17.1% in May, which could be attributed to inventory build-up. Overall NODX growth was supported by exports to the US, EU and Japan, offsetting the decline in NODX to other Asia ex-Japan countries. On the domestic front, prices of private residential property, as represented by Urban Redevelopment Authority's 1st quarter of 2018 private residential price index, continued to rise by 3.9% quarter-on-quarter for the 3rd consecutive quarter. With the improving macroeconomic backdrop, Monetary Authority of Singapore, in its April 2018 Monetary Policy Statement, increased the slope of the SGD Nominal Effective Exchange Rate policy band slightly from zero percent previously and the authority expected core inflation to gradually rise to the upper half of its 1-2% forecast range.

HSI started the year well but failed to hold onto its gains and closed with a 3.2% decline for the 1st half of 2018. During the period, stocks were buffeted by multiple concerns, which include escalating US-China trade friction, weak credit growth, renewed weakening of the RMB, and rising corporate bond defaults. In June, the latest data print for China showed signs of growth slippage, which further unnerved investors regarding the outlook for the 2nd half of the year. Given the backdrop of volatility and headwinds to growth, Industrials, a key cyclical sector, fared the worst for the period. Telecommunications, typically a defensive sector, was the next worst performer due to adverse regulatory

Prime Fund

measures such as the cancellation of data roaming fees and imposition of data tariff cuts. Consumer Discretionary rounded up the bottom three, pricing in worries regarding a cyclical slowdown.

On the economic front, both China and Hong Kong's economies were still holding up as of 1st of quarter of 2018, however macroeconomic developments since then suggest that growth may soften. For China, 1st quarter GDP rose 6.8% yoy, unchanged from the previous quarter. The latest May activity data was however weaker than expected. In particular, industrial activities surprised on the downside, mainly dragged down by lower fixed asset investment, which was subdued as a result of funding constraints. Deleveraging measures also drove a cut in shantytown funding. Trade tensions on the rise further cast a shadow over export-oriented companies such as smartphones and auto-parts suppliers. In Hong Kong, 1st quarter GDP beat expectations with a 4.7% yoy growth. Trade and retail numbers were also robust, which continued into May. However, more recent economic prints have begun to flag a slight weakening. Hong Kong's Purchasing Managers Index fell to the lowest level in nearly two years in June, reflecting an accelerating deterioration in activity levels for the private sector. Southbound flows which were supportive last year, also turned negative for consecutive months leading into June end.

The 1st half of 2018 was challenging half for the Stock Exchange of Thailand Index. The index had a price return of -9.0%, giving up some of the 2017 gains. Foreign investors were selling down their exposure in Thailand with a net sell of more than USD$5.6 billion compared to US$393 million in 1st half of 2017. This was driven by geopolitical tension as well as increasing risk of a trade war between US and China. The problem was further exacerbated with weak consumption numbers in Thailand. Looking at the sector mix, the best performing sector was the Healthcare segment. This was driven by strong patient growth for both locals as well as foreign patients. The top performing name within the sector was Bangkok Dusit Medical Services (+19.6%). On the other hand, the worst performing segment is construction services, dragged down by increased competition within the sector, with Italian-Thai Development (-32.3%) leading the declines.

Thailand GDP continued to grow at a strong rate. 1st quarter GDP came in at 4.8%, beating consensus of 4%, and the highest it has been since 2013. The strong numbers were primarily driven by strong sustained exports of goods and services. Tourism continued to be strong with arrival growth in the first 5 months of the year at 12.6%.

Heading into the 2nd half of the year, we expect the trade tariffs imposed by US on China and retaliatory moves by the Chinese authority, further potential hikes in Fed funds rate, and the drag from tight credit condition on the Chinese economy to keep market volatility at an elevated level. The portfolio is positioned in higher quality names offering more resilience during periods of uncertainty.

RISKS

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

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

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

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

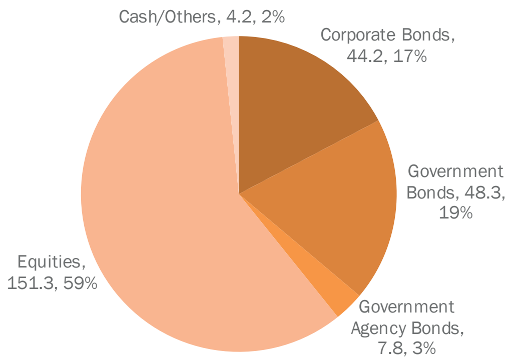
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 30 June 2018	1.06%	24.79%
As of 30 June 2017	1.04%	40.15%

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

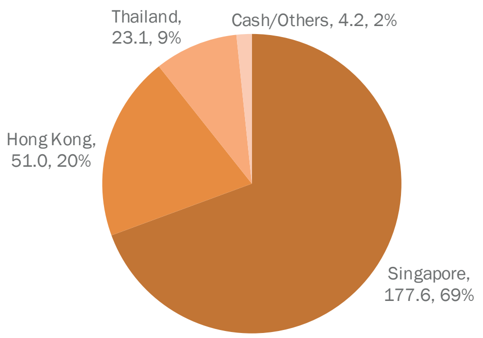
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

ASSET ALLOCATION AS OF 30 JUNE 2018

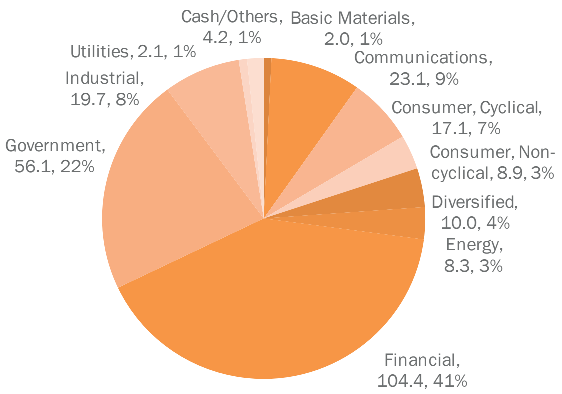


Prime Fund

COUNTRY ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	53.2	20.8
AA+	0.3	0.1
AA	5.5	2.1
AA-	0.3	0.1
A+	5.3	2.1
A	5.9	2.3
A-	4.9	1.9
BBB+	1.6	0.6
BBB	7.3	2.9
BBB-	2.0	0.8
Not rated	14.0	5.5
Total	100.3	39.2

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

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	255,079,029
Purchase of units	18,481,539
Redemption of units	(12,107,828)
Gain/(loss) on investments and other income	(4,521,922)
Management fees & other charge	(1,048,808)
Value of fund as of 30 June 2018	255,882,010

Units in issue	29,114,074
Net asset value per unit	
- at the beginning of the year	8.977
- as of 30 June 2018	8.789

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	4,790	-	-	4,790

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	101.9	39.8
Singapore Bond Fund	101.9	0.7
Far East Hospitality Trust NPV	1.5	0.6

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$1,048,808.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

Prime Fund

CONFLICTS OF INTEREST

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Takaful Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 30 JUNE 2018

Launch Date	1 September 1995
Fund Size	S$19.60 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.0% p.a.
Custodian	Citibank N.A.
Dealing Frequency	Every business day
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Investment Manager	NTUC Income Insurance Co-operative Limited
Sub Investment Manager	Wellington Management Singapore Pte Ltd
Benchmark	S&P BMI Global Shari'ah Index in Singapore Dollars
Structure	Single Fund

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

TOP 10 HOLDINGS

June 2018	S$ (mil)	% of Net Asset Value	June 2017	S$ (mil)	% of Net Asset Value
Alphabet Inc Class A	0.7	3.3	Apple Inc	0.8	4.1
Facebook Inc	0.5	2.4	Unilever Plc	0.4	2.3
Nestle SA	0.4	2.2	Pepsico Inc	0.4	2.3
Visa Inc	0.4	2.1	Bristol-Myers Squibb Co	0.3	1.8
Apple Inc	0.4	2.0	Facebook Inc	0.3	1.8
Tencent Holdings Ltd	0.4	1.8	FedEx Corp	0.3	1.8
Chevron Corp	0.3	1.6	Alphabet Inc Class A	0.3	1.7
Microsoft Corp	0.3	1.6	Visa Inc	0.3	1.6
Bristol-Myers Squibb Co	0.3	1.6	Alibaba Group Holdings	0.3	1.6
Alibaba Group Holdings	0.3	1.6	Beiersdorf AG NPV	0.3	1.5

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

FUND MANAGER

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

NTUC Income Insurance Co-operative Limited (Income)

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

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

As of 30 June 2018, Income had S$34.96 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.

Takaful Fund

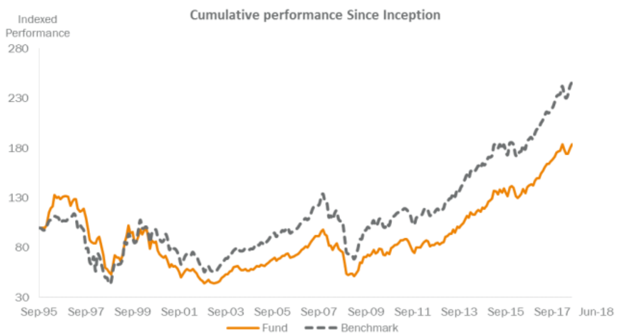
Wellington Management Singapore Pte Ltd (WMS)

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$1.07 trillion in assets under management, WMC serves as an investment adviser to over 2,200 clients located in 60 countries, as of 30 June 2018. WMC's singular focus is investments — from global equities and fixed income to currencies and commodities. WMC describes themselves as a community of teams that create solutions designed to respond to specific client needs. WMC's most distinctive strength is their proprietary, independent research, which is shared across all areas of the organisation and used only for managing clients' portfolios. Tracing its roots to the founding of Wellington Fund in 1928, the firm has offices in Boston, Massachusetts; Chicago, Illinois; Radnor, Pennsylvania; San Francisco, California; Beijing; Frankfurt; Hong Kong; London; Singapore; Sydney; Tokyo; Luxembourg and Zurich.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Takaful Fund	1.77%	5.35%	3.67%	11.81%
Benchmark	1.70%	6.84%	4.88%	14.25%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Takaful Fund	10.66%	14.00%	8.81%	2.69%
Benchmark	11.14%	13.34%	8.48%	4.02%



Changes to benchmarks during the life of the sub-fund: Since 1 Jul 2010 to 16 Dec 2010 - 60% S&P Global BMI Shari'ah Index, 20% FTSE STI, 16% HSI,4% SET; Since Oct 2002 to Jun 2010 - 60% DJ Islamic Index, 20% FTSE STI, 16% HSI, 4% SET; Since Jun 2001 to Sep 2002 - 60% MSCI World, 20% FTSE STI, 16% HSI, 4% SET; Since Apr 1998 to May 2001 - 50% FTSE STI, 40% HSI, 10% SET; Since Apr 1997 to Mar 1998 - 50% FTSE STI, 50% KLCI; Since inception to Mar 1997 - 33.33% DBS 50, 33.33% KLCI, 33.33% Singapore 3-Month Deposit rate.

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

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

Volatility

	3-year (annualised)
Takaful Fund	8.81%

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

MARKET REVIEW

Market Review

In the 1st first quarter of 2018, global equities registered their 1st quarterly loss in eight quarters. A sharp correction in global markets and a large spike in volatility were initially triggered by concerns about escalating inflation risks in the US. Fears of a global trade war further unsettled financial markets after US President Donald Trump imposed stiff tariffs on steel and aluminium and announced plans to implement tariffs on Chinese imports while also enacting tighter restrictions on acquisitions and technology transfers. As expected, the European Central Bank (ECB) kept interest rates unchanged but signalled that it will begin to normalise monetary policy. The US Federal Reserve (Fed) increased the benchmark Fed funds rate by 25 basis points (bps), noting that the US economic outlook strengthened in recent months. Tensions in Asia appeared to ease after North Korea's leader Kim Jong Un pledged his commitment to denuclearisation and agreed to meet with US officials. In a milestone development, the UK reached a joint agreement with the EU on the legal terms of a Brexit transition deal.

In the 2nd quarter, global equities rebounded from the 1st quarter's decline, ending the 1st half of the year with a marginal gain. Trade concerns escalated, as US President Donald Trump threatened tariffs on European autos in response to the EU's retaliatory tariffs on US products. The US also imposed additional levies on Chinese goods, and China vowed retaliatory tariffs. On the monetary front, strong US economic data gave the Fed confidence to raise interest rates in June and signal the potential for two additional hikes later this year. The ECB announced that Quantitative Easing will end in December 2018, but its June meeting had a very dovish undertone, as the Governing Council pledged to keep policy rates unchanged at least through the summer of 2019. The People's Bank of China lowered the reserve-requirement ratio, the amount of cash banks must keep on reserve, by 100 bps in an effort to boost growth.

Market Outlook

Looking ahead, our analysts remain focused on fundamental, bottom-up stock selection with an eye on how the macro-economic outlook will affect the companies in which they invest. We continue to identify themes and opportunities that will shape future investment decisions.

We have made positioning changes in the energy sector by eliminating Jagged Peak Energy, an oil and natural gas company, focused on the development of unconventional oil and associated liquids-rich natural gas reserves in the Southern Delaware Basin; and we increased our position in Halliburton, a US-based oil services company, which we believe is a superior operator compared to its peers. The share price was recently weighed down by market concerns regarding issues such as supply bottlenecks, cold weather, and tapering oil service activity in December. However, we see these factors as temporary and expect revenue growth to reaccelerate over time.

Retailing and global brands continue to be themes in the portfolio. We added to the position in Home Depot, a company that we believe is poised to capitalise on accelerating trends in housing and home improvement which features structural tailwinds and supply constraints. Home Depot, already the leader in this space, is investing heavily in their business in an effort to deepen moats that they have established over the past ten years. On global brands, we added to the position in McDonald's during the quarter. We believe McDonald's, a US-based global value-priced restaurant chain, has a modest but sustainable growth runway. We think strong performance in their international lead markets, especially in the UK and Germany, bodes well for US operating momentum. New initiatives such as delivery service, mobile order and pay, and new technologies including self-serve kiosks, should continue to drive same-store sales growth.

Other large positioning changes included adding a new position in 3M and topping up existing holding, Coca-Cola. 3M operates as a diversified technology company worldwide with divisions spanning health care, industrials, electronics and energy, and consumers. The stock had been weak earlier in the year and we viewed this as an opportunity to establish a position in a high quality, cash generative company. 3M's lower cyclicality, high-return portfolio should be viewed positively by investors in the current low-growth, high-uncertainty macro environment. The company is well diversified across end markets and geographies and has a more defensive, less cyclical business model that is focused on shorter cycle products. Our thesis on Coca-Cola is that the company will generate higher-than-expected earnings and cash flow, while increasing return on invested capital (ROIC) driven by: 1) top line improvement in their major markets, 2) cost cutting to support margin expansion, and 3) progress towards increasing their ROIC post-refranchising bottling operations in the US.

RISKS

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

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

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

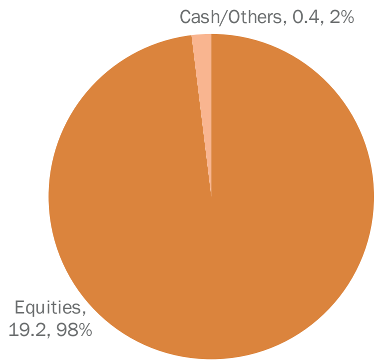
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

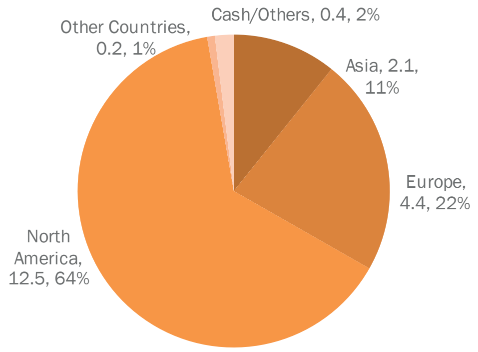
	Expense ratio	Turnover ratio
As of 30 June 2018	1.24%	40.78%
As of 30 June 2017	1.19%	39.59%

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

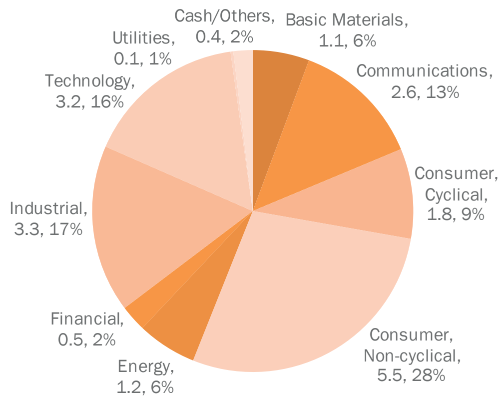
ASSET ALLOCATION AS OF 30 JUNE 2018



COUNTRY ALLOCATION AS OF 30 JUNE 2018



SECTOR ALLOCATION AS OF 30 JUNE 2018



Takaful Fund

Important: Any differences in the total and percentage of the Net Asset figures are the result of rounding off. Amounts are in S$ (mil).

CREDIT RATINGS OF DEBT SECURITIES

There are no debt securities under the Takaful Fund.

SUMMARISED FINANCIAL STATEMENT AS OF 30 JUNE 2018

	S$
Value of fund as of 1 January 2018	19,516,755
Purchase of units	731,489
Redemption of units	(1,344,092)
Gain/(loss) on investments and other income	790,420
Management fees & other charge	(97,118)
Value of fund as of 30 June 2018	19,597,454

Units in issue	13,095,855
Net asset value per unit	
- at the beginning of the year	1.443
- as of 30 June 2018	1.496

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	2,906	(291)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

June 2018	S$ (mil)	% of Net Asset Value
Public Storage Com	0.1	0.3
Link REIT NPV	0.0	0.2
Camden Property Trust	0.0	0.1

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 30 June 2018, management fee paid or payable by the sub-fund to the Investment Manager is S$97,118.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

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

CONFLICTS OF INTEREST

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

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

OTHER PARTIES

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

MATERIAL INFORMATION

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

REPORTS

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

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

Financial Statements

CAPITAL AND INCOME ACCOUNT

	Global Bond Fund S$	Global Equity Fund S$	Singapore Bond Fund S$	Singapore Equity Fund S$
Value of fund as of 1 January 2018	124,799,846	254,508,619	321,427,552	162,395,417
Purchase of units	3,882,355	6,513,698	15,677,343	9,752,511
Redemption of units	(6,405,045)	(16,196,481)	(13,392,277)	(12,748,915)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	319,680	7,739,761	(6,352,877)	(3,082,518)
Management fees & other charge	(510,422)	(1,576,538)	(779,876)	(525,653)
Value of fund as of 30 June 2018	122,086,414	250,989,059	316,579,865	155,790,842

	Asia Managed Fund S$	Global Managed Fund (Balanced) S$	Global Managed Fund (Conservative) S$	Global Managed Fund (Growth) S$
Value of fund as of 1 January 2018	143,154,219	173,729,150	12,370,357	254,549,135
Purchase of units	15,181,298	4,010,624	207,818	5,767,602
Redemption of units	(11,878,589)	(8,696,230)	(487,472)	(11,950,934)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	814,702	1,005,862	14,945	2,495,838
Management fees & other charge	(121,882)	2,003	(448)	2,539
Value of fund as of 30 June 2018	147,149,748	170,051,409	12,105,200	250,864,180

Financial Statements

CAPITAL AND INCOME ACCOUNT

	Singapore Managed Fund S$	Aim Now S$	Aim 2025 S$	Aim 2035 S$
Value of fund as of 1 January 2018	90,313,673	85,115,743	16,743,975	22,813,341
Purchase of units	3,525,454	6,202,589	1,655,329	1,457,558
Redemption of units	(6,739,091)	(12,675,468)	(1,129,584)	(1,403,395)
Dividend distribution	-	(815,588)	-	-
Gain/(loss) on investments and other income	(1,539,826)	(1,129,605)	(132,310)	(55,777)
Management fees & other charge	(359,124)	(217,722)	(70,656)	(101,720)
Value of fund as of 30 June 2018	85,201,086	76,479,949	17,066,754	22,710,007

	Aim 2045 S$	Money Market Fund S$	Asian Income Fund S$	Asian Bond Fund S$
Value of fund as of 1 January 2018	26,852,217	15,075,885	606,311,904	31,940,764
Purchase of units	2,450,375	16,845,348	104,882,143	4,843,875
Redemption of units	(1,318,091)	(16,902,476)	(21,901,167)	(2,778,711)
Dividend distribution	-	-	(15,050,606)	(731,798)
Gain/(loss) on investments and other income	(65,981)	96,677	(19,329,124)	(1,575,807)
Management fees & other charge	(123,098)	(18,852)	-	-
Value of fund as of 30 June 2018	27,795,422	15,096,582	654,913,150	31,698,323

	Global Income Fund S$	Global Technology Fund S$	Prime Fund S$	Takaful Fund S$
Value of fund as of 1 January 2018	91,108,689	82,969,255	255,079,029	19,516,755
Purchase of units	14,480,857	7,340,757	18,481,539	731,489
Redemption of units	(10,391,018)	(9,439,789)	(12,107,828)	(1,344,092)
Dividend distribution	(2,315,491)	-	-	-
Gain/(loss) on investments and other income	(2,477,006)	8,743,619	(4,521,922)	790,420
Management fees & other charge	-	(538,445)	(1,048,808)	(97,118)
Value of fund as of 30 June 2018	90,406,031	89,075,397	255,882,010	19,597,454

Financial Statements

BALANCE SHEET

	Global Bond Fund	Global Equity Fund	Singapore Bond Fund	Singapore Equity Fund	Asia Managed Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	-	248,338,871	-	154,642,570	146,163,136
Debt securities	106,290,360	-	311,870,685	-	-
Financial derivatives	345,064	244	-	1,261	-
Other receivables and assets	479,649	632,623	1,719,283	399,833	1,966,438
Cash and cash equivalents	16,494,638	3,160,315	7,159,880	3,623,206	386,319
Total assets	123,609,711	252,132,053	320,749,848	158,666,870	148,515,893
LIABILITIES					
Financial liabilities					
Financial derivatives - Liabilities	802,692	888	9,965	-	-
Other payables and liabilities	720,605	1,142,106	4,160,018	2,876,028	1,366,145
Margin account	-	-	-	-	-
Total liabilities	1,523,297	1,142,994	4,169,983	2,876,028	1,366,145
Value of fund	122,086,414	250,989,059	316,579,865	155,790,842	147,149,748
Units in issue	77,006,022	72,729,199	174,671,657	46,082,328	45,162,800
Net asset value per unit					
- at the beginning of the year	1.588	3.373	1.853	3.465	3.245
- as of 30 June 2018	1.585	3.451	1.812	3.381	3.258

	Global Managed Fund (Balanced)	Global Managed Fund (Conservative)	Global Managed Fund (Growth)	Singapore Managed Fund	Aim Now
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	169,696,321	11,976,414	251,541,619	84,329,304	75,037,526
Debt securities	-	-	-	-	-
Financial derivatives	-	-	-	-	13,647
Other receivables and assets	1,234,309	8,334	667,691	2,188,038	1,197,546
Cash and cash equivalents	195,836	129,469	199,952	1,443,611	1,979,108
Total assets	171,126,466	12,114,217	252,409,262	87,960,953	78,227,827
LIABILITIES					
Financial liabilities					
Financial derivatives - Liabilities	-	-	-	-	186,315
Other payables and liabilities	1,075,057	9,017	1,545,082	2,759,867	1,561,563
Margin account	-	-	-	-	-
Total liabilities	1,075,057	9,017	1,545,082	2,759,867	1,747,878
Value of fund	170,051,409	12,105,200	250,864,180	85,201,086	76,479,949
Units in issue	74,771,161	6,131,142	99,227,992	28,482,225	82,722,928
Net asset value per unit					
- at the beginning of the year	2.261	1.972	2.504	3.060	0.949
- as of 30 June 2018	2.274	1.974	2.528	2.991	0.925

Financial Statements

BALANCE SHEET

	Aim 2025	Aim 2035	Aim 2045	Money Market Fund	Asian Income Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	16,406,582	21,728,302	26,532,077	-	655,655,974
Debt securities	-	-	-	14,372,547	-
Financial derivatives	5,534	9,291	11,461	-	-
Other receivables and assets	319,747	396,856	152,902	240,318	3,142,592
Cash and cash equivalents	608,052	970,735	1,657,763	553,537	2,643,956
Total assets	**17,339,915**	**23,105,184**	**28,354,203**	**15,166,402**	**661,442,522**
LIABILITIES					
Financial liabilities					
Financial derivatives - Liabilities	73,739	65,669	71,001	-	-
Other payables and liabilities	199,422	329,508	487,780	69,820	6,529,372
Margin account	-	-	-	-	-
Total liabilities	**273,161**	**395,177**	**558,781**	**69,820**	**6,529,372**
Value of fund	**17,066,754**	**22,710,007**	**27,795,422**	**15,096,582**	**654,913,150**
Units in issue	**11,640,044**	**13,797,634**	**16,653,787**	**12,891,955**	**702,200,642**
Net asset value per unit					
- at the beginning of the year	**1.484**	**1.657**	**1.680**	**1.165**	**0.984**
- as of 30 June 2018	**1.466**	**1.646**	**1.669**	**1.171**	**0.933**

	Asian Bond Fund	Global Income Fund	Global Technology Fund	Prime Fund	Takaful Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	31,932,684	90,644,273	86,727,439	253,171,560	19,223,649
Debt securities	-	-	-	-	-
Financial derivatives	-	-	-	4,790	-
Other receivables and assets	470,555	995,462	85,834	1,833,184	27,807
Cash and cash equivalents	-	16,099	2,751,013	4,359,209	527,806
Total assets	**32,403,239**	**91,655,834**	**89,564,286**	**259,368,743**	**19,779,262**
LIABILITIES					
Financial liabilities					
Financial derivatives - Liabilities	-	-	-	-	-
Other payables and liabilities	704,916	1,249,803	488,889	3,486,733	181,808
Margin account	-	-	-	-	-
Total liabilities	**704,916**	**1,249,803**	**488,889**	**3,486,733**	**181,808**
Value of fund	**31,698,323**	**90,406,031**	**89,075,397**	**255,882,010**	**19,597,454**
Units in issue	**35,686,195**	**108,580,075**	**118,650,678**	**29,114,074**	**13,095,855**
Net asset value per unit					
- at the beginning of the year	**0.954**	**0.877**	**0.684**	**8.977**	**1.443**
- as of 30 June 2018	**0.888**	**0.833**	**0.751**	**8.789**	**1.496**

Notes to The Financial Statements

These notes form an integral part of the financial statements.

1 Significant Accounting Policies

(a) Basis of preparation

The financial statements of the NTUC Income 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 Dollar.

(b) Recognition of income and expenses

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

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

Expenses are recognised on an accrual basis.

(c) Investments

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

(d) Derivative financial instruments

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

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

(e) Realised gains/losses from sale of investments

All sales of investments are recognised on their trade dates, which are the date 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 Dollar, at exchange rates prevailing at the dates of the transaction. 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.