income
made different

ANNUAL FUND REPORT

FOR THE FINANCIAL YEAR AS OF
31 DECEMBER 2016

Contents

CIO Message

1st March 2017

Dear Policyholder

We are pleased to bring you our Annual Fund Report.

2016 proved to be a demanding year for global financial markets as seismic shifts in the economic and geopolitical landscape continue to challenge investors. The unexpected results of Brexit and Trump mark a period of profound political change signifying the rise of populism around the globe. While the impact of these decisions have yet to be determined, the markets have moved ahead of any firm developments and deemed them reflationary. This caused a sharp rise in US interest rates as Trump's policies will likely boost consumption and investment at a time when the economy is close to full employment, raising the threat of inflation and the need for the Federal Reserve to raise interest rates more quickly than previously anticipated.

This rise in US interest rates does not bode well for Emerging Markets (EMs) in the short-term as they have to cope with a stronger dollar which exposes them to spikes in borrowing costs. However, some of the more fragile EMs have narrowed their current account deficits and may be able to better withstand such shocks. Oil and commodities have also recovered from their lows in 2016 which is generally positive for EMs. Healthy fundamentals such as historically low debt levels, good demographic trends, a growing middle class, and rising consumerism should see an improved outlook for EMs in the long-run.

The economy in China continues to slow as excess capacity weighs on growth. However, target fiscal measures employed by the Chinese government will likely cushion the economy from a hard landing as the country transitions from an export-led growth model to one that is driven by consumption. Europe and Japan continue their path of monetary easing as the European Central Bank and Bank of Japan proceed to stretch further towards their limits, buying bonds at a pace that cannot be sustained indefinitely with fiscal policy set to play a more active role going forward.

Populist politics and anti-globalisation sentiment have set the stage for further political turbulence which will play a key role in driving markets next year. We remain cautiously optimistic with an improved outlook as reflationary stimulus should be positive for developed markets and EM in the long-run.

Despite the short term market volatility and unknown risks, as a long-term investor, Income firmly believes portfolio diversification and periodic rebalancing is the best strategy to achieve your long-term return target. We thank you for entrusting your investments with Income and will continue to manage your Investment-Linked Funds with our utmost care.

Notwithstanding a challenging market environment, I am glad to report that our funds continue to perform well. Our Investment-Linked Policies were represented among the Lipper Leader categories with the Global Managed Fund (Balanced), Global Managed Fund (Conservative), and Takaful Fund obtaining "Lipper Leader" status in the respective "Consistent Return", "Total Return" and "Preservation" metrics in the 3rd quarter of 2016. Our Global Managed Fund (Growth), Asia Managed Fund, AIM 2035 and AIM 2045 achieved "Lipper Leader" status in two categories, "Consistent Return" and "Total Return", in the same review.

The latest Annual Fund Report for the financial period ended December 2016 can be downloaded at www.income.com.sg/fund/coopprices.asp. 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 31 December 2016

	Launch Date	Fund Size (S$ million)	Performance (1 year)	Performance (2 years – Cumulative)
Core Funds				
Global Bond Fund	Jan-03	119	1.70%	1.83%
Global Equity Fund	Apr-98	240	6.76%	13.53%
Singapore Bond Fund	Mar-00	276	3.94%	4.62%
Singapore Equity Fund	Jan-03	156	3.83%	-8.37%
Managed Funds				
Asia Managed Fund	Sep-95	97	7.11%	7.81%
Global Managed Fund (Balanced)	Jan-03	169	4.52%	6.24%
Global Managed Fund (Conservative)	Jan-03	12	3.71%	5.01%
Global Managed Fund (Growth)	Jan-03	240	5.26%	7.29%
Singapore Managed Fund	May-94	80	4.50%	-2.86%
Target Maturity Funds				
AIM Now	Sep-09	102	2.64%	3.40%
AIM 2025	Sep-09	14	3.85%	4.92%
AIM 2035	Sep-09	19	4.47%	6.37%
AIM 2045	Sep-09	21	4.59%	6.49%
Specialised Funds				
Money Market Fund	May-06	18	1.41%	2.04%
Thematic Funds				
Asian Bond Fund	May-16	22	N.A.	N.A.
Asian Income Fund	May-14	380	6.88%	5.84%
Global Income Fund	May-15	70	7.84%	N.A.
Global Technology Fund	Aug-00	68	9.33%	25.64%
Prime Fund	Aug-73	212	6.23%	3.11%
Takaful Fund	Sep-95	19	6.65%	17.55%
Average Return			**5.01%**	**6.14%**

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 31 DECEMBER 2016

Launch Date	2 January 2003
Fund Size	S$118.94 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
US Treasury Infl. Index Bond	15.0	12.6	Spanish Govt Bond 2.75% 311024	8.1	6.5
Deutschland Rep 0% 150826	11.3	9.5	US Treasury Note 3% 151145	4.0	3.2
US Treasury Note 1.5% 150826	5.1	4.3	US Treasury Note 3.5% 150520	3.8	3.1
UK Treasury 1.5% 220726	4.6	3.9	Japan Govt 10-yr 0.6% 200324	3.7	3.0
BTPS 1.50% 010625	4.1	3.5	Canada Housing Trust 3.15% 150923	3.2	2.6
Monetary Authority of Singapore Bills 100317	4.0	3.4	US Treasury Infl. Index Bond 2.5% 150129	2.9	2.3
Japan Govt 20-yr 2.1% 201229	3.9	3.2	Rep of Slovenia Slorep 4.375% 180121	2.4	2.0
Singapore Government Bonds 0.5% 010418	3.5	2.9	Treasury UKT 4.25% 070336	2.4	1.9
US Treasury Infl. Index Bond 0.625% 150126	3.4	2.9	Japan Treasury Disc Bill 220216	2.4	1.9
Rep of South Africa 8% 310130	3.4	2.8	Japan Govt 30-yr 1.7% 200944	2.4	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. 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 31 December 2016, Income had S$31.15 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*

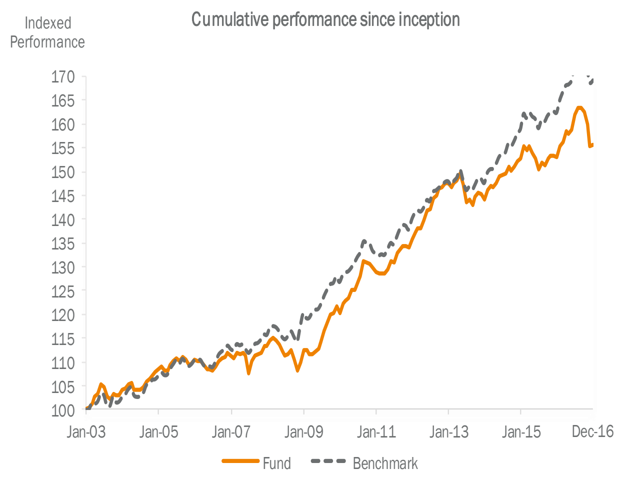
Amundi Singapore Limited is a wholly-owned subsidiary of Amundi Asset Management. It was established in Singapore in 1989 as a business hub for Amundi's group operations in South East Asia. Amundi Singapore Limited is licensed and regulated by the Monetary Authority of Singapore and has been managing collective investment schemes and/or discretionary funds since 1989. It is also one of Amundi's group global investment centres responsible for Global and Asian Fixed Income as well as Asian Equities investment management. It has S$13.7 billion in assets under management as of 31 December 2016.

*With effect from 29 April 2016, Amundi Singapore Limited has replaced Pacific Investment Management Company LLC (PIMCO LLC) as the Sub-Investment Manager of the Global Bond Fund.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Bond Fund	0.19%	-4.31%	-3.89%	1.70%
Benchmark	0.27%	-2.46%	-1.90%	4.16%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Bond Fund	2.57%	2.76%	3.41%	3.20%
Benchmark	4.64%	3.86%	4.13%	3.82%



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.

MARKET REVIEW

Market Review

In the 3rd quarter, the surprise Brexit result of the UK referendum held in June caused the pound to depreciate against both the euro and US Dollar (USD). To combat the uncertainty and market volatility this referendum result brought with it, the Bank of England cut rates from 50 basis points (bps) to 25 bps in August and restarted their dormant government bond buying programme.

Towards the end of the 3rd quarter and into the final quarter of the year, an inflationary theme started to emerge, most strongly in the UK and the US but also echoed in other parts of the world. Eurozone unemployment fell to a level of 10% from a peak of 12% in 2013. This improved data led the European Central Bank (ECB) to deny that they were discussing plans to start a US Federal Reserve (Fed) styled tapering of bond purchases and attention started to shift towards the US presidential elections which took place in November.

The results of the US presidential election took markets by surprise as the result went against most polls and expert predictions with Donald Trump, the Republican candidate, winning. US treasury yields rose significantly, especially at the long-end of the curve on expectations of fiscal loosening and inflationary policies, and USD rose to 13 year highs versus most major currencies.

In December, the ECB surprised markets by announcing that the level of monthly bond purchases would be reduced to €60 billion from €80 billion from March 2017, although the programme would be extended past the original March 2017 deadline. As widely expected, the Fed raised rates by 25 bps to 50 bps, citing accelerating US economic growth and expectations of further falls in the unemployment level. In addition, they signalled that the pace of rate rises could quicken. This had been widely expected, hence market reaction was relatively muted. As the holiday season got underway going into the year end, liquidity was slightly thinner and volatility was reduced.

Market Outlook

The fund is currently overall underweight duration, in particular in the US, Japan, UK and Europe as global expectations of further monetary easing are being scaled back and potential fiscal stimulus is being priced in. The underweight in duration was recently reduced at the long-end of the German and Japanese government bond curves as both local curves have steepened significantly since last summer due to expectations of further monetary easing being scaled back.

As President Trump appointed members of his close advisory team, markets have been trying to identify what policies to expect from a Trump presidency. There is a broad consensus in the US that a fiscal stimulus is needed, but it appears that it will take time for President Trump and Congress to reach a deal on what the debt/taxes mix should be. We expect that a modest fiscal stimulus will pass with a compromise between the White House and Congress, with concessions on both sides.

After the widely expected December hike by the Fed, we now expect that the Fed will continue to raise its key rates at a gradual pace as the resulting tightening of monetary conditions encourages the Fed to be cautious. Regarding the ECB and the Bank of Japan, we believe that they will remain accommodative.

Key risk events in the coming quarter will be the policy actions from the Trump administration, which could include naming China as a currency manipulator, cutting regulation on businesses and reform tax.

All the new policy actions could continue to have large impacts across markets, in particular in currency rates where the USD should continue to be supported on the back of policy divergence between the US and the rest of the world. Hence the fund maintains a long USD position.

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.

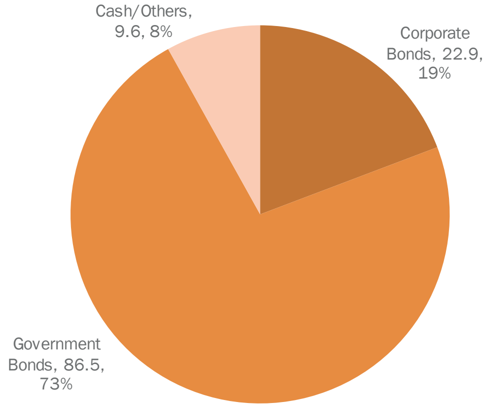
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

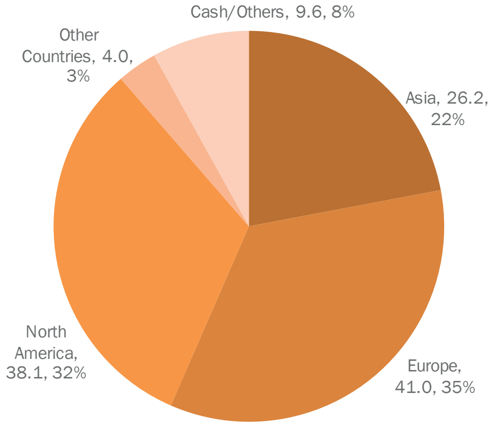
	Expense ratio	Turnover ratio
As of 31 December 2016	0.88%	241.40%
As of 31 December 2015	0.92%	185.71%

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.

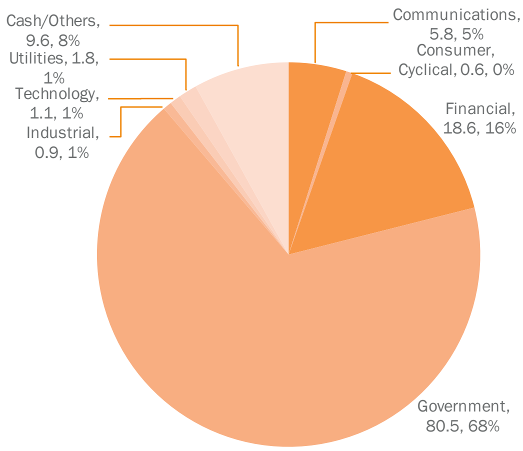
ASSET ALLOCATION AS OF 31 DECEMBER 2016



COUNTRY ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



Global Bond Fund

CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	34.6	29.1
AA+	7.5	6.3
AA	17.4	14.7
A+	0.9	0.7
A	11.4	9.6
A-	1.5	1.2
BBB+	8.8	7.4
BBB	9.2	7.8
BBB-	7.7	6.4
BB+	3.0	2.5
BB	0.8	0.7
Not rated	6.5	5.5
Total	109.3	91.9

'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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	124,369,841
Purchase of units	11,067,876
Redemption of units	(18,842,718)
Gain/(loss) on investments and other income	3,362,493
Management fees and other charges	(1,021,047)
Value of fund as of 31 December 2016	118,936,445

Units in issue	76,481,224
Net asset value per unit	
- at the beginning of the year	1.529
- as of 31 December 2016	1.555

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(74,717)	0.06	470,738	1,183,508
Futures	(118,419)	0.10	(943,881)	(118,419)
Swaps	-	-	355,245	(188,382)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$1,021,047.

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 Manager may from time to time have to deal with competing or conflicting interests between these sub-funds. However, the Manager and Sub-Investment Manager 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 Manager 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.

Global Equity Fund

INVESTMENT OBJECTIVE

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

INVESTMENT SCOPE

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

FUND DETAILS AS OF 31 DECEMBER 2016

Launch Date	1 April 1998
Fund Size	S$239.98 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Reckitt Benckiser Group	7.4	3.1	Schroder ISF Global Equity Alpha	59.4	24.3
Accenture Plc	6.0	2.5	Nestle SA	7.1	2.9
Visa Inc	5.3	2.2	Reckitt Benckiser Group	6.4	2.6
Nestle SA	5.2	2.1	Accenture Plc	5.5	2.3
The Walt Disney Co	4.8	2.0	The Walt Disney Co	5.0	2.0
Thermo Fisher Scientific Inc	4.6	1.9	Visa Inc	4.9	2.0
Time Warner Inc	4.4	1.9	Time Warner Inc	4.7	1.9
Microsoft Corp	4.0	1.7	Thermo Fisher Scientific Inc	4.1	1.7
Bayer AG	3.9	1.6	Honeywell International Inc	3.8	1.5
Pernod Ricard SA	3.8	1.6	Microsoft Corp	3.4	1.4

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. 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 31 December 2016, Income had S$31.15 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 31 December 2016, MSIM employs 585 investment professionals worldwide in 20 countries and offers its clients personalised attention, the intelligence and creativity of some of the brightest professionals in the industry and access to the global resources of Morgan Stanley. As of 31 December 2016, MSIM managed US$417 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$425.6 billion (as of 31 December 2016). 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.

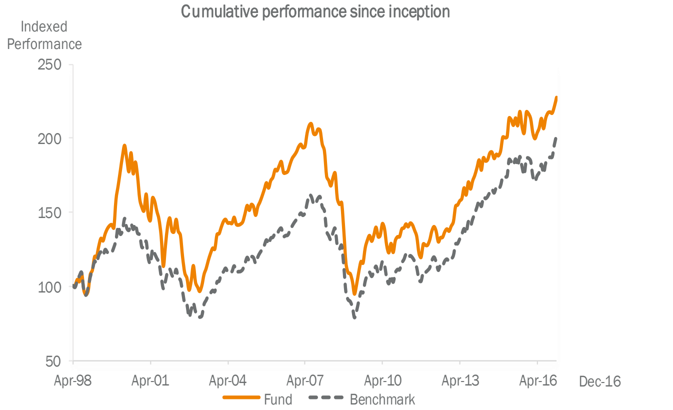
Wellington Management Singapore Pte Ltd (WMS)*

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$979 billion in assets under management, WMC serves as an investment adviser to over 2,150 clients located in more than 55 countries, as of 31 December 2016. 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.

*With effect from 29 April 2016, Wellington Management Singapore Pte Ltd (WMS) has replaced Schroder Investment Management Limited as one of the Sub-Investment Managers of the Global Equity Fund.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Equity Fund	2.78%	4.51%	10.15%	6.76%
Benchmark	3.27%	7.92%	14.65%	9.48%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Equity Fund	7.08%	12.22%	1.59%	4.48%
Benchmark	8.57%	12.82%	3.21%	3.81%



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.

MARKET REVIEW

Market Review

Global equities, as measured by the MSCI World Index returned 14.8% in Singapore Dollar (SGD) terms in the 2nd half of 2016. The surprising election of Donald Trump as US President in November was the prime catalyst for late-year rally, in anticipation of a reflationary programme of tax cuts, regulatory reform and infrastructure investments. Also contributing was a synchronous upturn in sentiment in most of the developed world, exemplified by improved Purchasing Managers Indices (PMI).

The US S&P 500 index returned 15.6% in SGD terms for the 2nd half of 2016. Rebounding oil prices, improved global economic growth and anticipation of expansionary fiscal policy from the Trump administration helped fuel the advance, as did a stronger US Dollar (USD) relative to SGD. With US labour market performance still solid, markets took the US Federal Reserve's (Fed) December rate hike in stride.

European stocks, as measured by the STOXX 50 index returned 18.2% in SGD terms during the 2nd half of 2016. Markets managed to shrug off populist political developments of Brexit, Trump's victory and the defeat of constitutional reform referendum in Italy. A weaker euro helped boost European earnings and exports, while accommodative monetary policy from the European Central Bank (ECB) remains a tailwind.

In Japan, the Nikkei Composite Index returned 17.5% in SGD terms during the 2nd half of 2016. A weak yen provided a tailwind for exporter earnings as did improved demand from overseas. While the Bank of Japan shifted gears in its approach to monetary policy by targeting the shape of the yield curve, policy remains extremely accommodative overall and interest rates remain negative at the short-end of the curve.

Emerging Markets (EM), as measured by the MSCI EM Index returned 12% in SGD terms during the 2nd half of 2016. Stabilising commodity prices and aggressive fiscal and monetary stimulus from China contributed to the 2nd half

Global Equity Fund

recovery, though volatility was seen following the US election owing to uncertainty surrounding trade policy going forward.

Market Outlook

Overall, we are cautious on the markets given that valuations are relatively full. In the US and China, gross domestic product remains below trend and is still being supported by accommodative central bank policy. Meanwhile, the Eurozone has yet to feel the full impact of Brexit. Since the US election in November, markets have priced-in significantly higher US economic growth rates based on promises of reflationary policies from the new administration. We fear fiscal stimulus will be both smaller and later than markets expect, setting the stage for disappointment. Geopolitics will be an increasing focus for markets in 2017. Elections in Europe in 2017, specifically in the Netherlands, France and Germany, will be closely watched to see if populist, anti-establishment, anti-globalisation trends intensify, which could increase risk premia.

United States: The current seven-year bull market is one of the longest on record. While some late-cycle dynamics like an increase in mergers and acquisitions are evident, there are no obvious signs of a global recession on the horizon. Valuations are elevated versus their 10-year average and versus other regions. Many companies are flush with cash, have strong balance sheets, high returns on equity, low capital expenditures (CapEx) and solid dividends and buyback programmes. Expectations for increased CapEx have emerged on hopes of corporate tax reform. Reasonable valuations, a positively sloped yield curve and generally positive sentiment from market participants support the continuation of the current bull market. Less optimistic elements include a weakening earnings trajectory and a possible peak in margins.

Europe: European valuations are modest versus their 10-year average. While economic growth of 1.3% is above its 5-year average of 0.7%, the full impact of Brexit has yet to hit. The region suffers from high debt, low growth and slumping competitiveness. While economic fundamentals such as PMIs, employment and steady consumer spending are generally favourable, demographic trends are particularly unfavourable. The ECB continues to maintain its negative interest rate policy and has not yet indicated its intention to taper monetary accommodation. Dividends yields in excess of 3% are supportive of European equities, however uncertainty surrounding the Brexit process is worrisome.

Japan: To date, Abenomics have not achieved their objective amid unfavourable long-term demographic trends, falling inflation and slow growth. On the other hand, the equity market is fairly valued, and is the cheapest of the Developed Markets. Importantly, headline inflation is picking up, signalling favourable monetary environment and a weaker yen is ultimately good for a country heavily dependent on trade.

Emerging Markets: Economic growth is below its five-year average at 5%, but is still healthy by comparison with the developed world. China's growth remains steady at 6.7% amid stabilising fundamentals. PMIs have turned up and commodity prices have begun to rebound. Currencies have largely stabilised, though the post-US election period has seen an uptick in volatility. Consumer-facing sectors remain healthier than the infrastructure/materials/commodity sectors. Secular demographic trends remain in place amid growing middle classes, rising consumerism and increased consumption of western goods/lifestyles. EM debt levels are historically low and central banks have more policy flexibility than in the past. It is estimated that by 2030, 93% of the global middle class will reside in EMs. Discretionary spending is expected to increase from 25% in 2005 to 44% by 2030. While favourable demography is important, investors need to be selective as countries have unique polices and differing growth trajectories.

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.

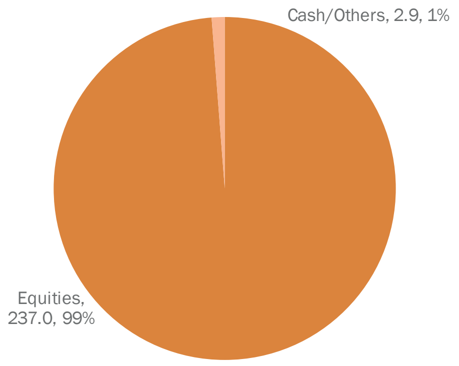
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	1.34%	52.35%
As of 31 December 2015	1.46%	9.96%

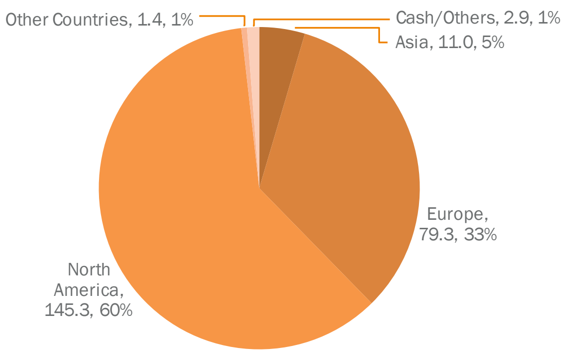
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

ASSET ALLOCATION AS OF 31 DECEMBER 2016

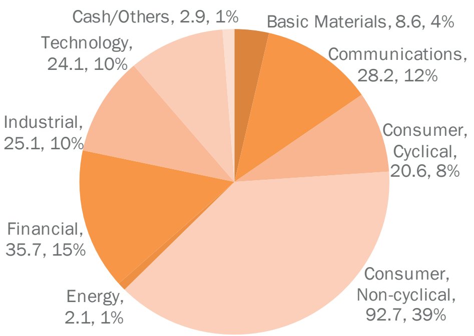


Global Equity Fund

COUNTRY ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	244,630,412
Purchase of units	9,297,173
Redemption of units	(30,057,859)
Gain/(loss) on investments and other income	19,018,076
Management fees and other charges	(2,908,461)
Value of fund as of 31 December 2016	239,979,341

Units in issue	82,182,712
Net asset value per unit	
- at the beginning of the year	2.735
- as of 31 December 2016	2.920

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	13,065	0.01	(38,210)	13,065

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2016	S$ (mil)	% of Net Asset Value
American Tower Corp	0.8	0.3

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$2,908,461.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager and Sub-Investment 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 had been received/entered into by the Manager and Sub-Investment Managers 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 Managers did not accept or enter into soft dollar commission/arrangement unless such commission /arrangement would, in the opinion of the Manager and Sub-Investment Managers, assist the Manager/Sub-Investment Managers in the management of the sub-fund. The Manager and Sub-Investment Managers 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.

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.

Global Equity 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.

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 31 DECEMBER 2016

Launch Date	1 March 2000
Fund Size	S$276.51 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	UOB Long Bond 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 2.875% 010930	45.6	16.5	Singapore Government Bonds 2.875% 010930	39.8	14.4
Singapore Government Bonds 2.25% 010836	29.5	10.7	Singapore Government Bonds 2.75% 010442	25.4	9.2
Singapore Government Bonds 3% 010924	15.8	5.7	Singapore Government Bonds 3% 010924	18.8	6.8
Singapore Government Bonds 3.5% 010327	13.5	4.9	Singapore Government Bonds 3.5% 010327	13.4	4.9
Singapore Government Bonds 2.75% 010346	10.7	3.9	Singapore Government Bonds 2.75% 010723	8.8	3.2
Singapore Government Bonds 2.875% 010729	7.2	2.6	Singapore Government Bonds 2.875% 010729	7.1	2.6
United Overseas Bank 3.15% 110722	6.1	2.2	Malayan Banking 3.8% 280421	5.8	2.1
DBS Cap Funding 5.75% 290549	6.0	2.2	Temasek FINL I 4% 071229	5.2	1.9
Temasek FINL I 4% 071229	5.4	2.0	Singapore Government Bonds 2.5% 010619	5.2	1.9
Ascendas Pte Ltd 3.5% 180123	5.4	1.9	Land Transport Authority 3.275% 291025	5.1	1.8

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.

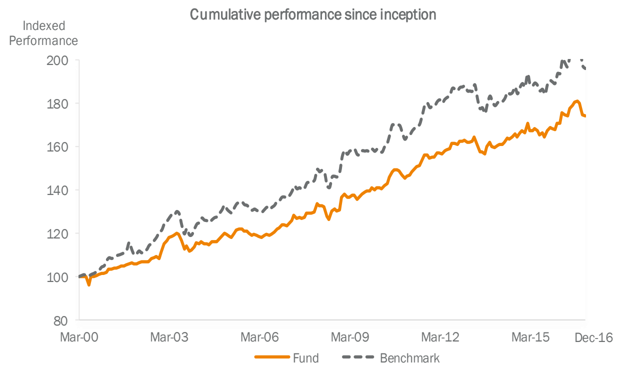
Singapore Bond Fund

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

As of 31 December 2016, Income had S$31.15 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	-0.29%	-3.75%	-1.86%	3.94%
Benchmark	-0.65%	-4.72%	-2.99%	3.62%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Bond Fund	2.96%	2.32%	3.47%	3.35%
Benchmark	3.10%	1.84%	3.67%	4.08%



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.

MARKET REVIEW

The Singapore Bond Fund posted a return of 3.94% in the year 2016 compared to the UOB Singapore Government Securities (SGS) Long Index which returned 3.62% over the same period. Duration management and credit selection were contributors to the positive performance.

In the 1st half of 2016, global central banks' accommodative monetary policy coupled with anxiety over China's financial markets drove bond yield down and return of the fund surged. But Brexit in June and Trump's election victory in November were the catalysts for market volatility which weighed on the fund's return. The euphoric mood in markets following Trump's victory has led to higher readings of confidence indicators but confirmation in economic data will take months. A synchronised global economic recovery may be underway and this is inflationary at the margin. However, some economies will be at the losing end eventually if the "America First" rhetoric turns into new policies on trade, repatriation of corporate profits and immigration.

Until the Trump administration's policies are clear, we envisage the level of uncertainty to remain elevated and this is clouding the global outlook. The risk of a policy mistake has also increased and in this environment, we favour higher credit quality corporate bonds.

With a strong rebound during the 4th quarter, the advance estimates indicate Singapore's economy expanded 9.1% annualised over the previous quarter and this pushed the overall gross domestic product (GDP) growth for 2016 to a better than expected 1.8% on a year-on-year (yoy) basis. Meanwhile, Singapore has emerged from a two-year deflationary environment with a 0.3% yoy increase in consumer price index in December 2016. Notwithstanding the recent stronger economic performance, the government is guiding GDP growth for 2017 to be between 1% and 3%.

The accommodative monetary policy moves by the Monetary Authority of Singapore, namely setting the appreciation of the Singapore Dollar Nominal Effective Exchange Rate (S$NEER) to zero in April 2016 after reducing the pace of appreciation of the S$NEER in October 2015, should support economic growth amid global uncertainties.

With SGS as its core holding, the Singapore Bond Fund is positioned for moderate economic growth and long-term interest rates in a band. The good quality credits held by the fund should provide yield enhancement and are better positioned to weather the near-term uncertainties. We remain constructive on credits in the longer run as moderate economic growth and accommodative policy stance of central banks, with the exception of the US Federal Reserve, should continue to underpin investors' search for yield.

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.

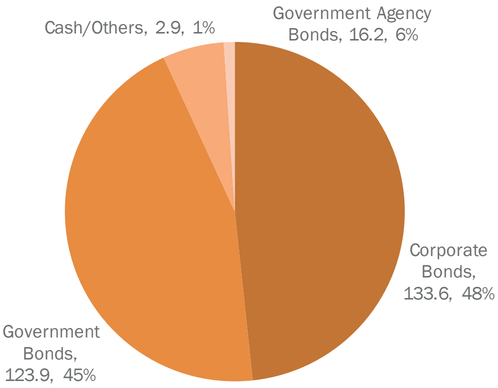
Singapore Bond Fund

EXPENSE AND TURNOVER RATIO

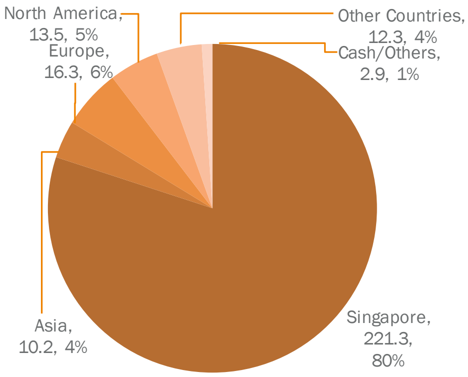
	Expense ratio	Turnover ratio
As of 31 December 2016	0.52%	55.17%
As of 31 December 2015	0.53%	26.82%

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

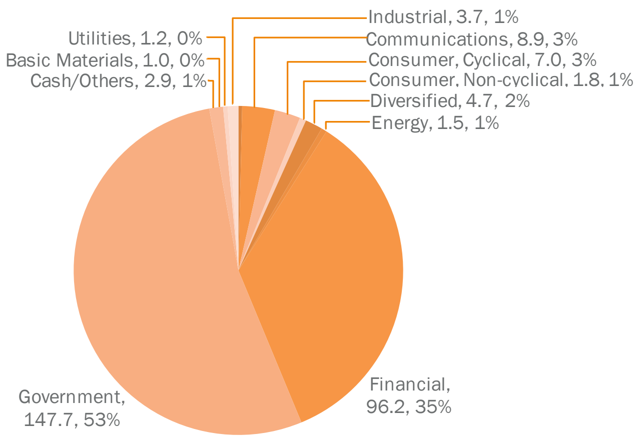
ASSET ALLOCATION AS OF 31 DECEMBER 2016



COUNTRY ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	142.7	51.6
AA	4.2	1.5
AA-	1.0	0.4
A+	22.7	8.2
A	11.8	4.3
A-	8.6	3.1
BBB+	11.3	4.1
BBB	24.8	9.0
BBB-	7.1	2.6
BB+	2.4	0.9
Not rated	37.0	13.4
Total	273.6	99.0

'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).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	275,998,401
Purchase of units	33,974,991
Redemption of units	(43,662,917)
Gain/(loss) on investments and other income	11,590,321
Management fees and other charges	(1,390,852)
Value of fund as of 31 December 2016	276,509,944

Units in issue	158,658,036
Net asset value per unit	
- at the beginning of the year	1.677
- as of 31 December 2016	1.743

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(240,765)	0.09	(174,259)	(155,403)
Swaps	(138,114)	0.05	-	(5,595)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$1,390,852.

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.

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 31 DECEMBER 2016

Launch Date	2 January 2003
Fund Size	S$155.64 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
DBS Group Holdings Ltd	20.2	13.0	DBS Group Holdings Ltd	18.1	12.5
Oversea-Chinese Banking Corp	19.0	12.2	Oversea-Chinese Banking Corp	16.6	11.5
Singapore Telecommunications Ltd	14.8	9.5	Singapore Telecommunications Ltd	16.2	11.2
United Overseas Bank Ltd	12.5	8.1	United Overseas Bank Ltd	13.6	9.5
Jardine Matheson Holdings	8.4	5.4	Hongkong Land Holdings Ltd	6.9	4.8
Hongkong Land Holdings Ltd	7.2	4.6	CapitaLand Ltd	6.1	4.2
CapitaLand Ltd	5.5	3.6	Keppel Corp Ltd	5.7	3.9
Wilmar International Ltd	5.2	3.4	Thai Beverage PCL	4.5	3.1
Global Logistic Properties Ltd	5.2	3.4	Global Logistic Properties Ltd	4.1	2.9
Singapore Technologies Engineering Ltd	4.5	2.9	Wilmar International Ltd	3.7	2.6

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. 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 31 December 2016, Income had S$31.15 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.

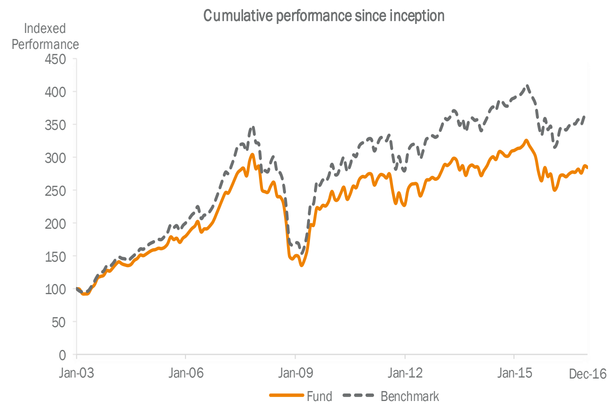
State Street Global Advisors is the investment management arm of State Street Corporation.

*AUM reflects approximately US$2.47 trillion (as of 31 December 2016), US$30.62 billion with respect to which State Street Global Markets, LLC (SSGM) serves as marketing agent; SSGM 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	-0.73%	0.92%	3.60%	3.83%
Benchmark	-0.60%	0.79%	3.52%	3.82%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Equity Fund	-0.02%	4.55%	1.89%	7.76%
Benchmark	0.35%	5.13%	3.12%	9.58%



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.

MARKET REVIEW

The Singapore market had a range-bound 2016, closing flat for the year. The index was, however, rather volatile throughout the year, with swings seen in response to global developments such as the Chinese market sell-off in January, Brexit, OPEC production cut and the US elections. Being an open economy well-exposed to trade and the global economy, Singapore was impacted by these events on several fronts. UK's exit from the European Union raised fears on a future breakup of the Eurozone, and its negative effect on trade-dependent Singapore. Protectionist policies from the new Trump administration, with the recent US withdrawal from the Transpacific Partnership, raised concerns on the vibrancy of the Singapore economy. All these uncertainties increased volatility in the Singapore market.

The equity market, FTSE STI, delivered -0.1% for 2016, with 16 out of 30 index constituents seeing share price declines. This caused the STI to trail MSCI Asia ex-Japan by 5.1%. In terms of sector performance, Capital Goods and Transportation were the clear underperformers, while Consumer stocks did well. Amongst Capital Goods, Offshore and Marine-related companies such as Yangzijiang Shipbuilding and Sembcorp Marine (which was removed from the index on 19 September 2016) continued to be plagued by an oversupply situation and weak demand. Transportation stocks such as ComfortDelgro and Singapore Airlines also saw an increasingly challenging operational environment driven by heightened competition. Offsetting this, Consumer Staple companies such as Golden Agri-Resources and Wilmar enjoyed a good year supported by a recovery in soft commodity prices, while discretionary names such as Thai Beverage, Jardine Cycle & Carriage and Genting saw their businesses strengthen on improved execution.

In terms of the local economy, Singapore's gross domestic product grew by 1.8% for 2016 based on advanced estimates from the Ministry of Trade and Industry, which was the slowest pace of growth since 2009. Manufacturing was the main driver, rebounding to +2.3% year-on-year (yoy) growth versus -5.2% yoy in 2015, whilst Services and Construction slowed from +3.4% yoy to +0.9% yoy and +2.5% yoy to +1.3% yoy respectively. Other macroeconomic indicators for Singapore were broadly negative over the full year. For example, non-oil domestic exports fell on a yoy basis for 8 out of 12 months, while unemployment rate in 2016 averaged 2.1%, the highest since 2010.

Looking ahead into 2017, we believe the market will continue to be swayed by external events given uncertainties surrounding Trump administration policies, upcoming European elections and the uncertain growth trajectory of the Chinese economy. Any curtailment in trade arising from increased protectionism from neighbouring countries would impact Singapore negatively. Moreover, the impact of increased fiscal spending from the US, driving reflation and a corresponding accelerated pace of interest rate hikes by the US Federal Reserve, would result in a more challenging environment for many corporates. In light of these factors, we believe that stocks which benefit from higher interest rates would be longer-term beneficiaries. In an uncertain environment, we also believe in having a quality tilt, favouring well-run defensive names.

Singapore Equity Fund

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.

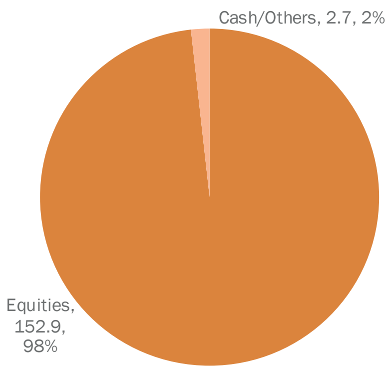
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

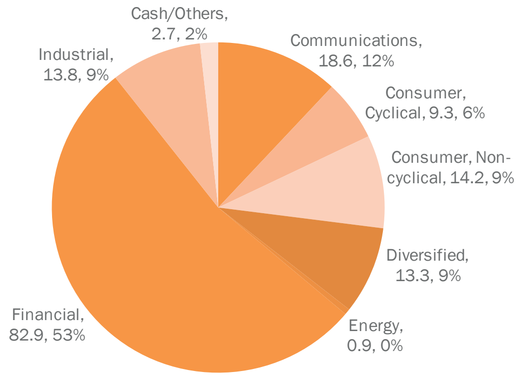
	Expense ratio	Turnover ratio
As of 31 December 2016	0.70%	26.18%
As of 31 December 2015	0.74%	15.13%

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 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	144,061,082
Purchase of units	26,036,147
Redemption of units	(20,328,824)
Gain/(loss) on investments and other income	6,806,600
Management fees and other charges	(930,451)
Value of fund as of 31 December 2016	155,644,554

Units in issue	54,673,437
Net asset value per unit	
- at the beginning of the year	2.742
- as of 31 December 2016	2.847

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(1,527)	-	(31,180)	(1,527)
Futures	(154)	-	38,700	(5,267)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$930,451.

SOFT DOLLAR COMMISSION OR ARRANGEMENT

The Manager and the 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 and 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. 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.

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 31 DECEMBER 2016

Launch Date	1 September 1995
Fund Size	S$97.42 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% UOB Long Bond 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

Asia Managed Fund

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	68.1	69.9	Schroder Asian Growth Fund	66.7	69.3
Singapore Bond Fund	29.1	29.8	Singapore Bond Fund	27.8	28.9
-	-	-	Schroder ISF Indian Equity	1.1	1.1

Schroder Asian Growth Fund^

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Taiwan Semiconductor Manufacturing	49.0	7.6	Taiwan Semiconductor Manufacturing Co Ltd	35.8	6.9
Samsung Electronics	43.4	6.7	AIA Group Ltd	28.8	5.5
Tencent Holdings	38.8	6.0	Tencent Holdings Ltd	27.0	5.2
Alibaba Group Holding	29.9	4.6	China Mobile Ltd	19.7	3.8
AIA Group	27.5	4.2	Samsung Electronics Co Ltd	17.7	3.4
HDFC Bank	25.5	3.9	Techtronic Ind Co Ltd	17.6	3.4
China Mobile	19.0	2.9	Baidu Inc ADR	14.4	2.8
Techtronic Industries	17.3	2.7	China Pacific Insurance (Group) Co Ltd H Shares	14.3	2.7
Jardine Strategic Holdings	16.5	2.5	China Lodging Group Ltd ADS	14.2	2.7
China Pacific Insurance Group	14.7	2.3	HDFC Bank Ltd	14.0	2.7

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 31 December 2016, Income had S$31.15 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.

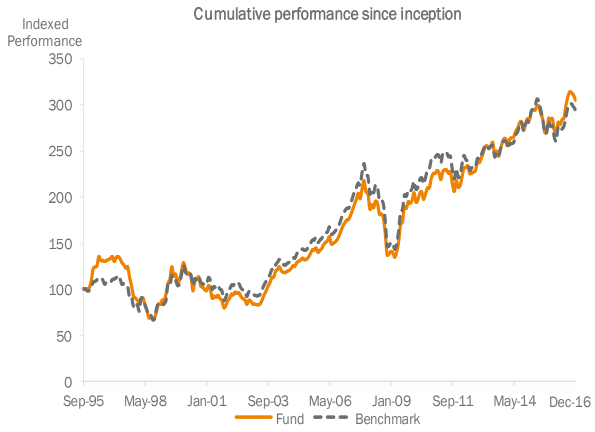
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$490.70 billion (as of 31 December 2016).

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	-1.70%	-2.78%	6.92%	7.11%
Benchmark	-1.04%	-1.93%	6.50%	6.42%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asia Managed Fund	5.22%	7.52%	5.92%	5.36%
Benchmark	4.37%	5.64%	4.77%	5.18%



Changes to benchmarks during the life of the fund: Since 1 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.

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.

MARKET REVIEW

Uncertainties and risks are expected to continue to cloud the medium-term outlook for the global economy. Closer to home, continuing Chinese stimulus initiatives are boosting gross domestic product growth in the near-term but rekindling concerns over asset and debt bubbles and longer-term systematic risks. Meanwhile new plans for a debt-fuelled fiscal stimulus in the US and large tax cuts are likely to exacerbate the budget deficit, leaving investors mulling the prospect of a higher inflationary outlook from here, with correspondingly higher US Dollar (USD) interest rates and bond yields and quite probably continued strength in the USD.

Campaign rhetoric from President-elect Trump has also indicated a more inward-looking and protectionist US stance that potentially bodes poorly for global trade relations and export growth in Emerging Markets. However, it remains unclear how much of the Trump policy platform can actually be implemented and how resilient the US economy will prove to the tightening of monetary conditions represented by the stronger USD and higher market rates.

The fund's strategy remains focused on those stocks with more attractive longer-term growth prospects based on their own individual competitive positioning, rather than making large macro bets on global growth or monetary policy. Given this very granular approach to portfolio construction the fund has not made major changes to allocations following the US elections as it remains comfortable with the outlook for key holdings. However, at the margin it has trimmed some of the more rate-sensitive property and telecoms names given the shift in direction in bond markets, and have reinvested money in some of the more attractive growth stocks that have been sold off in the recent market rotation.

Asia Managed Fund

The fund continues to be underweight in the more cyclical energy and materials sectors given these remain more leveraged to Chinese demand than US growth (and we remain cautious on China's longer-term growth potential). At the same time it also has limited exposure to the more expensive bond proxies in the utilities, telecoms and consumer staples sectors as well as the smaller ASEAN countries where a stronger USD is likely to act as a restraint on global capital flows and tighten domestic liquidity. Although globally banks have rallied strongly post US election, we remain very selective in Asia, with exposure concentrated in India and Thailand in well-managed, profitable franchises that can cover their cost of capital. More generally, the portfolio is concentrated in areas where we continue to see more secular growth potential rather than relying on the uncertainties of cyclical tailwinds, with good diversification both domestically as well as exposure to the stronger pockets of global demand.

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.

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

Asia Managed Fund

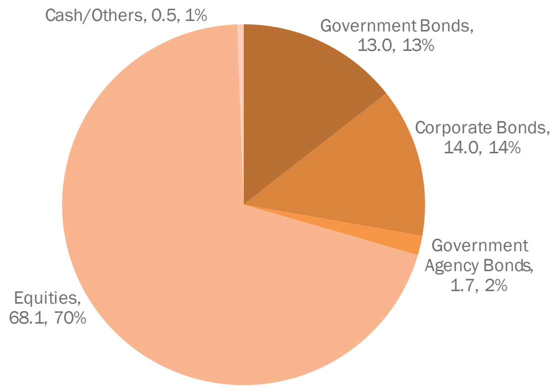
	Expense ratio	Turnover ratio
As of 31 December 2016	1.42%	8.93%
As of 31 December 2015	1.39%	3.30%

Schroder Asian Growth Fund

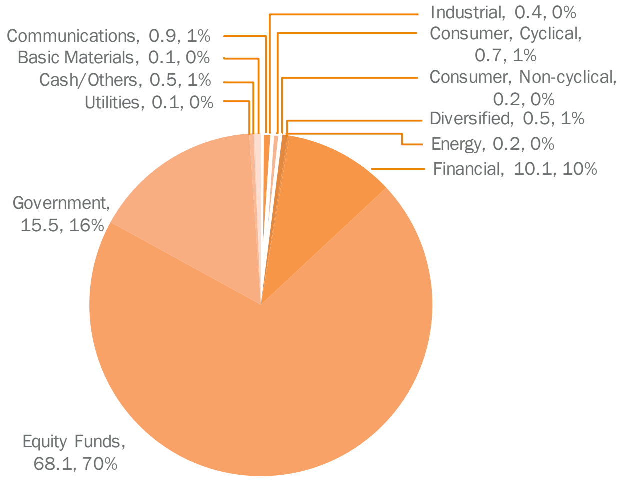
	Expense ratio	Turnover ratio
As of 31 December 2016	1.36%	25.98%
As of 31 December 2015	1.37%	29.42%

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

ASSET ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	15.0	15.4
AA	0.4	0.5
AA-	0.1	0.1
A+	2.4	2.5
A	1.2	1.3
A-	0.9	0.9
BBB+	1.2	1.2
BBB	2.6	2.7
BBB-	0.7	0.8
BB+	0.2	0.3
Not rated	3.9	4.0
Total	28.8	29.5

'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).

Asia Managed Fund

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	96,207,908
Purchase of units	6,529,453
Redemption of units	(11,925,582)
Gain/(loss) on investments and other income	6,845,500
Management fees and other charges	(236,506)
Value of fund as of 31 December 2016	97,420,773

Units in issue	39,181,569
Net asset value per unit	
- at the beginning of the year	2.321
- as of 31 December 2016	2.486

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2016	S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	68.1	69.9
Singapore Bond Fund	29.1	29.8

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$236,506.

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 31 DECEMBER 2016

Launch Date	2 January 2003
Fund Size	S$169.39 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% UOB Long Bond Index 35% Barclays Global Aggregate 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Global Equity Fund^	67.6	39.9	Global Equity Fund^	69.0	40.2
Global Bond Fund^	59.2	35.0	Global Bond Fund^	63.0	36.7
Singapore Bond Fund	25.4	15.0	Singapore Bond Fund	25.2	14.7
Singapore Equity Fund	16.9	10.0	Singapore Equity Fund	14.6	8.5

^ 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

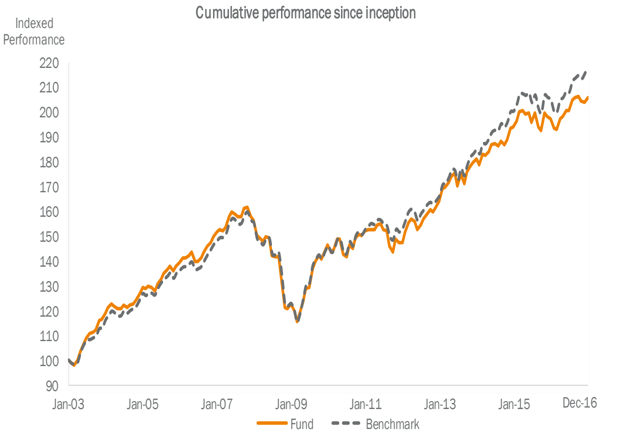
NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

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)	1.08%	-0.19%	2.64%	4.52%
Benchmark	1.25%	1.61%	4.89%	6.41%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Balanced)	4.35%	6.90%	3.12%	5.29%
Benchmark	5.71%	7.36%	3.95%	5.72%



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.

MARKET REVIEW

Global Bond

Market Review

In the 3rd quarter, the surprise Brexit result of the UK referendum held in June caused the pound to depreciate against both the euro and US Dollar (USD). To combat the uncertainty and market volatility this referendum result brought with it, the Bank of England cut rates from 50 basis points (bps) to 25 bps in August and restarted their dormant government bond buying programme.

Towards the end of the 3rd quarter and into the final quarter of the year, an inflationary theme started to emerge, most strongly in the UK and the US but also echoed in other parts of the world. Eurozone unemployment fell to a level of 10% from a peak of 12% in 2013. This improved data led the European Central Bank (ECB) to deny that they were discussing plans to start a US Federal Reserve (Fed) styled tapering of bond purchases and attention started to shift towards the US presidential elections which took place in November.

The results of the US presidential election took markets by surprise as the result went against most polls and expert predictions with Donald Trump, the Republican candidate, winning. US treasury yields rose significantly, especially at the long-end of the curve on expectations of fiscal loosening and inflationary policies, and USD rose to 13 year highs versus most major currencies.

In December, the ECB surprised markets by announcing that the level of monthly bond purchases would be reduced to €60 billion from €80 billion from March 2017, although the programme would be extended past the original March 2017 deadline. As widely expected, the Fed raised rates by 25 bps to 50 bps, citing accelerating US economic growth and expectations of further falls in the unemployment level. In addition, they signalled that the pace of rate rises could quicken. This had been widely expected, hence market reaction was relatively muted. As the holiday season got underway going into the year end, liquidity was slightly thinner and volatility was reduced.

Market Outlook

The fund is currently overall underweight duration, in particular in the US, Japan, UK and Europe as global expectations of further monetary easing are being scaled back and potential fiscal stimulus is being priced in. The underweight in duration was recently reduced at the long-end of the German and Japanese government bond curves as both local curves have steepened significantly since last summer due to expectations of further monetary easing being scaled back.

As President Trump appointed members of his close advisory team, markets have been trying to identify what policies to expect from a Trump presidency. There is a broad consensus in the US that a fiscal stimulus is needed, but it appears that it will take time for President Trump and Congress to reach a deal on what the debt/taxes mix should be. We expect that a modest fiscal stimulus will pass with a compromise between the White House and Congress, with concessions on both sides.

After the widely expected December hike by the Fed, we now expect that the Fed will continue to raise its key rates at a gradual pace as the resulting tightening of monetary conditions encourages the Fed to be cautious. Regarding the ECB and the Bank of Japan, we believe that they will remain accommodative.

Key risk events in the coming quarter will be the policy actions from the Trump administration, which could include naming China as a currency manipulator, cutting regulation on businesses and reform tax.

All the new policy actions could continue to have large impacts across markets, in particular in currency rates where the USD should continue to be supported on the back of policy divergence between the US and the rest of the world. Hence the fund maintains a long USD position.

Singapore Bond

The Singapore Bond Fund posted a return of 3.94% in the year 2016 compared to the UOB Singapore Government Securities (SGS) Long Index which returned 3.62% over the same period. Duration management and credit selection were contributors to the positive performance.

In the 1st half of 2016, global central banks' accommodative monetary policy coupled with anxiety over China's financial markets drove bond yield down and return of the fund surged. But Brexit in June and Trump's election victory in November were the catalysts for market volatility which weighed on the fund's return. The euphoric mood in markets following Trump's victory has led to higher readings of confidence indicators but confirmation in economic data will take months. A synchronised global economic recovery may be underway and this is inflationary at the margin. However, some economies will be at the losing end eventually if the "America First" rhetoric turns into new policies on trade, repatriation of corporate profits and immigration.

Until the Trump administration's policies are clear, we envisage the level of uncertainty to remain elevated and this is clouding the global outlook. The risk of a policy mistake has also increased and in this environment, we favour higher credit quality corporate bonds.

With a strong rebound during the 4th quarter, the advance estimates indicate Singapore's economy expanded 9.1% annualised over the previous quarter and this pushed the overall gross domestic product growth (GDP) for 2016 to a better than expected 1.8% on a year-on-year (yoy) basis. Meanwhile, Singapore has emerged from a two-year deflationary environment with a 0.3% yoy increase in consumer price index in December 2016. Notwithstanding the recent stronger economic performance, the government is guiding GDP growth for 2017 to be between 1% and 3%.

The accommodative monetary policy moves by the Monetary Authority of Singapore, namely setting the appreciation of the Singapore Dollar Nominal Effective Exchange Rate (S$NEER) to zero in April 2016 after reducing the pace of appreciation of the S$NEER in October 2015, should support economic growth amid global uncertainties.

With SGS as its core holding, the Singapore Bond Fund is positioned for moderate economic growth and long-term interest rates in a band. The good quality credits held by the fund should provide yield enhancement and are better positioned to weather the near-term uncertainties. We remain constructive on credits in the longer run as moderate economic growth and accommodative policy stance of central banks, with the exception of the US Federal Reserve, should continue to underpin investors' search for yield.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned 14.8% in Singapore Dollar (SGD) terms in the 2nd half of 2016. The surprising election of Donald Trump as US President in November was the prime catalyst for late-year rally, in anticipation of a reflationary programme of tax cuts, regulatory reform and infrastructure investments. Also contributing was a synchronous upturn in sentiment in most of the developed world, exemplified by improved Purchasing Managers Indices (PMI).

The US S&P 500 index returned 15.6% in SGD terms for the 2nd half of 2016. Rebounding oil prices, improved global economic growth and anticipation of expansionary fiscal policy from the Trump administration helped fuel the advance, as did a stronger US Dollar (USD) relative to SGD. With US labour market performance still solid, markets took the US Federal Reserve's (Fed) December rate hike in stride.

European stocks, as measured by the STOXX 50 index returned 18.2% in SGD terms during the 2nd half of 2016. Markets managed to shrug off populist political developments of Brexit, Trump's victory and the defeat of constitutional reform referendum in Italy. A weaker euro helped boost European earnings and exports, while accommodative monetary policy from the European Central Bank (ECB) remains a tailwind.

In Japan, the Nikkei Composite Index returned 17.5% in SGD terms during the 2nd half of 2016. A weak yen provided a tailwind for exporter earnings as did improved demand from overseas. While the Bank of Japan shifted gears in its approach to monetary policy by targeting the shape of the yield curve, policy remains extremely accommodative overall and interest rates remain negative at the short-end of the curve.

Emerging Markets (EM), as measured by the MSCI EM Index returned 12% in SGD terms during the 2nd half of 2016. Stabilising commodity prices and aggressive fiscal and monetary stimulus from China contributed to the 2nd half recovery, though volatility was seen following the US election owing to uncertainty surrounding trade policy going forward.

Market Outlook

Overall, we are cautious on the markets given that valuations are relatively full. In the US and China, gross domestic product remains below trend and is still being supported by accommodative central bank policy. Meanwhile, the Eurozone has yet to feel the full impact of Brexit. Since the US election in November, markets have priced-in significantly higher US economic growth rates based on promises of reflationary policies from the new administration. We fear fiscal stimulus will be both smaller and later than markets expect, setting the stage for disappointment. Geopolitics will be an increasing focus for markets in 2017. Elections in Europe in 2017, specifically in the Netherlands, France and Germany, will be closely watched to see if populist, anti-establishment, anti-globalisation trends intensify, which could increase risk premia.

United States: The current seven-year bull market is one of the longest on record. While some late-cycle dynamics like an increase in mergers and acquisitions are evident, there are no obvious signs of a global recession on the horizon. Valuations are elevated versus their 10-year average and versus other regions. Many companies are flush with cash, have strong balance sheets, high returns on equity, low capital expenditures (CapEx) and solid dividends and buyback programmes. Expectations for increased CapEx have emerged on hopes of corporate tax reform. Reasonable valuations, a positively sloped yield curve and generally positive sentiment from market participants support the continuation of the current bull market. Less optimistic elements include a weakening earnings trajectory and a possible peak in margins.

Europe: European valuations are modest versus their 10-year average. While economic growth of 1.3% is above its 5-year average of 0.7%, the full impact of Brexit has yet to hit. The region suffers from high debt, low growth and slumping competitiveness. While economic fundamentals such as PMIs, employment and steady consumer spending are generally favourable, demographic trends are particularly unfavourable. The ECB continues to maintain its negative interest rate policy and has not yet indicated its intention to taper monetary accommodation. Dividends yields in excess of 3% are supportive of European equities, however uncertainty surrounding the Brexit process is worrisome.

Japan: To date, Abenomics have not achieved their objective amid unfavourable long-term demographic trends, falling inflation and slow growth. On the other hand, the equity market is fairly valued, and is the cheapest of the Developed Markets. Importantly, headline inflation is picking up, signalling favourable monetary environment and a weaker yen is ultimately good for a country heavily dependent on trade.

Emerging Markets: Economic growth is below its five-year average at 5%, but is still healthy by comparison with the developed world. China's growth remains steady at 6.7% amid stabilising fundamentals. PMIs have turned up and commodity prices have begun to rebound. Currencies have largely stabilised, though the post-US election period has seen an uptick in volatility. Consumer-facing sectors remain healthier than the infrastructure/materials/commodity sectors. Secular demographic trends remain in place amid growing middle classes, rising consumerism and increased consumption of western goods/lifestyles. EM debt levels are historically low and central banks have more policy flexibility than in the past. It is estimated that by 2030, 93% of the global middle class will reside in EMs. Discretionary spending is expected to increase from 25% in 2005 to 44% by 2030. While favourable demography is important, investors need to be selective as countries have unique polices and differing growth trajectories.

Singapore Equity

The Singapore market had a range-bound 2016, closing flat for the year. The index was, however, rather volatile throughout the year, with swings seen in response to global developments such as the Chinese market sell-off in January, Brexit, OPEC production cut and the US elections. Being an open economy well-exposed to trade and the global economy, Singapore was impacted by these events on several fronts. UK's exit from the European Union raised fears on a future breakup of the Eurozone, and its negative effect on trade-dependent Singapore. Protectionist policies from the new Trump administration, with the recent US withdrawal from the Transpacific Partnership, raised concerns on the vibrancy of the Singapore economy. All these uncertainties increased volatility in the Singapore market.

The equity market, FTSE STI, delivered -0.1% for 2016, with 16 out of 30 index constituents seeing share price declines. This caused the STI to trail MSCI Asia ex-Japan by 5.1%. In terms of sector performance, Capital Goods and Transportation were the clear underperformers, while Consumer stocks did well. Amongst Capital Goods, Offshore and Marine-related companies such as Yangzijiang Shipbuilding and Sembcorp Marine (which was removed from the index on 19 September 2016) continued to be plagued by an oversupply situation and weak demand. Transportation stocks such as ComfortDelgro and Singapore Airlines also saw an increasingly challenging operational environment driven by heightened competition. Offsetting this, Consumer Staple companies such as Golden Agri-Resources and Wilmar enjoyed a good year supported by a recovery in soft commodity prices, while discretionary names such as Thai Beverage, Jardine Cycle & Carriage and Genting saw their businesses strengthen on improved execution.

In terms of the local economy, Singapore's gross domestic product grew by 1.8% for 2016 based on advanced estimates from the Ministry of Trade and Industry, which was the slowest pace of growth since 2009. Manufacturing was the main driver, rebounding to +2.3% year-on-year (yoy) growth versus -5.2% yoy in 2015, whilst Services and Construction slowed from +3.4% yoy to +0.9% yoy and +2.5% yoy to +1.3% yoy respectively. Other macroeconomic indicators for Singapore were broadly negative over the full year. For example, non-oil domestic exports fell on a yoy basis for 8 out of 12 months, while unemployment rate in 2016 averaged 2.1%, the highest since 2010.

Looking ahead into 2017, we believe the market will continue to be swayed by external events given uncertainties surrounding Trump administration policies, upcoming European elections and the uncertain growth trajectory of the Chinese economy. Any curtailment in trade arising from increased protectionism from neighbouring countries would impact Singapore negatively. Moreover, the impact of increased fiscal spending from the US, driving reflation and a corresponding accelerated pace of interest rate hikes by the US Federal Reserve, would result in a more challenging environment for many corporates. In light of these factors, we believe that stocks which benefit from higher interest rates would be longer-term beneficiaries. In an uncertain environment, we also believe in having a quality tilt, favouring well-run defensive names.

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.

Global Managed Fund (Balanced)

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.

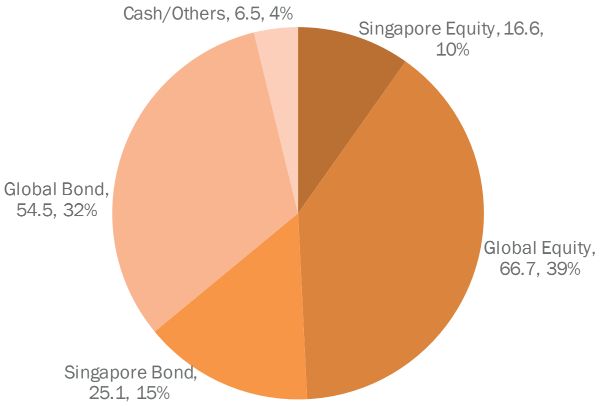
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	1.19%	6.77%
As of 31 December 2015	1.16%	2.59%

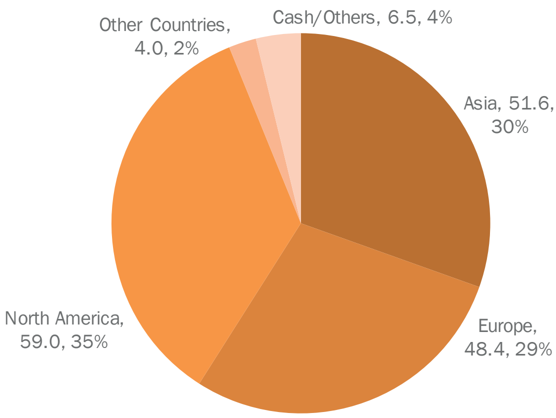
Please refer to the Fund Reports of Global Equity Fund and Global Bond Fund for details on the turnover and expense ratios.

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.

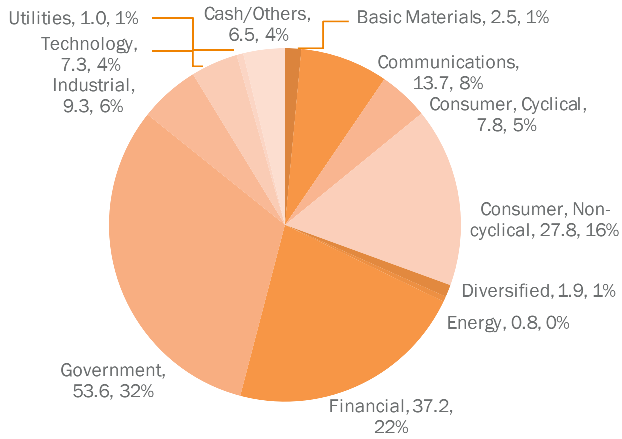
ASSET ALLOCATION AS OF 31 DECEMBER 2016



COUNTRY ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	30.3	17.9
AA+	3.7	2.2
AA	9.1	5.4
AA-	0.1	0.1
A+	2.5	1.5
A	6.8	4.0
A-	1.5	0.9
BBB+	5.4	3.2
BBB	6.9	4.1
BBB-	4.5	2.6
BB+	1.7	1.0
BB	0.4	0.2
Not rated	6.6	3.9
Total	79.5	47.0

'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).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	171,791,379
Purchase of units	6,155,962
Redemption of units	(16,079,718)
Gain/(loss) on investments and other income	7,642,620
Management fees and other charges	(115,453)
Value of fund as of 31 December 2016	169,394,790

Units in issue	82,270,308
Net asset value per unit	
- at the beginning of the year	1.970
- as of 31 December 2016	2.059

Global Managed Fund (Balanced)

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

December 2016	S$ (mil)	% of Net Asset Value
Global Equity Fund	67.6	39.9
Global Bond Fund	59.2	35.0
Singapore Bond Fund	25.4	15.0
Singapore Equity Fund	16.9	10.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$115,453.

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.

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 31 DECEMBER 2016

Launch Date	2 January 2003
Fund Size	S$11.64 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% UOB Long Bond Index 50% Barclays Global Aggregate 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Global Bond Fund^	5.7	49.1	Global Bond Fund^	6.0	50.3
Global Equity Fund	2.9	24.5	Global Equity Fund	2.9	24.5
Singapore Bond Fund	2.3	19.6	Singapore Bond Fund	2.3	19.7
Singapore Equity Fund	0.6	4.9	Singapore Equity Fund	0.5	4.1

^ 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

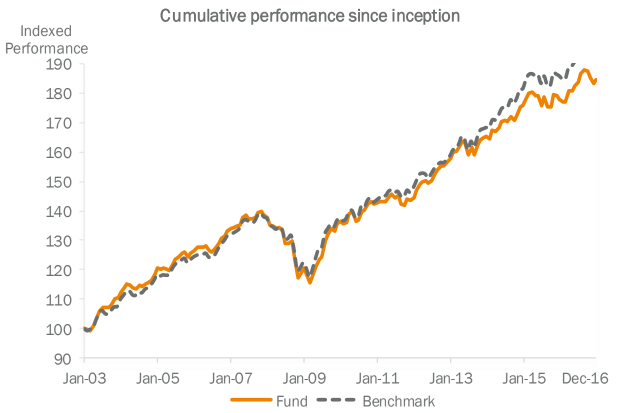
NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

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)	0.71%	-1.71%	0.27%	3.71%
Benchmark	0.79%	-0.21%	2.12%	5.55%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Conservative)	3.69%	5.03%	3.25%	4.47%
Benchmark	5.23%	5.83%	4.04%	4.93%



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

MARKET REVIEW

Global Bond

Market Review

In the 3rd quarter, the surprise Brexit result of the UK referendum held in June caused the pound to depreciate against both the euro and US Dollar (USD). To combat the uncertainty and market volatility this referendum result brought with it, the Bank of England cut rates from 50 basis points (bps) to 25 bps in August and restarted their dormant government bond buying programme.

Towards the end of the 3rd quarter and into the final quarter of the year, an inflationary theme started to emerge, most strongly in the UK and the US but also echoed in other parts of the world. Eurozone unemployment fell to a level of 10% from a peak of 12% in 2013. This improved data led the European Central Bank (ECB) to deny that they were discussing plans to start a US Federal Reserve (Fed) styled tapering of bond purchases and attention started to shift towards the US presidential elections which took place in November.

The results of the US presidential election took markets by surprise as the result went against most polls and expert predictions with Donald Trump, the Republican candidate, winning. US treasury yields rose significantly, especially at the long-end of the curve on expectations of fiscal loosening and inflationary policies, and USD rose to 13 year highs versus most major currencies.

In December, the ECB surprised markets by announcing that the level of monthly bond purchases would be reduced to €60 billion from €80 billion from March 2017, although the programme would be extended past the original March 2017 deadline. As widely expected, the Fed raised rates by 25 bps to 50 bps, citing accelerating US economic growth and expectations of further falls in the unemployment level. In addition, they signalled that the pace of rate rises could quicken. This had been widely expected, hence market reaction was relatively muted. As the holiday season got underway going into the year end, liquidity was slightly thinner and volatility was reduced.

Market Outlook

The fund is currently overall underweight duration, in particular in the US, Japan, UK and Europe as global expectations of further monetary easing are being scaled back and potential fiscal stimulus is being priced in. The underweight in duration was recently reduced at the long-end of the German and Japanese government bond curves as both local curves have steepened significantly since last summer due to expectations of further monetary easing being scaled back.

As President Trump appointed members of his close advisory team, markets have been trying to identify what policies to expect from a Trump presidency. There is a broad consensus in the US that a fiscal stimulus is needed, but it appears that it will take time for President Trump and Congress to reach a deal on what the debt/taxes mix should be. We expect that a modest fiscal stimulus will pass with a compromise between the White House and Congress, with concessions on both sides.

After the widely expected December hike by the Fed, we now expect that the Fed will continue to raise its key rates at a gradual pace as the resulting tightening of monetary conditions encourages the Fed to be cautious. Regarding the ECB and the Bank of Japan, we believe that they will remain accommodative.

Key risk events in the coming quarter will be the policy actions from the Trump administration, which could include naming China as a currency manipulator, cutting regulation on businesses and reform tax.

All the new policy actions could continue to have large impacts across markets, in particular in currency rates where the USD should continue to be supported on the back of policy divergence between the US and the rest of the world. Hence the fund maintains a long USD position.

Singapore Bond

The Singapore Bond Fund posted a return of 3.94% in the year 2016 compared to the UOB Singapore Government Securities (SGS) Long Index which returned 3.62% over the same period. Duration management and credit selection were contributors to the positive performance.

In the 1st half of 2016, global central banks' accommodative monetary policy coupled with anxiety over China's financial markets drove bond yield down and return of the fund surged. But Brexit in June and Trump's election victory in November were the catalysts for market volatility which weighed on the fund's return. The euphoric mood in markets following Trump's victory has led to higher readings of confidence indicators but confirmation in economic data will take months. A synchronised global economic recovery may be underway and this is inflationary at the margin. However, some economies will be at the losing end eventually if the "America First" rhetoric turns into new policies on trade, repatriation of corporate profits and immigration.

Until the Trump administration's policies are clear, we envisage the level of uncertainty to remain elevated and this is clouding the global outlook. The risk of a policy mistake has also increased and in this environment, we favour higher credit quality corporate bonds.

With a strong rebound during the 4th quarter, the advance estimates indicate Singapore's economy expanded 9.1% annualised over the previous quarter and this pushed the overall gross domestic product growth (GDP) for 2016 to a better than expected 1.8% on a year-on-year (yoy) basis. Meanwhile, Singapore has emerged from a two-year deflationary environment with a 0.3% yoy increase in consumer price index in December 2016. Notwithstanding the recent stronger economic performance, the government is guiding GDP growth for 2017 to be between 1% and 3%.

The accommodative monetary policy moves by the Monetary Authority of Singapore, namely setting the appreciation of the Singapore Dollar Nominal Effective Exchange Rate (S$NEER) to zero in April 2016 after reducing the pace of appreciation of the S$NEER in October 2015, should support economic growth amid global uncertainties.

With SGS as its core holding, the Singapore Bond Fund is positioned for moderate economic growth and long-term interest rates in a band. The good quality credits held by the fund should provide yield enhancement and are better positioned to weather the near-term uncertainties. We remain constructive on credits in the longer run as moderate economic growth and accommodative policy stance of central banks, with the exception of the US Federal Reserve, should continue to underpin investors' search for yield.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned 14.8% in Singapore Dollar (SGD) terms in the 2nd half of 2016. The surprising election of Donald Trump as US President in November was the prime catalyst for late-year rally, in anticipation of a reflationary programme of tax cuts, regulatory reform and infrastructure investments. Also contributing was a synchronous upturn in sentiment in most of the developed world, exemplified by improved Purchasing Managers Indices (PMI).

The US S&P 500 index returned 15.6% in SGD terms for the 2nd half of 2016. Rebounding oil prices, improved global economic growth and anticipation of expansionary fiscal policy from the Trump administration helped fuel the advance, as did a stronger US Dollar (USD) relative to SGD. With US labour market performance still solid, markets took the US Federal Reserve's (Fed) December rate hike in stride.

European stocks, as measured by the STOXX 50 index returned 18.2% in SGD terms during the 2nd half of 2016. Markets managed to shrug off populist political developments of Brexit, Trump's victory and the defeat of constitutional reform referendum in Italy. A weaker euro helped boost European earnings and exports, while accommodative monetary policy from the European Central Bank (ECB) remains a tailwind.

In Japan, the Nikkei Composite Index returned 17.5% in SGD terms during the 2nd half of 2016. A weak yen provided a tailwind for exporter earnings as did improved demand from overseas. While the Bank of Japan shifted gears in its approach to monetary policy by targeting the shape of the yield curve, policy remains extremely accommodative overall and interest rates remain negative at the short-end of the curve.

Emerging Markets (EM), as measured by the MSCI EM Index returned 12% in SGD terms during the 2nd half of 2016. Stabilising commodity prices and aggressive fiscal and monetary stimulus from China contributed to the 2nd half recovery, though volatility was seen following the US election owing to uncertainty surrounding trade policy going forward.

Market Outlook

Overall, we are cautious on the markets given that valuations are relatively full. In the US and China, gross domestic product remains below trend and is still being supported by accommodative central bank policy. Meanwhile, the Eurozone has yet to feel the full impact of Brexit. Since the US election in November, markets have priced-in significantly higher US economic growth rates based on promises of reflationary policies from the new administration. We fear fiscal stimulus will be both smaller and later than markets expect, setting the stage for disappointment. Geopolitics will be an increasing focus for markets in 2017. Elections in Europe in 2017, specifically in the Netherlands, France and Germany, will be closely watched to see if populist, anti-establishment, anti-globalisation trends intensify, which could increase risk premia.

United States: The current seven-year bull market is one of the longest on record. While some late-cycle dynamics like an increase in mergers and acquisitions are evident, there are no obvious signs of a global recession on the horizon. Valuations are elevated versus their 10-year average and versus other regions. Many companies are flush with cash, have strong balance sheets, high returns on equity, low capital expenditures (CapEx) and solid dividends and buyback programmes. Expectations for increased CapEx have emerged on hopes of corporate tax reform. Reasonable valuations, a positively sloped yield curve and generally positive sentiment from market participants support the continuation of the current bull market. Less optimistic elements include a weakening earnings trajectory and a possible peak in margins.

Europe: European valuations are modest versus their 10-year average. While economic growth of 1.3% is above its 5-year average of 0.7%, the full impact of Brexit has yet to hit. The region suffers from high debt, low growth and slumping competitiveness. While economic fundamentals such as PMIs, employment and steady consumer spending are generally favourable, demographic trends are particularly unfavourable. The ECB continues to maintain its negative interest rate policy and has not yet indicated its intention to taper monetary accommodation. Dividends yields in excess of 3% are supportive of European equities, however uncertainty surrounding the Brexit process is worrisome.

Japan: To date, Abenomics have not achieved their objective amid unfavourable long-term demographic trends, falling inflation and slow growth. On the other hand, the equity market is fairly valued, and is the cheapest of the Developed Markets. Importantly, headline inflation is picking up, signalling favourable monetary environment and a weaker yen is ultimately good for a country heavily dependent on trade.

Emerging Markets: Economic growth is below its five-year average at 5%, but is still healthy by comparison with the developed world. China's growth remains steady at 6.7% amid stabilising fundamentals. PMIs have turned up and commodity prices have begun to rebound. Currencies have largely stabilised, though the post-US election period has seen an uptick in volatility. Consumer-facing sectors remain healthier than the infrastructure/materials/commodity sectors. Secular demographic trends remain in place amid growing middle classes, rising consumerism and increased consumption of western goods/lifestyles. EM debt levels are historically low and central banks have more policy flexibility than in the past. It is estimated that by 2030, 93% of the global middle class will reside in EMs. Discretionary spending is expected to increase from 25% in 2005 to 44% by 2030. While favourable demography is important, investors need to be selective as countries have unique polices and differing growth trajectories.

Singapore Equity

The Singapore market had a range-bound 2016, closing flat for the year. The index was, however, rather volatile throughout the year, with swings seen in response to global developments such as the Chinese market sell-off in January, Brexit, OPEC production cut and the US elections. Being an open economy well-exposed to trade and the global economy, Singapore was impacted by these events on several fronts. UK's exit from the European Union raised fears on a future breakup of the Eurozone, and its negative effect on trade-dependent Singapore. Protectionist policies from the new Trump administration, with the recent US withdrawal from the Transpacific Partnership, raised concerns on the vibrancy of the Singapore economy. All these uncertainties increased volatility in the Singapore market.

The equity market, FTSE STI, delivered -0.1% for 2016, with 16 out of 30 index constituents seeing share price declines. This caused the STI to trail MSCI Asia ex-Japan by 5.1%. In terms of sector performance, Capital Goods and Transportation were the clear underperformers, while Consumer stocks did well. Amongst Capital Goods, Offshore and Marine-related companies such as Yangzijiang Shipbuilding and Sembcorp Marine (which was removed from the index on 19 September 2016) continued to be plagued by an oversupply situation and weak demand. Transportation stocks such as ComfortDelgro and Singapore Airlines also saw an increasingly challenging operational environment driven by heightened competition. Offsetting this, Consumer Staple companies such as Golden Agri-Resources and Wilmar enjoyed a good year supported by a recovery in soft commodity prices, while discretionary names such as Thai Beverage, Jardine Cycle & Carriage and Genting saw their businesses strengthen on improved execution.

In terms of the local economy, Singapore's gross domestic product grew by 1.8% for 2016 based on advanced estimates from the Ministry of Trade and Industry, which was the slowest pace of growth since 2009. Manufacturing was the main driver, rebounding to +2.3% year-on-year (yoy) growth versus -5.2% yoy in 2015, whilst Services and Construction slowed from +3.4% yoy to +0.9% yoy and +2.5% yoy to +1.3% yoy respectively. Other macroeconomic indicators for Singapore were broadly negative over the full year. For example, non-oil domestic exports fell on a yoy basis for 8 out of 12 months, while unemployment rate in 2016 averaged 2.1%, the highest since 2010.

Looking ahead into 2017, we believe the market will continue to be swayed by external events given uncertainties surrounding Trump administration policies, upcoming European elections and the uncertain growth trajectory of the Chinese economy. Any curtailment in trade arising from increased protectionism from neighbouring countries would impact Singapore negatively. Moreover, the impact of increased fiscal spending from the US, driving reflation and a corresponding accelerated pace of interest rate hikes by the US Federal Reserve, would result in a more challenging environment for many corporates. In light of these factors, we believe that stocks which benefit from higher interest rates would be longer-term beneficiaries. In an uncertain environment, we also believe in having a quality tilt, favouring well-run defensive names.

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.

Global Managed Fund (Conservative)

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.

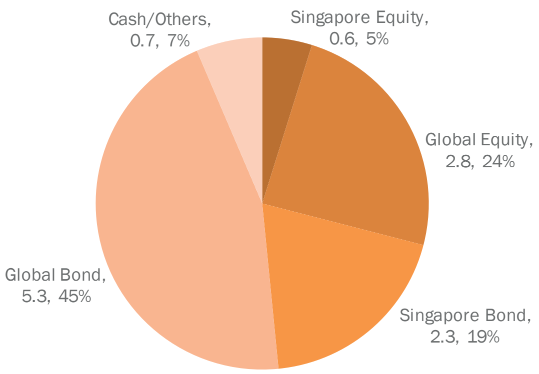
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	1.08%	4.87%
As of 31 December 2015	1.05%	1.84%

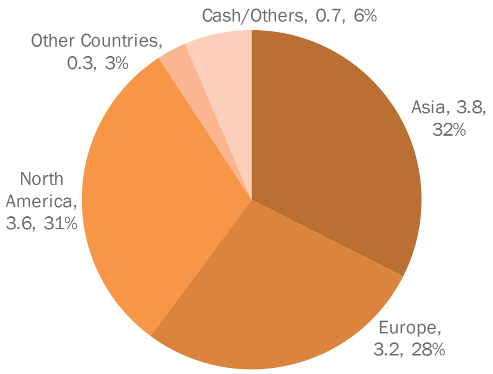
Please refer to the Fund Report of Global Bond Fund for details on the turnover and expense ratios.

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.

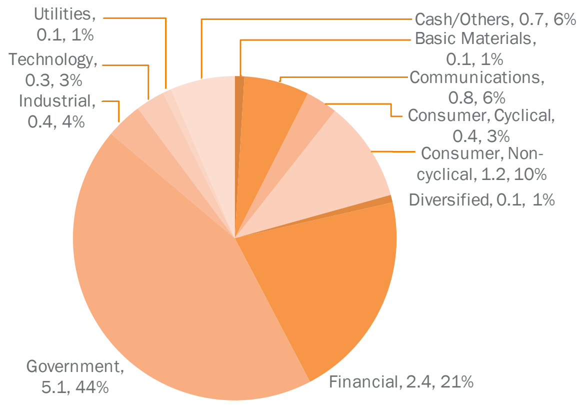
ASSET ALLOCATION AS OF 31 DECEMBER 2016



COUNTRY ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	2.8	24.4
AA+	0.4	3.1
AA	0.9	7.5
AA-	0.0	0.1
A+	0.2	2.0
A	0.6	5.5
A-	0.1	1.2
BBB+	0.5	4.4
BBB	0.6	5.6
BBB-	0.4	3.7
BB+	0.2	1.4
BB	0.0	0.3
Not rated	0.6	5.3
Total	7.5	64.5

'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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	11,841,954
Purchase of units	514,489
Redemption of units	(1,146,623)
Gain/(loss) on investments and other income	438,422
Management fees and other charges	(6,775)
Value of fund as of 31 December 2016	11,641,467

Units in issue	6,312,920
Net asset value per unit	
- at the beginning of the year	1.778
- as of 31 December 2016	1.844

Global Managed Fund (Conservative)

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

December 2016	S$ (mil)	% of Net Asset Value
Global Bond Fund	5.7	49.1
Global Equity Fund	2.9	24.5
Singapore Bond Fund	2.3	19.6
Singapore Equity Fund	0.6	4.9

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$6,775.

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.

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 31 DECEMBER 2016

Launch Date	2 January 2003
Fund Size	S$239.51 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% UOB Long Bond Index 20% Barclays Global Aggregate 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Global Equity Fund^	131.7	55.0	Global Equity Fund^	134.4	55.8
Global Bond Fund	48.0	20.0	Global Bond Fund	49.9	20.7
Singapore Equity Fund	36.0	15.0	Singapore Equity Fund	30.6	12.7
Singapore Bond Fund	24.0	10.0	Singapore Bond Fund	25.8	10.7

^ Please refer to the Fund Report of Global Equity 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

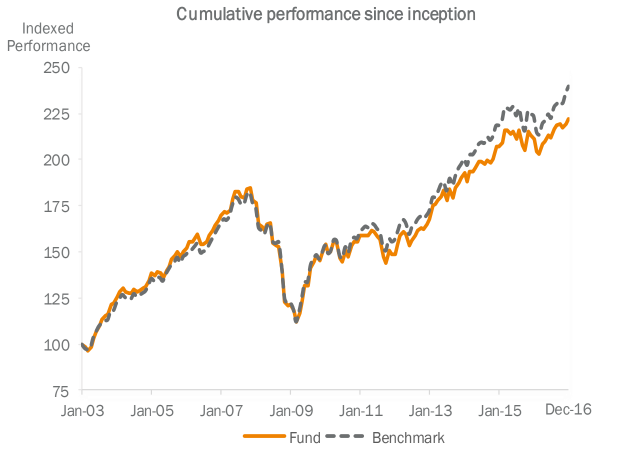
NTUC Income Insurance Co-operative Limited is the Investment Manager of the sub-fund.

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)	1.41%	1.32%	5.01%	5.26%
Benchmark	1.70%	3.45%	7.71%	7.20%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Growth)	4.88%	8.36%	2.72%	5.87%
Benchmark	6.15%	8.87%	3.77%	6.44%



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.

MARKET REVIEW

Global Bond

Market Review

In the 3rd quarter, the surprise Brexit result of the UK referendum held in June caused the pound to depreciate against both the euro and US Dollar (USD). To combat the uncertainty and market volatility this referendum result brought with it, the Bank of England cut rates from 50 basis points (bps) to 25 bps in August and restarted their dormant government bond buying programme.

Towards the end of the 3rd quarter and into the final quarter of the year, an inflationary theme started to emerge, most strongly in the UK and the US but also echoed in other parts of the world. Eurozone unemployment fell to a level of 10% from a peak of 12% in 2013. This improved data led the European Central Bank (ECB) to deny that they were discussing plans to start a US Federal Reserve (Fed) styled tapering of bond purchases and attention started to shift towards the US presidential elections which took place in November.

The results of the US presidential election took markets by surprise as the result went against most polls and expert predictions with Donald Trump, the Republican candidate, winning. US treasury yields rose significantly, especially at the long-end of the curve on expectations of fiscal loosening and inflationary policies, and USD rose to 13 year highs versus most major currencies.

In December, the ECB surprised markets by announcing that the level of monthly bond purchases would be reduced to €60 billion from €80 billion from March 2017, although the programme would be extended past the original March 2017 deadline. As widely expected, the Fed raised rates by 25 bps to 50 bps, citing accelerating US economic growth and expectations of further falls in the unemployment level. In addition, they signalled that the pace of rate rises could quicken. This had been widely expected, hence market reaction was relatively muted. As the holiday season got underway going into the year end, liquidity was slightly thinner and volatility was reduced.

Market Outlook

The fund is currently overall underweight duration, in particular in the US, Japan, UK and Europe as global expectations of further monetary easing are being scaled back and potential fiscal stimulus is being priced in. The underweight in duration was recently reduced at the long-end of the German and Japanese government bond curves as both local curves have steepened significantly since last summer due to expectations of further monetary easing being scaled back.

As President Trump appointed members of his close advisory team, markets have been trying to identify what policies to expect from a Trump presidency. There is a broad consensus in the US that a fiscal stimulus is needed, but it appears that it will take time for President Trump and Congress to reach a deal on what the debt/taxes mix should be. We expect that a modest fiscal stimulus will pass with a compromise between the White House and Congress, with concessions on both sides.

After the widely expected December hike by the Fed, we now expect that the Fed will continue to raise its key rates at a gradual pace as the resulting tightening of monetary conditions encourages the Fed to be cautious. Regarding the ECB and the Bank of Japan, we believe that they will remain accommodative.

Key risk events in the coming quarter will be the policy actions from the Trump administration, which could include naming China as a currency manipulator, cutting regulation on businesses and reform tax.

All the new policy actions could continue to have large impacts across markets, in particular in currency rates where the USD should continue to be supported on the back of policy divergence between the US and the rest of the world. Hence the fund maintains a long USD position.

Singapore Bond

The Singapore Bond Fund posted a return of 3.94% in the year 2016 compared to the UOB Singapore Government Securities (SGS) Long Index which returned 3.62% over the same period. Duration management and credit selection were contributors to the positive performance.

In the 1st half of 2016, global central banks' accommodative monetary policy coupled with anxiety over China's financial markets drove bond yield down and return of the fund surged. But Brexit in June and Trump's election victory in November were the catalysts for market volatility which weighed on the fund's return. The euphoric mood in markets following

Trump's victory has led to higher readings of confidence indicators but confirmation in economic data will take months. A synchronised global economic recovery may be underway and this is inflationary at the margin. However, some economies will be at the losing end eventually if the "America First" rhetoric turns into new policies on trade, repatriation of corporate profits and immigration.

Until the Trump administration's policies are clear, we envisage the level of uncertainty to remain elevated and this is clouding the global outlook. The risk of a policy mistake has also increased and in this environment, we favour higher credit quality corporate bonds.

With a strong rebound during the 4th quarter, the advance estimates indicate Singapore's economy expanded 9.1% annualised over the previous quarter and this pushed the overall gross domestic product growth (GDP) for 2016 to a better than expected 1.8% on a year-on-year (yoy) basis. Meanwhile, Singapore has emerged from a two-year deflationary environment with a 0.3% yoy increase in consumer price index in December 2016. Notwithstanding the recent stronger economic performance, the government is guiding GDP growth for 2017 to be between 1% and 3%.

The accommodative monetary policy moves by the Monetary Authority of Singapore, namely setting the appreciation of the Singapore Dollar Nominal Effective Exchange Rate (S$NEER) to zero in April 2016 after reducing the pace of appreciation of the S$NEER in October 2015, should support economic growth amid global uncertainties.

With SGS as its core holding, the Singapore Bond Fund is positioned for moderate economic growth and long-term interest rates in a band. The good quality credits held by the fund should provide yield enhancement and are better positioned to weather the near-term uncertainties. We remain constructive on credits in the longer run as moderate economic growth and accommodative policy stance of central banks, with the exception of the US Federal Reserve, should continue to underpin investors' search for yield.

Global Equity

Market Review

Global equities, as measured by the MSCI World Index returned 14.8% in Singapore Dollar (SGD) terms in the 2nd half of 2016. The surprising election of Donald Trump as US President in November was the prime catalyst for late-year rally, in anticipation of a reflationary programme of tax cuts, regulatory reform and infrastructure investments. Also contributing was a synchronous upturn in sentiment in most of the developed world, exemplified by improved Purchasing Managers Indices (PMI).

The US S&P 500 index returned 15.6% in SGD terms for the 2nd half of 2016. Rebounding oil prices, improved global economic growth and anticipation of expansionary fiscal policy from the Trump administration helped fuel the advance, as did a stronger US Dollar (USD) relative to SGD. With US labour market performance still solid, markets took the US Federal Reserve's (Fed) December rate hike in stride.

European stocks, as measured by the STOXX 50 index returned 18.2% in SGD terms during the 2nd half of 2016. Markets managed to shrug off populist political developments of Brexit, Trump's victory and the defeat of constitutional reform referendum in Italy. A weaker euro helped boost European earnings and exports, while accommodative monetary policy from the European Central Bank (ECB) remains a tailwind.

In Japan, the Nikkei Composite Index returned 17.5% in SGD terms during the 2nd half of 2016. A weak yen provided a tailwind for exporter earnings as did improved demand from overseas. While the Bank of Japan shifted gears in its approach to monetary policy by targeting the shape of the yield curve, policy remains extremely accommodative overall and interest rates remain negative at the short-end of the curve.

Emerging Markets (EM), as measured by the MSCI EM Index returned 12% in SGD terms during the 2nd half of 2016. Stabilising commodity prices and aggressive fiscal and monetary stimulus from China contributed to the 2nd half recovery, though volatility was seen following the US election owing to uncertainty surrounding trade policy going forward.

Market Outlook

Overall, we are cautious on the markets given that valuations are relatively full. In the US and China, gross domestic product remains below trend and is still being supported by accommodative central bank policy. Meanwhile, the Eurozone has yet to feel the full impact of Brexit. Since the US election in November, markets have priced-in significantly higher US economic growth rates based on promises of reflationary policies from the new administration. We fear fiscal stimulus will be both smaller and later than markets expect, setting the stage for disappointment. Geopolitics will be an increasing focus for markets in 2017. Elections in Europe in 2017, specifically in the Netherlands, France and Germany, will be closely watched to see if populist, anti-establishment, anti-globalisation trends intensify, which could increase risk premia.

United States: The current seven-year bull market is one of the longest on record. While some late-cycle dynamics like an increase in mergers and acquisitions are evident, there are no obvious signs of a global recession on the horizon. Valuations are elevated versus their 10-year average and versus other regions. Many companies are flush with cash, have strong balance sheets, high returns on equity, low capital expenditures (CapEx) and solid dividends and buyback programmes. Expectations for increased CapEx have emerged on hopes of corporate tax reform. Reasonable valuations, a positively sloped yield curve and generally positive sentiment from market participants support the continuation of the current bull market. Less optimistic elements include a weakening earnings trajectory and a possible peak in margins.

Europe: European valuations are modest versus their 10-year average. While economic growth of 1.3% is above its 5-year average of 0.7%, the full impact of Brexit has yet to hit. The region suffers from high debt, low growth and slumping competitiveness. While economic fundamentals such as PMIs, employment and steady consumer spending are generally favourable, demographic trends are particularly unfavourable. The ECB continues to maintain its negative interest rate policy and has not yet indicated its intention to taper monetary accommodation. Dividends yields in excess of 3% are supportive of European equities, however uncertainty surrounding the Brexit process is worrisome.

Japan: To date, Abenomics have not achieved their objective amid unfavourable long-term demographic trends, falling inflation and slow growth. On the other hand, the equity market is fairly valued, and is the cheapest of the Developed Markets. Importantly, headline inflation is picking up, signalling favourable monetary environment and a weaker yen is ultimately good for a country heavily dependent on trade.

Emerging Markets: Economic growth is below its five-year average at 5%, but is still healthy by comparison with the developed world. China's growth remains steady at 6.7% amid stabilising fundamentals. PMIs have turned up and commodity prices have begun to rebound. Currencies have largely stabilised, though the post-US election period has seen an uptick in volatility. Consumer-facing sectors remain healthier than the infrastructure/materials/commodity sectors. Secular demographic trends remain in place amid growing middle classes, rising consumerism and increased consumption of western goods/lifestyles. EM debt levels are historically low and central banks have more policy flexibility than in the past. It is estimated that by 2030, 93% of the global middle class will reside in EMs. Discretionary spending is expected to increase from 25% in 2005 to 44% by 2030. While favourable demography is important, investors need to be selective as countries have unique polices and differing growth trajectories.

Singapore Equity

The Singapore market had a range-bound 2016, closing flat for the year. The index was, however, rather volatile throughout the year, with swings seen in response to global developments such as the Chinese market sell-off in January, Brexit, OPEC production cut and the US elections. Being an open economy well-exposed to trade and the global economy, Singapore was impacted by these events on several fronts. UK's exit from the European Union raised fears on a future breakup of the Eurozone, and its negative effect on trade-dependent Singapore. Protectionist policies from the new Trump administration, with the recent US withdrawal from the Transpacific Partnership, raised concerns on the vibrancy of the Singapore economy. All these uncertainties increased volatility in the Singapore market.

The equity market, FTSE STI, delivered -0.1% for 2016, with 16 out of 30 index constituents seeing share price declines. This caused the STI to trail MSCI Asia ex-Japan by 5.1%. In terms of sector performance, Capital Goods and Transportation were the clear underperformers, while Consumer stocks did well. Amongst Capital Goods, Offshore and Marine-related companies such as Yangzijiang Shipbuilding and Sembcorp Marine (which was removed from the index on 19 September 2016) continued to be plagued by an oversupply situation and weak demand. Transportation stocks such as ComfortDelgro and Singapore Airlines also saw an increasingly challenging operational environment driven by heightened competition. Offsetting this, Consumer Staple companies such as Golden Agri-Resources and Wilmar enjoyed a good year supported by a recovery in soft commodity prices, while discretionary names such as Thai Beverage, Jardine Cycle & Carriage and Genting saw their businesses strengthen on improved execution.

In terms of the local economy, Singapore's gross domestic product grew by 1.8% for 2016 based on advanced estimates from the Ministry of Trade and Industry, which was the slowest pace of growth since 2009. Manufacturing was the main driver, rebounding to +2.3% year-on-year (yoy) growth versus -5.2% yoy in 2015, whilst Services and Construction slowed from +3.4% yoy to +0.9% yoy and +2.5% yoy to +1.3% yoy respectively. Other macroeconomic indicators for Singapore were broadly negative over the full year. For example, non-oil domestic exports fell on a yoy basis for 8 out of 12 months, while unemployment rate in 2016 averaged 2.1%, the highest since 2010.

Looking ahead into 2017, we believe the market will continue to be swayed by external events given uncertainties surrounding Trump administration policies, upcoming European elections and the uncertain growth trajectory of the Chinese economy. Any curtailment in trade arising from increased protectionism from neighbouring countries would impact Singapore negatively. Moreover, the impact of increased fiscal spending from the US, driving reflation and a corresponding accelerated pace of interest rate hikes by the US Federal Reserve, would result in a more challenging environment for many corporates. In light of these factors, we believe that stocks which benefit from higher interest rates would be longer-term beneficiaries. In an uncertain environment, we also believe in having a quality tilt, favouring well-run defensive names.

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.

Global Managed Fund (Growth)

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.

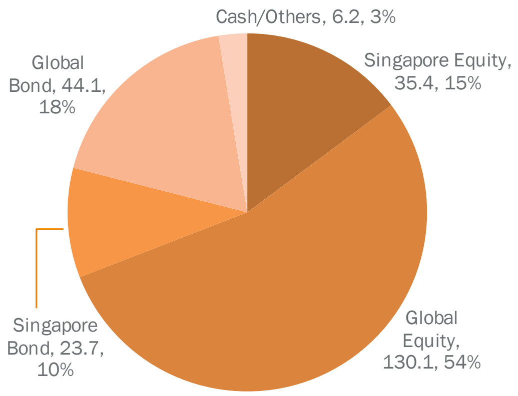
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	1.23%	7.33%
As of 31 December 2015	1.23%	3.31%

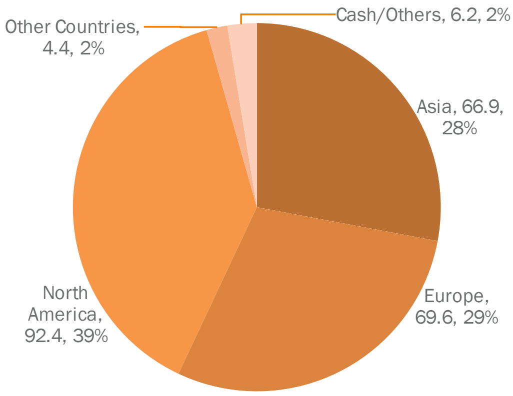
Please refer to the Fund Report of Global Equity Fund for details on the turnover and expense ratios.

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.

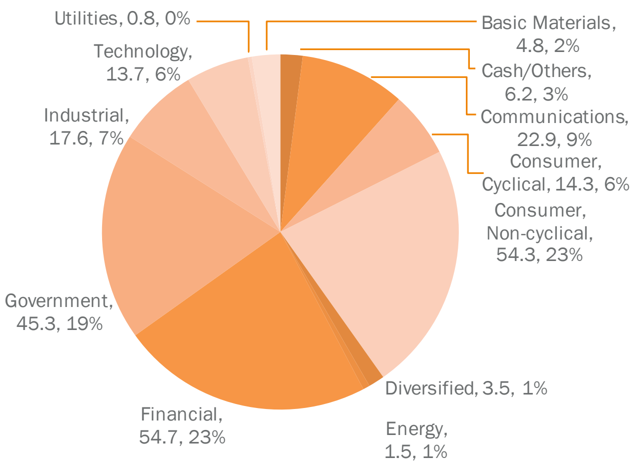
ASSET ALLOCATION AS OF 31 DECEMBER 2016



COUNTRY ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	26.3	11.0
AA+	3.0	1.3
AA	7.4	3.1
AA-	0.1	0.0
A+	2.3	1.0
A	5.6	2.3
A-	1.3	0.6
BBB+	4.5	1.9
BBB	5.9	2.5
BBB-	3.7	1.5
BB+	1.4	0.6
BB	0.3	0.1
Not rated	5.8	2.4
Total	68.0	28.3

'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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	240,801,927
Purchase of units	12,234,663
Redemption of units	(25,723,907)
Gain/(loss) on investments and other income	12,372,194
Management fees and other charges	(173,144)
Value of fund as of 31 December 2016	239,511,733

Units in issue	107,736,054
Net asset value per unit	
- at the beginning of the year	2.112
- as of 31 December 2016	2.223

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

December 2016	S$ (mil)	% of Net Asset Value
Global Equity Fund	131.7	55.0
Global Bond Fund	48.0	20.0
Singapore Equity Fund	36.0	15.0
Singapore Bond Fund	24.0	10.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$173,144.

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.

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 31 DECEMBER 2016

Launch Date	1 May 1994
Fund Size	S$79.75 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% Singapore 3-month Deposit 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	30.8	38.6	Singapore Bond Fund^	32.5	41.1
DBS Group Holdings Ltd	6.9	8.6	DBS Group Holdings Ltd	5.8	7.4
Oversea-Chinese Banking Corp	6.4	8.0	Singapore Telecommunications Ltd	5.1	6.5
Singapore Telecommunications Ltd	3.8	4.7	Oversea-Chinese Banking Corp	4.9	6.2
Hongkong Land Holdings Ltd	2.5	3.2	United Overseas Bank Ltd	4.0	5.1
United Overseas Bank Ltd	2.4	3.0	CapitaLand Ltd	2.5	3.2
Global Logistic Properties Ltd	2.3	2.9	Hongkong Land Holdings Ltd	2.1	2.6
Singapore Technologies Engineering Ltd	2.2	2.7	Jardine Matheson Holdings	2.1	2.6
CapitaLand Ltd	2.2	2.7	Keppel Corp Ltd	1.9	2.3
Comfortdelgro Corp Ltd	2.1	2.6	Thai Beverage PCL	1.7	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.

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.

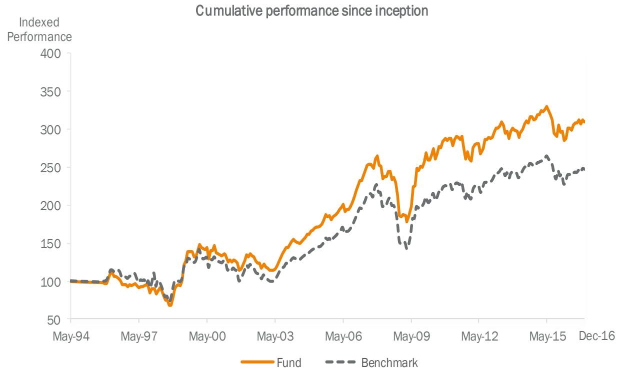
As a social enterprise, Income is committed to making insurance accessible, affordable and sustainable for all.

Singapore Managed Fund

As of 31 December 2016, Income had S$31.15 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 Managed Fund	-0.64%	-0.79%	1.69%	4.50%
Benchmark	-0.33%	0.58%	2.30%	2.86%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Managed Fund	1.41%	3.74%	3.22%	5.44%
Benchmark	0.69%	3.48%	2.66%	3.72%



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.

MARKET REVIEW

The Singapore market had a range-bound 2016, closing flat for the year. The index was, however, rather volatile throughout the year, with swings seen in response to global developments such as the Chinese market sell-off in January, Brexit, OPEC production cut and the US elections. Being an open economy well-exposed to trade and the global economy, Singapore was impacted by these events on several fronts. UK's exit from the European Union raised fears on a future breakup of the Eurozone, and its negative effect on trade-dependent Singapore. Protectionist policies from the new Trump administration, with the recent US withdrawal from the Transpacific Partnership, raised concerns on the vibrancy of the Singapore economy. All these uncertainties increased volatility in the Singapore market.

The equity market, FTSE STI, delivered -0.1% for 2016, with 16 out of 30 index constituents seeing share price declines. This caused the STI to trail MSCI Asia ex-Japan by 5.1%. In terms of sector performance, Capital Goods and Transportation were the clear underperformers, while Consumer stocks did well. Amongst Capital Goods, Offshore and Marine-related companies such as Yangzijiang Shipbuilding and Sembcorp Marine (which was removed from the index on 19 September 2016) continued to be plagued by an oversupply situation and weak demand. Transportation stocks such as ComfortDelgro and Singapore Airlines also saw an increasingly challenging operational environment driven by heightened competition. Offsetting this, Consumer Staple companies such as Golden Agri-Resources and Wilmar enjoyed a good year supported by a recovery in soft commodity prices, while discretionary names such as Thai Beverage, Jardine Cycle & Carriage and Genting saw their businesses strengthen on improved execution.

In terms of the local economy, Singapore's gross domestic product grew by 1.8% for 2016 based on advanced estimates from the Ministry of Trade and Industry, which was the slowest pace of growth since 2009. Manufacturing was the main driver, rebounding to +2.3% year-on-year (yoy) growth versus -5.2% yoy in 2015, whilst Services and Construction slowed from +3.4% yoy to +0.9% yoy and +2.5% yoy to +1.3% yoy respectively. Other macroeconomic indicators for Singapore were broadly negative over the full year. For example, non-oil domestic exports fell on a yoy basis for 8 out of 12 months, while unemployment rate in 2016 averaged 2.1%, the highest since 2010.

Looking ahead into 2017, we believe the market will continue to be swayed by external events given uncertainties surrounding Trump administration policies, upcoming European elections and the uncertain growth trajectory of the Chinese economy. Any curtailment in trade arising from increased protectionism from neighbouring countries would impact Singapore negatively. Moreover, the impact of increased fiscal spending from the US, driving reflation and a corresponding accelerated pace of interest rate hikes by the US Federal Reserve, would result in a more challenging environment for many corporates. In light of these factors, we believe that stocks which benefit from higher interest rates would be longer-term beneficiaries. In an uncertain environment, we also believe in having a quality tilt, favouring well-run defensive names.

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.

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.

Singapore Managed Fund

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

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.

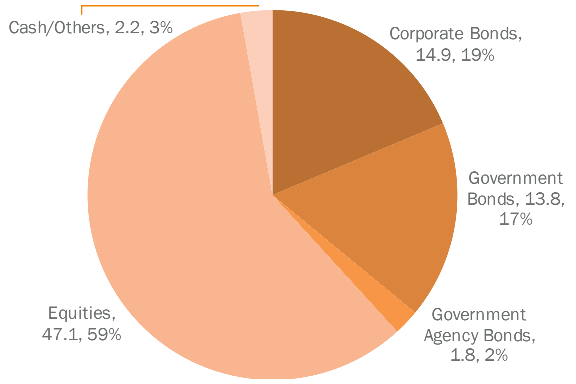
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	0.96%	31.93%
As of 31 December 2015	0.89%	9.23%

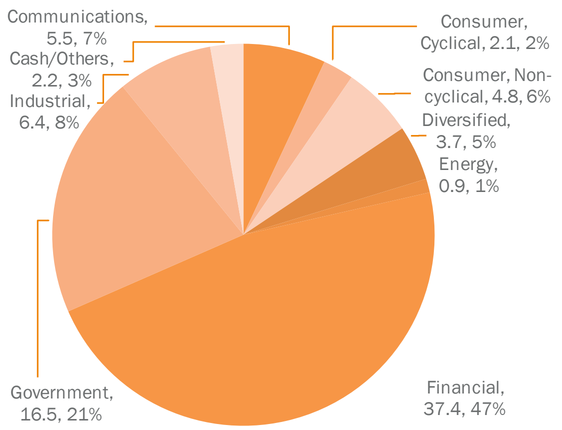
Please refer to the Fund Report of Singapore Bond Fund for details on the turnover and expense ratios.

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 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	15.9	19.9
AA	0.5	0.6
AA-	0.1	0.1
A+	2.5	3.2
A	1.3	1.7
A-	1.0	1.2
BBB+	1.3	1.6
BBB	2.8	3.5
BBB-	0.8	1.0
BB+	0.3	0.3
Not rated	4.1	5.2
Total	30.5	38.2

'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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	78,923,917
Purchase of units	5,808,062
Redemption of units	(8,553,710)
Gain/(loss) on investments and other income	4,136,698
Management fees and other charges	(560,124)
Value of fund as of 31 December 2016	79,754,843

Units in issue	30,128,600
Net asset value per unit	
- at the beginning of the year	2.533
- as of 31 December 2016	2.647

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(1,357)	-	-	(1,357)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$560,124.

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 31 DECEMBER 2016

Launch Date	25 September 2009
Fund Size	S$101.86 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	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 UOB Singapore Government Bond Index (All) 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

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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	41.6	40.9	Singapore Bond Fund^	39.7	34.1
Schroder Asian Investment Grade Credit	13.1	12.8	Schroder Asian Investment Grade Credit	19.1	16.3
Schroder ISF Global Corporate Bond	8.9	8.8	Schroder ISF Global Bond	9.3	8.0
Schroder ISF Global Bond	8.8	8.7	Schroder ISF Global Corporate Bond	9.0	7.7
Schroder ISF Global Inflation Linked Bond	7.7	7.6	Schroder ISF Global Inflation Linked Bond	7.0	6.0
Schroder ISF Global Equity	6.6	6.5	Schroder ISF Global Equity	6.6	5.7
Singapore Equity Fund	3.1	3.0	Schroder ISF Asian Opportunities	4.2	3.6
Schroder ISF Asian Opportunities	2.3	2.3	Schroder ISF Asian Bond Absolute Return	3.9	3.3
SPDR Gold Trust	2.0	2.0	Singapore Equity Fund	3.4	2.9
Schroder ISF Asian Bond Absolute Return	1.2	1.2	Monetary Authority of Singapore Bills 150116	2.3	2.0

^ 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 31 December 2016, Income had S$31.15 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.

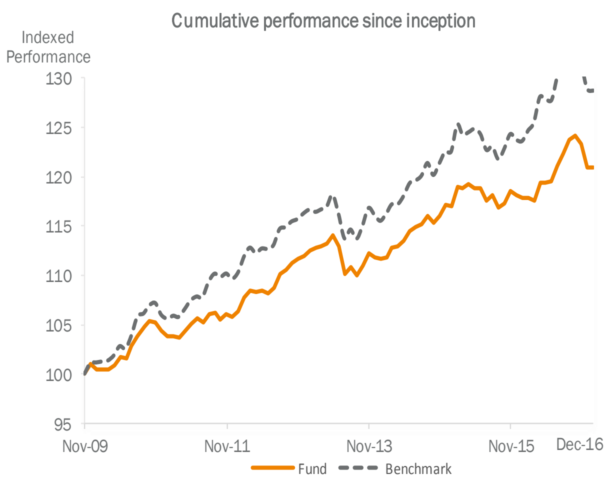
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$490.70 billion (as of 31 December 2016).

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	0.02%	-2.53%	-0.09%	2.64%
Benchmark	-0.12%	-2.71%	-1.15%	4.13%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM Now Fund	2.69%	2.60%	N.A.	2.69%
Benchmark	3.67%	3.13%	N.A.	3.58%



Changes to benchmarks during the life of the sub-fund: 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

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.

MARKET REVIEW

Market Review

Global equities had a turbulent start to 2016 on heightened concerns over the health of the global economy but bounced back strongly as a swathe of accommodative monetary policies from global central banks gradually eased fears of slowing global growth and deflation.

In Developed Markets (DM), US equities ended the year with positive momentum after investors took Trump's election victory to be supportive for growth and inflation. European equity returns were mildly positive for the year with the UK emerging as one of the best performing regions following the Brexit vote. Elsewhere, Japanese equities ended the year roughly flat, in local terms, after initially falling sharply in January. The yen's renewed weakness, following the US election, buoyed the export-orientated market. Asian markets generally had a better year than in 2015 but they underperformed Emerging Markets (EM) which benefited from the rally in commodities alongside easing economic and political concerns. Overall, the MSCI AC World Index rose around 8% in 2016 in US Dollar (USD) terms and 10% in Singapore Dollar (SGD) terms given SGD weakness.

Government bonds had a mildly positive year as the Citi World Government Bond Index returned 1.6% in USD terms. The 10-year US Treasury yield ended the year up 17 basis points (bps) despite an intra-year yield range of over 100 bps. The 10-year UK Gilt yields fell 72 bps while 10-year German Bund and Singapore Government bond yields were also down 42 bps and 12 bps respectively. Credit generally performed well posting strong positive returns. High yield outperformed investment grade, as the rebound in crude oil prices buoyed the depressed energy-sensitive US high yield market. Asian bonds also performed well as investors continued to search for higher-yielding markets.

In currency markets, USD performed well, with the DXY Index ending the year up over 3%. With the SGD weakened against most major currencies, the Japanese Yen and USD strengthened against SGD by 5% and 2% respectively while the British Pound hit multi-decadal lows following Brexit and weakened around 15%. The euro trended lower and depreciated against SGD by 1%.

The Aim portfolios delivered positive returns but underperformed their benchmarks over 2016. Both asset allocation and stock selection were negative.

Stock selection was negative due mainly to an underperformance in Global equities and cash, although this was partially offset by an outperformance in Asian equity, EM equity, Asian Property and Global Corporate bond.

Asset allocation detracted value due mainly to a preference in global equities versus EM and Singapore equities as the latter outperformed during the 1st half of the year. The portfolios were underweight equities during most of 2016. This detracted value as equity markets rose higher despite poor fundamentals. The portfolios re-risked in November to overweight equities as earnings expectations began to show improvement. This helped support relative performance as equities rallied sharply during the last quarter of 2016. An underweight in US duration also added value as yields rose, as did an overweight in Asian credit.

Market Outlook

There are early signs of economic and earnings recovery in both DM and EM economies. Leading indicators such as the Purchasing Managers' Index for the US, China, Japan and Europe are all trending higher. Export growth in both DM and EM seem to have stopped contracting while an increasing number of commodities futures are also exhibiting positive gains. Against this positive backdrop, the funds are selectively and tactically positive on equities.

That said, uncertainties remain with a number of major political events coming up globally in 2017 warranting a prudent approach in the equity space and the portfolios will opportunistically take advantage of low volatility to buy put option for protection.

We remain cautious on fixed income assets and maintain a low duration exposure in our fixed income portfolio. With a firmer economy, the US Federal Reserve (Fed) is likely to guide policy rates higher. Inflation rates are also expected to drift higher from a combination of higher growth and commodity prices. The US 10-year breakeven-inflation is still too low, as it priced in an inflation rate of less than 2% over the next ten years.

The USD has appreciated strongly against most of its trading partner currencies. In the near-term, the USD may act as a shock absorber on uncertainties around Trump's policies as well as investors' assessment of the timing of the next Fed hike. As such, the portfolios maintain USD exposure to mitigate tail risks.

The action by OPEC to cut production will support prices at current levels although a rebound in US shale output may cap price gains. Gold hedges against growth disappointment, inflation shock and political risk scenarios may offer diversification benefits, but we are wary of the Fed potentially hiking more than market expectations. For this reason, the portfolios remain neutral on both commodities and gold in view of the bipolar tensions pulling on these two asset classes.

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.

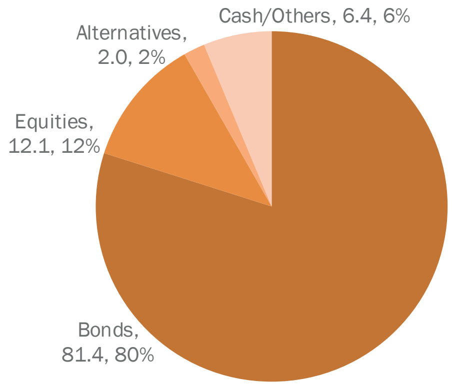
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	0.91%	49.47%
As of 31 December 2015	0.99%	23.63%

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 31 DECEMBER 2016



AIM Now 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).

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	116,668,972
Purchase of units	15,274,168
Redemption of units	(30,444,940)
Dividend distribution	(2,826,878)
Gain/(loss) on investments and other income	3,869,298
Management fees and other charges	(680,860)
Value of fund as of 31 December 2016	101,859,760

Units in issue	112,139,907
Net asset value per unit	
- at the beginning of the year	0.907
- as of 31 December 2016	0.908

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(139,520)	0.14	(170,127)	(42,547)
Options	27,542	0.03	(38,348)	(867)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	41.6	40.9
Schroder Asian Investment Grade Credit	13.1	12.8
Schroder ISF Global Corporate Bond	8.9	8.8
Schroder ISF Global Bond	8.8	8.7
Schroder ISF Global Inflation Linked Bond	7.7	7.6
Schroder ISF Global Equity	6.6	6.5
Singapore Equity Fund	3.1	3.0
Schroder ISF Asian Opportunities	2.3	2.3
SPDR Gold Trust	2.0	2.0
Schroder ISF Asian Bond Absolute Return	1.2	1.2

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$680,860.

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 31 DECEMBER 2016

Launch Date	25 September 2009
Fund Size	S$14.26 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 UOB Singapore Government Bond Index (All) MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) FTSE EPRA/NAREIT Developed Real Estate Index in Singapore Dollars DJ UBS Commodity hedged to Singapore Dollars Gold Spot 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	2.8	19.9	Schroder ISF Global Equity	2.9	20.7
Schroder ISF Global Equity	2.1	15.0	Schroder ISF Asian Opportunities	2.0	14.8
Schroder ISF Asian Opportunities	2.0	13.9	Schroder ISF Global Bond	1.4	9.8
Schroder ISF Global Bond	1.4	10.1	Singapore Bond Fund	1.3	9.6
Schroder ISF Global Corporate Bond	1.4	9.6	Schroder ISF Global Corporate Bond	1.3	9.1
Schroder Asian Investment Grade Credit	1.0	7.0	Schroder Asian Investment Grade Credit	1.2	8.4
Singapore Equity Fund	0.9	6.0	Singapore Equity Fund	0.9	6.7
Schroder ISF Global Inflation Linked Bond	0.6	4.5	Schroder ISF Global Inflation Linked Bond	0.5	3.8
Schroder ISF Global Smaller Companies	0.6	4.1	Schroder ISF Asia Pacific Property Securities	0.5	3.5
SPDR Gold Trust	0.3	1.8	Schroder ISF Asian Bond Absolute Return	0.4	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. 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 31 December 2016, Income had S$31.15 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.

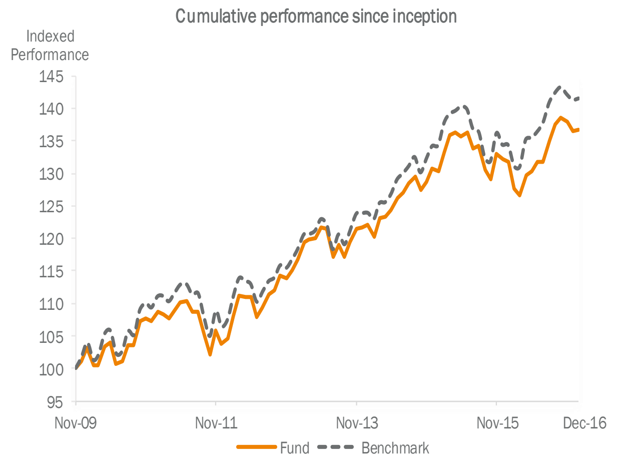
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$490.70 billion (as of 31 December 2016).

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	0.15%	-1.27%	3.77%	3.85%
Benchmark	0.14%	-1.20%	2.66%	5.36%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2025 Fund	3.83%	5.52%	N.A.	4.46%
Benchmark	4.54%	5.66%	N.A.	4.96%



Changes to benchmarks during the life of the fund: 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.

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.

MARKET REVIEW

Market Review

Global equities had a turbulent start to 2016 on heightened concerns over the health of the global economy but bounced back strongly as a swathe of accommodative monetary policies from global central banks gradually eased fears of slowing global growth and deflation.

In Developed Markets (DM), US equities ended the year with positive momentum after investors took Trump's election victory to be supportive for growth and inflation. European equity returns were mildly positive for the year with the UK emerging as one of the best performing regions following the Brexit vote. Elsewhere, Japanese equities ended the year roughly flat, in local terms, after initially falling sharply in January. The yen's renewed weakness, following the US election, buoyed the export-orientated market. Asian markets generally had a better year than in 2015 but they underperformed Emerging Markets (EM) which benefited from the rally in commodities alongside easing economic and political concerns. Overall, the MSCI AC World Index rose around 8% in 2016 in US Dollar (USD) terms and 10% in Singapore Dollar (SGD) terms given SGD weakness.

Government bonds had a mildly positive year as the Citi World Government Bond Index returned 1.6% in USD terms. The 10-year US Treasury yield ended the year up 17 basis points (bps) despite an intra-year yield range of over 100 bps. The 10-year UK Gilt yields fell 72 bps while 10-year German Bund and Singapore Government bond yields were also down 42 bps and 12 bps respectively. Credit generally performed well posting strong positive returns. High yield outperformed investment grade, as the rebound in crude oil prices buoyed the depressed energy-sensitive US high yield market. Asian bonds also performed well as investors continued to search for higher-yielding markets.

AIM 2025 Fund

In currency markets, USD performed well, with the DXY Index ending the year up over 3%. With the SGD weakened against most major currencies, the Japanese Yen and USD strengthened against SGD by 5% and 2% respectively while the British Pound hit multi-decadal lows following Brexit and weakened around 15%. The euro trended lower and depreciated against SGD by 1%.

The Aim portfolios delivered positive returns but underperformed their benchmarks over 2016. Both asset allocation and stock selection were negative.

Stock selection was negative due mainly to an underperformance in Global equities and cash, although this was partially offset by an outperformance in Asian equity, EM equity, Asian Property and Global Corporate bond.

Asset allocation detracted value due mainly to a preference in global equities versus EM and Singapore equities as the latter outperformed during the 1st half of the year. The portfolios were underweight equities during most of 2016. This detracted value as equity markets rose higher despite poor fundamentals. The portfolios re-risked in November to overweight equities as earnings expectations began to show improvement. This helped support relative performance as equities rallied sharply during the last quarter of 2016. An underweight in US duration also added value as yields rose, as did an overweight in Asian credit.

Market Outlook

There are early signs of economic and earnings recovery in both DM and EM economies. Leading indicators such as the Purchasing Managers' Index for the US, China, Japan and Europe are all trending higher. Export growth in both DM and EM seem to have stopped contracting while an increasing number of commodities futures are also exhibiting positive gains. Against this positive backdrop, the funds are selectively and tactically positive on equities.

That said, uncertainties remain with a number of major political events coming up globally in 2017 warranting a prudent approach in the equity space and the portfolios will opportunistically take advantage of low volatility to buy put option for protection.

We remain cautious on fixed income assets and maintain a low duration exposure in our fixed income portfolio. With a firmer economy, the US Federal Reserve (Fed) is likely to guide policy rates higher. Inflation rates are also expected to drift higher from a combination of higher growth and commodity prices. The US 10-year breakeven-inflation is still too low, as it priced in an inflation rate of less than 2% over the next ten years.

The USD has appreciated strongly against most of its trading partner currencies. In the near-term, the USD may act as a shock absorber on uncertainties around Trump's policies as well as investors' assessment of the timing of the next Fed hike. As such, the portfolios maintain USD exposure to mitigate tail risks.

The action by OPEC to cut production will support prices at current levels although a rebound in US shale output may cap price gains. Gold hedges against growth disappointment, inflation shock and political risk scenarios may offer diversification benefits, but we are wary of the Fed potentially hiking more than market expectations. For this reason, the portfolios remain neutral on both commodities and gold in view of the bipolar tensions pulling on these two asset classes.

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.

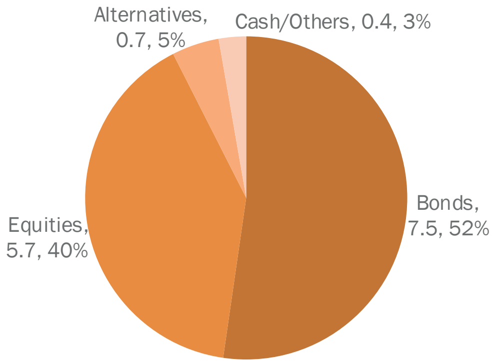
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	1.17%	52.64%
As of 31 December 2015	1.15%	18.90%

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.

AIM 2025 Fund

ASSET ALLOCATION AS OF 31 DECEMBER 2016



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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	13,852,336
Purchase of units	1,797,578
Redemption of units	(1,908,429)
Gain/(loss) on investments and other income	646,843
Management fees and other charges	(125,507)
Value of fund as of 31 December 2016	14,262,821

Units in issue	10,793,380
Net asset value per unit	
- at the beginning of the year	1.272
- as of 31 December 2016	1.321

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(37,947)	0.27	(22,889)	(32,865)
Options	3,443	0.02	(5,202)	(108)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2016	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	2.8	19.9
Schroder ISF Global Equity	2.1	15.0
Schroder ISF Asian Opportunities	2.0	13.9
Schroder ISF Global Bond	1.4	10.1
Schroder ISF Global Corporate Bond	1.4	9.6
Schroder Asian Investment Grade Credit	1.0	7.0
Singapore Equity Fund	0.9	6.0
Schroder ISF Global Inflation Linked Bond	0.6	4.5
Schroder ISF Global Smaller Companies	0.6	4.1
SPDR Gold Trust	0.3	1.8
Schroder Alt Solutions Commodity	0.3	1.8
Schroder ISF Emerging Markets	0.2	1.2
Schroder ISF Asian Bond Absolute Return	0.2	1.2
Schroder ISF Asia Pacific Property Securities	0.2	1.1

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$125,507.

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 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 31 DECEMBER 2016

Launch Date	25 September 2009
Fund Size	S$18.79 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	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 UOB Singapore Government Bond Index (All) MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) FTSE EPRA/NAREIT Developed Real Estate Index in Singapore Dollars DJ UBS Commodity hedged to Singapore Dollars Gold Spot 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.2	27.8	Schroder ISF Global Equity	5.0	28.8
Schroder ISF Asian Opportunities	3.9	20.7	Schroder ISF Asian Opportunities	3.4	19.5
Singapore Equity Fund	1.7	8.8	Schroder ISF Global Bond	1.7	10.1
Singapore Bond Fund	1.4	7.6	Singapore Equity Fund	1.5	8.8
Schroder ISF Global Smaller Companies	1.1	6.1	Schroder ISF Global Corporate Bond	1.3	7.3
Schroder ISF Global Corporate Bond	1.1	6.0	Schroder Asian Investment Grade Credit	1.1	6.6
Schroder Asian Investment Grade Credit	1.0	5.4	Schroder ISF Global Smaller Companies	0.9	5.0
Schroder ISF Global Bond	0.7	3.8	Schroder ISF Asia Pacific Property Securities	0.8	4.5
Schroder ISF Emerging Markets	0.7	3.7	Schroder ISF Global Inflation Linked Bond	0.5	2.9
Schroder ISF Global Inflation Linked Bond	0.5	2.9	Schroder ISF Asian Bond Absolute Return	0.4	2.2

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 31 December 2016, Income had S$31.15 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

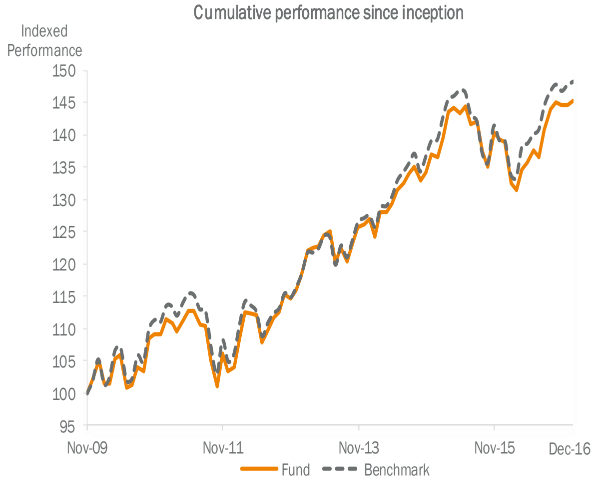
Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

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$490.70 billion (as of 31 December 2016).

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	0.36%	0.14%	6.29%	4.47%
Benchmark	0.39%	0.30%	5.25%	6.59%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2035 Fund	4.54%	6.91%	N.A.	5.33%
Benchmark	5.15%	6.92%	N.A.	5.63%



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

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.

MARKET REVIEW

Market Review

Global equities had a turbulent start to 2016 on heightened concerns over the health of the global economy but bounced back strongly as a swathe of accommodative monetary policies from global central banks gradually eased fears of slowing global growth and deflation.

In Developed Markets (DM), US equities ended the year with positive momentum after investors took Trump's election victory to be supportive for growth and inflation. European equity returns were mildly positive for the year with the UK emerging as one of the best performing regions following the Brexit vote. Elsewhere, Japanese equities ended the year roughly flat, in local terms, after initially falling sharply in January. The yen's renewed weakness, following the US election, buoyed the export-orientated market. Asian markets generally had a better year than in 2015 but they underperformed Emerging Markets (EM) which benefited from the rally in commodities alongside easing economic and political concerns. Overall, the MSCI AC World Index rose around 8% in 2016 in US Dollar (USD) terms and 10% in Singapore Dollar (SGD) terms given SGD weakness.

Government bonds had a mildly positive year as the Citi World Government Bond Index returned 1.6% in USD terms. The 10-year US Treasury yield ended the year up 17 basis points (bps) despite an intra-year yield range of over 100 bps. The 10-year UK Gilt yields fell 72 bps while 10-year German Bund and Singapore Government bond yields were also down 42 bps and 12 bps respectively. Credit generally performed well posting strong positive returns. High yield outperformed investment grade, as the rebound in crude oil prices buoyed the depressed energy-sensitive US high yield market. Asian bonds also performed well as investors continued to search for higher-yielding markets.

In currency markets, USD performed well, with the DXY Index ending the year up over 3%. With the SGD weakened against most major currencies, the Japanese Yen and USD strengthened against SGD by 5% and 2% respectively while the British Pound hit multi-decadal lows following Brexit and weakened around 15%. The euro trended lower and depreciated against SGD by 1%.

The Aim portfolios delivered positive returns but underperformed their benchmarks over 2016. Both asset allocation and stock selection were negative.

Stock selection was negative due mainly to an underperformance in Global equities and cash, although this was partially offset by an outperformance in Asian equity, EM equity, Asian Property and Global Corporate bond.

Asset allocation detracted value due mainly to a preference in global equities versus EM and Singapore equities as the latter outperformed during the 1st half of the year. The portfolios were underweight equities during most of 2016. This detracted value as equity markets rose higher despite poor fundamentals. The portfolios re-risked in November to overweight equities as earnings expectations began to show improvement. This helped support relative performance as equities rallied sharply during the last quarter of 2016. An underweight in US duration also added value as yields rose, as did an overweight in Asian credit.

Market Outlook

There are early signs of economic and earnings recovery in both DM and EM economies. Leading indicators such as the Purchasing Managers' Index for the US, China, Japan and Europe are all trending higher. Export growth in both DM and EM seem to have stopped contracting while an increasing number of commodities futures are also exhibiting positive gains. Against this positive backdrop, the funds are selectively and tactically positive on equities.

That said, uncertainties remain with a number of major political events coming up globally in 2017 warranting a prudent approach in the equity space and the portfolios will opportunistically take advantage of low volatility to buy put option for protection.

We remain cautious on fixed income assets and maintain a low duration exposure in our fixed income portfolio. With a firmer economy, the US Federal Reserve (Fed) is likely to guide policy rates higher. Inflation rates are also expected to drift higher from a combination of higher growth and commodity prices. The US 10-year breakeven-inflation is still too low, as it priced in an inflation rate of less than 2% over the next ten years.

The USD has appreciated strongly against most of its trading partner currencies. In the near-term, the USD may act as a shock absorber on uncertainties around Trump's policies as well as investors' assessment of the timing of the next Fed hike. As such, the portfolios maintain USD exposure to mitigate tail risks.

The action by OPEC to cut production will support prices at current levels although a rebound in US shale output may cap price gains. Gold hedges against growth disappointment, inflation shock and political risk scenarios may offer diversification benefits, but we are wary of the Fed potentially hiking more than market expectations. For this reason, the portfolios remain neutral on both commodities and gold in view of the bipolar tensions pulling on these two asset classes.

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.

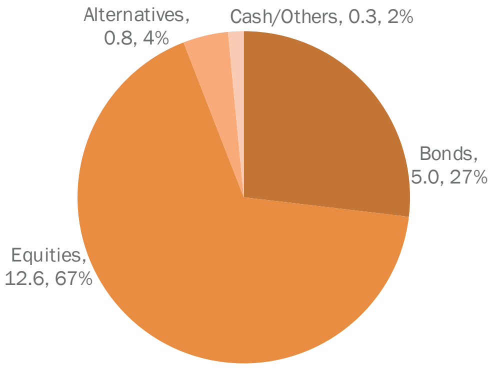
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	1.15%	49.53%
As of 31 December 2015	1.16%	22.61%

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

AIM 2035 Fund

ASSET ALLOCATION AS OF 31 DECEMBER 2016



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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	17,315,160
Purchase of units	2,409,162
Redemption of units	(1,740,460)
Gain/(loss) on investments and other income	971,100
Management fees and other charges	(166,630)
Value of fund as of 31 December 2016	18,788,332

Units in issue	13,399,804
Net asset value per unit	
- at the beginning of the year	1.342
- as of 31 December 2016	1.402

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(32,092)	0.17	(22,767)	(23,154)
Options	3,442	0.02	(8,465)	(108)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.2	27.8
Schroder ISF Asian Opportunities	3.9	20.7
Singapore Equity Fund	1.7	8.8
Singapore Bond Fund	1.4	7.6
Schroder ISF Global Smaller Companies	1.1	6.1
Schroder ISF Global Corporate Bond	1.1	6.0
Schroder Asian Investment Grade Credit	1.0	5.4
Schroder ISF Global Bond	0.7	3.8
Schroder ISF Emerging Markets	0.7	3.7
Schroder ISF Global Inflation Linked Bond	0.5	2.9
SPDR Gold Trust	0.3	1.8
Schroder Alt Solutions Commodity	0.3	1.7
Schroder ISF Asian Bond Absolute Return	0.2	1.1
Schroder ISF Asia Pacific Property Securities	0.2	0.8

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial period ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$166,630.

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 31 DECEMBER 2016

Launch Date	25 September 2009
Fund Size	S$20.63 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 UOB Singapore Government Bond Index (All) MSCI AC Asia ex Japan Index in Singapore Dollars MSCI AC World Index in Singapore Dollars FTSE Straits Times Index (FTSE STI) FTSE EPRA/NAREIT Developed Real Estate Index in Singapore Dollars DJ UBS Commodity hedged to Singapore Dollars Gold Spot 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	6.0	28.9	Schroder ISF Global Equity	5.3	29.6
Schroder ISF Asian Opportunities	4.3	20.9	Schroder ISF Asian Opportunities	4.0	22.4
Singapore Equity Fund	2.0	9.8	Singapore Equity Fund	1.7	9.6
Schroder ISF Global Smaller Companies	1.6	7.7	Schroder ISF Global Smaller Companies	1.2	6.9
Schroder ISF Global Corporate Bond	1.3	6.1	Schroder ISF Global Bond	1.1	6.2
Schroder Asian Investment Grade Credit	1.1	5.4	Schroder ISF Global Corporate Bond	1.1	6.1
Schroder ISF Emerging Markets	1.0	4.9	Schroder Asian Investment Grade Credit	1.1	6.0
Singapore Bond Fund	1.0	4.7	Schroder ISF Asia Pacific Property Securities	1.0	5.5
Schroder ISF Global Bond	0.6	3.0	Schroder ISF Asian Bond Absolute Return	0.3	1.8
Schroder ISF Global Inflation Linked Bond	0.4	1.9	SPDR Gold Trust	0.2	0.8

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 31 December 2016, Income had S$31.15 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.

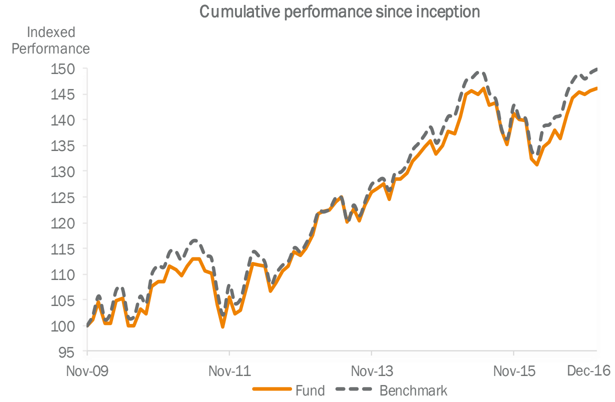
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$490.70 billion (as of 31 December 2016).

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	0.43%	0.57%	7.21%	4.59%
Benchmark	0.44%	0.62%	6.19%	6.84%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2045 Fund	4.65%	7.27%	N.A.	5.44%
Benchmark	5.23%	7.28%	N.A.	5.79%



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

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.

MARKET REVIEW

Market Review

Global equities had a turbulent start to 2016 on heightened concerns over the health of the global economy but bounced back strongly as a swathe of accommodative monetary policies from global central banks gradually eased fears of slowing global growth and deflation.

In Developed Markets (DM), US equities ended the year with positive momentum after investors took Trump's election victory to be supportive for growth and inflation. European equity returns were mildly positive for the year with the UK emerging as one of the best performing regions following the Brexit vote. Elsewhere, Japanese equities ended the year roughly flat, in local terms, after initially falling sharply in January. The yen's renewed weakness, following the US election, buoyed the export-orientated market. Asian markets generally had a better year than in 2015 but they underperformed Emerging Markets (EM) which benefited from the rally in commodities alongside easing economic and political concerns. Overall, the MSCI AC World Index rose around 8% in 2016 in US Dollar (USD) terms and 10% in Singapore Dollar (SGD) terms given SGD weakness.

Government bonds had a mildly positive year as the Citi World Government Bond Index returned 1.6% in USD terms. The 10-year US Treasury yield ended the year up 17 basis points (bps) despite an intra-year yield range of over 100 bps. The 10-year UK Gilt yields fell 72 bps while 10-year German Bund and Singapore Government bond yields were also down 42 bps and 12 bps respectively. Credit generally performed well posting strong positive returns. High yield outperformed investment grade, as the rebound in crude oil prices buoyed the depressed energy-sensitive US high yield market. Asian bonds also performed well as investors continued to search for higher-yielding markets.

In currency markets, USD performed well, with the DXY Index ending the year up over 3%. With the SGD weakened against most major currencies, the Japanese Yen and USD strengthened against SGD by 5% and 2% respectively while the British Pound hit multi-decadal lows following Brexit and weakened around 15%. The euro trended lower and depreciated against SGD by 1%.

The Aim portfolios delivered positive returns but underperformed their benchmarks over 2016. Both asset allocation and stock selection were negative.

Stock selection was negative due mainly to an underperformance in Global equities and cash, although this was partially offset by an outperformance in Asian equity, EM equity, Asian Property and Global Corporate bond.

Asset allocation detracted value due mainly to a preference in global equities versus EM and Singapore equities as the latter outperformed during the 1st half of the year. The portfolios were underweight equities during most of 2016. This detracted value as equity markets rose higher despite poor fundamentals. The portfolios re-risked in November to overweight equities as earnings expectations began to show improvement. This helped support relative performance as equities rallied sharply during the last quarter of 2016. An underweight in US duration also added value as yields rose, as did an overweight in Asian credit.

Market Outlook

There are early signs of economic and earnings recovery in both DM and EM economies. Leading indicators such as the Purchasing Managers' Index for the US, China, Japan and Europe are all trending higher. Export growth in both DM and EM seem to have stopped contracting while an increasing number of commodities futures are also exhibiting positive gains. Against this positive backdrop, the funds are selectively and tactically positive on equities.

That said, uncertainties remain with a number of major political events coming up globally in 2017 warranting a prudent approach in the equity space and the portfolios will opportunistically take advantage of low volatility to buy put option for protection.

We remain cautious on fixed income assets and maintain a low duration exposure in our fixed income portfolio. With a firmer economy, the US Federal Reserve (Fed) is likely to guide policy rates higher. Inflation rates are also expected to drift higher from a combination of higher growth and commodity prices. The US 10-year breakeven-inflation is still too low, as it priced in an inflation rate of less than 2% over the next ten years.

The USD has appreciated strongly against most of its trading partner currencies. In the near-term, the USD may act as a shock absorber on uncertainties around Trump's policies as well as investors' assessment of the timing of the next Fed hike. As such, the portfolios maintain USD exposure to mitigate tail risks.

The action by OPEC to cut production will support prices at current levels although a rebound in US shale output may cap price gains. Gold hedges against growth disappointment, inflation shock and political risk scenarios may offer diversification benefits, but we are wary of the Fed potentially hiking more than market expectations. For this reason, the portfolios remain neutral on both commodities and gold in view of the bipolar tensions pulling on these two asset classes.

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.

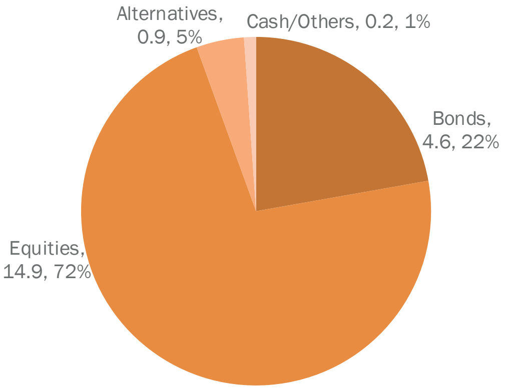
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	1.14%	43.44%
As of 31 December 2015	1.16%	28.17%

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.

AIM 2045 Fund

ASSET ALLOCATION AS OF 31 DECEMBER 2016



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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	17,878,528
Purchase of units	4,135,906
Redemption of units	(2,273,753)
Gain/(loss) on investments and other income	1,065,852
Management fees and other charges	(174,994)
Value of fund as of 31 December 2016	20,631,539

Units in issue	14,615,793
Net asset value per unit	
- at the beginning of the year	1.350
- as of 31 December 2016	1.412

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(31,642)	0.15	(42,860)	(28,059)
Options	6,885	0.03	(10,403)	(217)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2016	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	6.0	28.9
Schroder ISF Asian Opportunities	4.3	20.9
Singapore Equity Fund	2.0	9.8
Schroder ISF Global Smaller Companies	1.6	7.7
Schroder ISF Global Corporate Bond	1.3	6.1
Schroder Asian Investment Grade Credit	1.1	5.4
Schroder ISF Emerging Markets	1.0	4.9
Singapore Bond Fund	1.0	4.7
Schroder ISF Global Bond	0.6	3.0
Schroder ISF Global Inflation Linked Bond	0.4	1.9
Schroder Alt Solutions Commodity	0.4	1.8
SPDR Gold Trust	0.3	1.6
Schroder ISF Asian Bond Absolute Return	0.2	1.1
Schroder ISF Asia Pacific Property Securities	0.2	1.0

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$174,994.

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 31 DECEMBER 2016

Launch Date	1 May 2006
Fund Size	S$17.98 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 0.5% 010418	1.7	9.7	Ooredoo International 3.375% 141016	1.4	7.8
Public Utilities Board 3.9% 310818	1.6	8.8	Public Utilities Board 2.42% 151216	1.3	6.8
Monetary Authority of Singapore Bills 200117	1.5	8.3	Sun Hung Kai Properties 3.5% 021116	1.1	5.9
Hutchison Whampoa Int 3.5% 130117	1.1	6.1	Housing & Development Board 2.0225% 220216	1.0	5.4
Bk of Communications HK 2.1% 240717	1.0	5.6	Singapore Government Bonds 1.125% 010416	1.0	5.4
Malayan Banking 1.85% 100417	1.0	5.6	Bk of Communications HK 2.1% 240717	1.0	5.4
SMRT Capital Pte Ltd 1.2% 051017	1.0	5.6	Singapore Bus Services 1.8% 120917	1.0	5.4
Monetary Authority of Singapore Bills 130117	1.0	5.6	CNOOC FIN 2013 1.125% 090516	0.9	4.6
Singapore Bus Services 1.8% 120917	1.0	5.5	Monetary Authority of Singapore Bills 220116	0.7	4.0
Monetary Authority of Singapore Bills 060117	0.7	4.2	Swire Pac MTN FI 5.625% 300316	0.7	3.9

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.

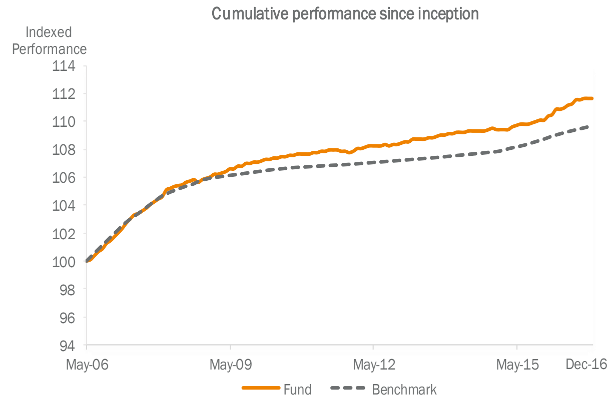
Money Market Fund

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

As of 31 December 2016, Income had S$31.15 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	0.00%	0.09%	0.44%	1.41%
Benchmark	0.07%	0.20%	0.39%	0.87%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Money Market Fund	0.76%	0.69%	0.93%	1.04%
Benchmark	0.67%	0.51%	0.73%	0.87%



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.

MARKET REVIEW

Money market rates retraced some ascent seen in the beginning of 2016 with the 3-month Singapore Interbank Offer Rate ending 22 basis points lower at 0.969%, from 1.1875% at the start of the year.

In the 1st half of 2016, global central banks' accommodative monetary policy coupled with anxiety over China's financial markets drove bond yield down. But Brexit in June and Trump's election victory in November were the catalysts for heightened market volatility which caused re-pricing of US yield curve. The euphoric mood in markets following Trump's victory has led to higher readings of confidence indicators but confirmation in economic data will take months.

Until the Trump administration's policies are clear, we envisage the level of uncertainty to remain elevated and this is clouding the global outlook. The risk of a policy mistake has also increased and in this environment, we favour higher credit quality corporate bonds.

With a strong rebound during the 4th quarter, the advance estimates indicate Singapore's economy expanded 9.1% annualised over the previous quarter and this pushed the overall gross domestic product (GDP) growth for 2016 to a better than expected 1.8% on a year-on-year (yoy) basis. Meanwhile, Singapore has emerged from a two-year deflationary environment with a 0.3% yoy increase in consumer price index in December 2016. Notwithstanding the recent stronger economic performance, the government is guiding GDP growth for 2017 to be between 1% and 3%.

The accommodative monetary policy moves by the Monetary Authority of Singapore, namely setting the appreciation of the Singapore Dollar Nominal Effective Exchange Rate (S$NEER) to zero in April 2016 after reducing the pace of appreciation of the S$NEER in October 2015, should support economic growth amid global uncertainties.

The environment for credits remains constructive as moderate growth, corporate deleveraging and accommodative policy stance of central banks should continue to underpin investors' search for yield. We continue to favour short-term quality corporate bonds for yield pick-up.

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.

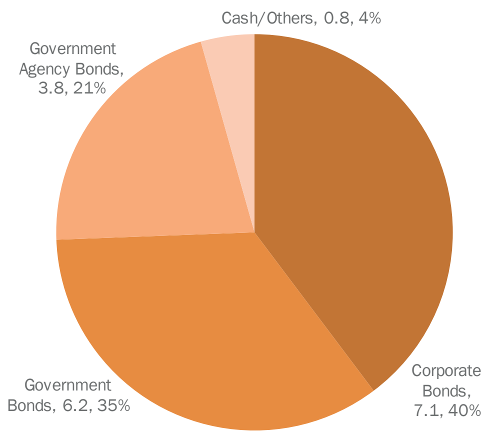
Money Market Fund

EXPENSE AND TURNOVER RATIO

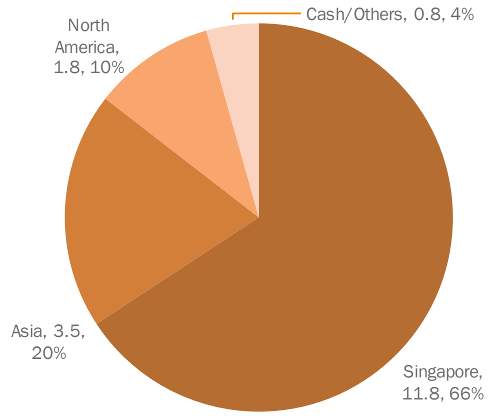
	Expense ratio	Turnover ratio
As of 31 December 2016	0.27%	217.08%
As of 31 December 2015	0.28%	8.93%

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

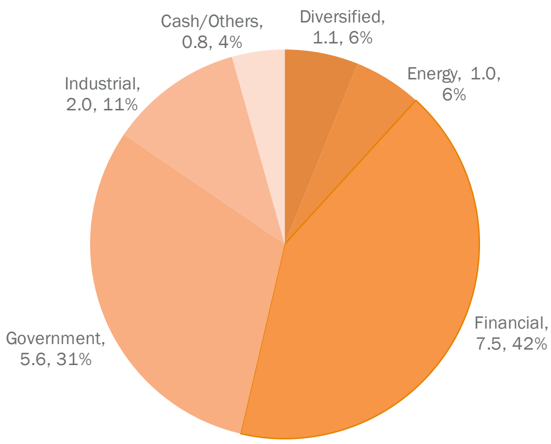
ASSET ALLOCATION AS OF 31 DECEMBER 2016



COUNTRY ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	2.7	15.2
AA-	0.8	4.4
A+	0.7	4.0
A	2.0	11.3
A-	1.0	5.6
Not rated	9.9	55.1
Total	17.2	95.6

'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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	18,515,133
Purchase of units	69,473,020
Redemption of units	(70,263,586)
Gain/(loss) on investments and other income	304,102
Management fees and other charges	(45,991)
Value of fund as of 31 December 2016	17,982,678

Units in issue	15,619,870
Net asset value per unit	
- at the beginning of the year	1.135
- as of 31 December 2016	1.151

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(77,160)	0.43	15,841	107,803

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$45,991.

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 31 DECEMBER 2016

Launch Date	3 May 2016
Fund Size	S$21.91 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	1.0% 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
BGF-ASIAN TIGER BOND-A6SHD BGATA6S	22.7	103.8	N.A.	N.A.	N.A.

BlackRock Global Funds – Asian Tiger Bond Fund ^

December 2016	S$ (mil)	% of Net Asset Value	December 2016	S$ (mil)	% of Net Asset Value
SPIC 2016 US Dollar Bond Co Ltd Regs 3% 120621	38.7	1.4	Ccci Treasure Ltd Regs 3.5% 123149	30.9	1.1
Pertamina Persero Pt Mtn Regs 5.625% 052043	36.6	1.3	Hutchison Whampoa Int 3.625% 103124	28.8	1.0
Sinopec Group Overseas Development Regs 4.375%	34.3	1.2	Reliance Industries Ltd Regs 5.875% 311249	28.2	1.0
Sri Lanka Govt Regs 6.85% 110325	32.5	1.1	Universal Ent Corp Mtn 8.5% 240820	27.9	1.0
Alibaba Group Holding Ltd 3.6% 281124	31.6	1.1	Indonesia Govt Mtn Regs 6.75% 150144	26.7	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 31 December 2016, Income had S$31.15 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 (Luxembourg) S.A. has been appointed by BlackRock Global Funds to act as its management company (“Management Company”). It is a wholly owned subsidiary within the BlackRock Group. BlackRock Group means the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc. The Management Company is regulated by the Luxembourg Commission de Surveillance du Secteur Financier. The Management Company has managed collective investment schemes or discretionary funds since 1988.

In respect of the BlackRock Global Funds – Asian Tiger Bond Fund A6 SGD Hedged Share Class, the Management Company has delegated its investment management functions to BlackRock (Singapore) Limited (the “Investment Adviser”). The Investment Adviser provides advice and management in the areas of fixed income securities and sector selection and strategic allocation.

BlackRock (Singapore) Limited is domiciled in Singapore and regulated by the Monetary Authority of Singapore. BlackRock (Singapore) Limited has managed collective investment schemes or discretionary funds since 2001.

In respect of the BlackRock Global Funds – Asian Tiger Bond Fund A6 SGD Hedged Share Class, the Investment Adviser has sub-delegated some of its functions to BlackRock Asset Management North Asia (the “Sub-Investment Adviser”). Notwithstanding the appointment of the Investment Adviser or Sub-Investment Adviser, the Management Company accepts full responsibility to the Company for all investment transactions. BlackRock Asset Management North Asia Limited is domiciled in Hong Kong and regulated by the Securities and Futures Commission and has been managing collective investment schemes or discretionary funds since 2003.

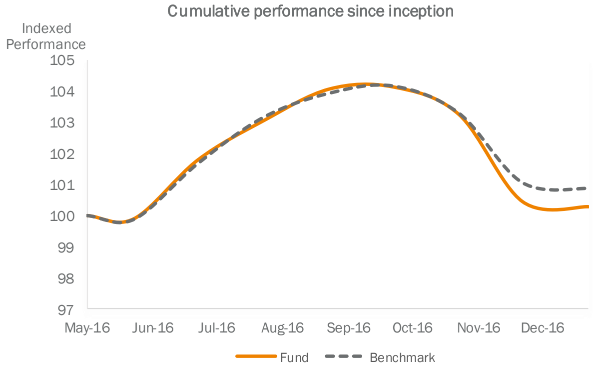
As of 31 December 2016, BlackRock Group’s assets under management was US$5.15 trillion.

Asian Bond Fund

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Asian Bond Fund	-0.16%	-3.68%	-1.47%	N.A.
Benchmark	-0.18%	-3.16%	-0.78%	N.A.

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Bond Fund	N.A.	N.A.	N.A.	0.28%
Benchmark	N.A.	N.A.	N.A.	0.87%



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.

MARKET REVIEW

Market Review

US treasuries have moved gradually upwards since July 2016 but the move was amplified post Trump's win. Despite the pick-up in supply, credit spreads in Asia were resilient and the negative correlation between treasury yields and credit spreads held strong. Consequently, credit spread return was +2.6% over the quarter. In the local currency bond space, while the fund's foreign currency positioning generated alpha, duration positioning detracted from returns.

The asset class continues to see strong demand in light of idiosyncratic risks elsewhere in the world; Credit generated alpha due to positions in India, China and Sri Lanka in addition to off-benchmark bets in Australia and the Middle East. The strong bid for yield amongst Asian investors also led to the outperformance of high yield over investment grade credit. The fundamental backdrop for Indonesia remains conducive with low inflation, high real rates and central bank credibility – the central bank have cut policy rates multiple times in 2016 and introduced measures to increase the transmission of monetary policy. The current account deficit has narrowed to 2% of the gross domestic product and this stabilisation enables the central bank's focus to support growth. Furthermore, assumptions made in the 2017 budget are realistic, striking a good balance between fiscal credibility and sustainable growth. This strong fundamental backdrop drove investor interest in the country. Elsewhere, Sri Lanka also outperformed – sovereign credit metrics have bottomed out and fiscal reforms are underway.

In contrast to the 2013 taper tantrum where increase in nominal interest rates came almost entirely from higher real rates, the rise in nominal interest rates this time came from both higher market expectations of future inflation and higher real rates which contributed to better credit and equity performance. A reflation theme continues to build with central banks signalling tolerance to let inflation run hotter.

The Indian government's demonetisation of its currency was a significant move and while it could be short-term negative for growth, it gives a clear signal that the government is serious about reforms, cracking down on corruption and tax evasion which is long-term positive. The impact to offshore US Dollar (USD) Indian credit market was muted but the increase in banking system liquidity subsequently increased demand for Indian Rupee government bonds, driving yields on local bonds lower.

China data continues to be strong in terms of growth and inflationary pressures are accelerating although capital outflow risks still pose a worry for some investors. Despite that, the onshore demand for offshore credit was still positive on the technicals for offshore USD Chinese credit which performed in line with the broader USD Asian credit market.

Market Outlook

The US Federal Reserve (Fed) hiked rates by 25 basis points as expected in December, the second time in this tightening cycle. While the Fed's economic forecasts are largely unchanged, its tone appeared slightly more hawkish with three expected rate hikes in 2017, up from the previous forecast of two. This takes into consideration the adjustments in inflation expectations post elections and some expectations of looser fiscal policy in the new US political regime. However, going into 2017, we do not expect a significant adjustment in Asian USD Credit spreads. While there are potential downside risks from higher US treasury yields, credit spreads are expected to remain stable with room for some spread tightening move. Fundamentals in the region remain strong and the supply-demand dynamics is supportive. Credit metrics remain stable in Asia and expected default risks low. The maturity profile for Asian credit remains manageable and we expect returns to be primarily driven by carry.

The shift in the US policy will play a very important role in 2017 with one of the core shifts being monetary policy passing the baton to fiscal policy in support for growth. What's important though is the detailed mechanics on how that is to be achieved and it remains too early to draw a clear path on US policy. The controversial proposal of the border adjustment tax, for example, if implemented is negative for Emerging Markets (EM) exports to the US and further applies inflationary pressures.

For the region, the sensitivity of Asian credit to broader EM flows and sentiment has fallen since 2013 and this reflects the marked change in Asian market environment, most notably significant improvements in current accounts particularly for India and Indonesia, in addition to a shift from USD funding to local currency funding. This is important as it has strengthened Asia's ability to weather a stronger dollar.

Asian Bond Fund

US protectionist measures have ripple effects across the world and while the relationship between US and China remains unclear, China's trade surplus with the US has declined sharply since the global financial crises and economic growth continues to appear robust following the shift in policy from monetary to fiscal policy and the gradual rebalancing of the economy. In light of a stronger dollar however, we continue to keep a keen eye on the Renminbi. While the pace of outflows is manageable and does not endanger the sovereign's reserve coverage metrics, it results in some liquidity tightening onshore which is partly seasonal. With growth and inflation dynamics better than expected, the authorities can allow short-term rates to rise in the near-term. The situation in China is developing favourably and the risks of a sharp depreciation or other significant economic disruption are declining. Furthermore, reforms in key economies such as India and Indonesia continues to support a positive flow outlook for these countries.

Going into 2017, supply in Asian credit is expected to pick up but that's in part reflecting bond maturities; net supply is expected to be flat (or lower) year-on-year. Demand on the other hand continues to be robust from the region and ageing demographics in most parts of the developed world and some parts of EM should keep the need for income. With its lower volatility, high credit quality and strong regional investor base,the need for income will continue to drive flows into Asian credit.

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

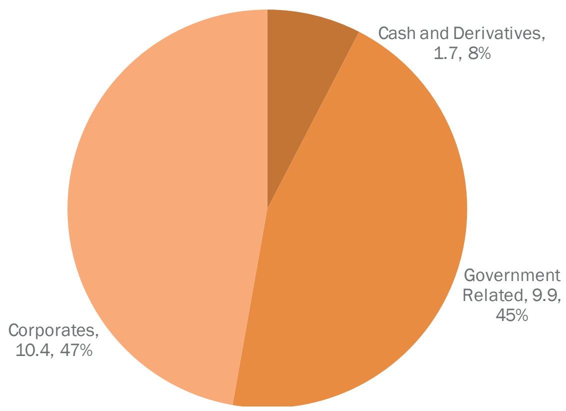
	Expense ratio	Turnover ratio
As of 31 December 2016	1.28%	49.07%

BlackRock Global Funds – Asian Tiger Bond Fund

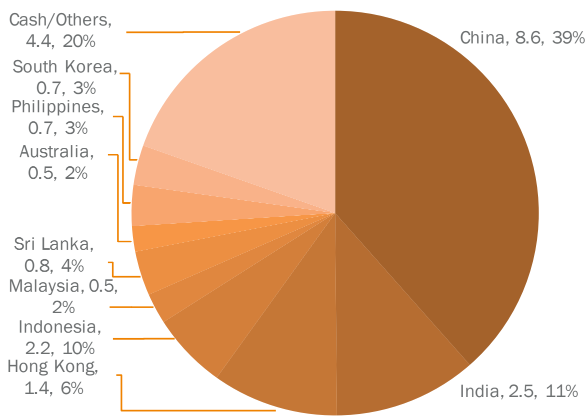
	Expense ratio	Turnover ratio
As of 31 December 2016	1.23%	117.91%

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 31 DECEMBER 2016

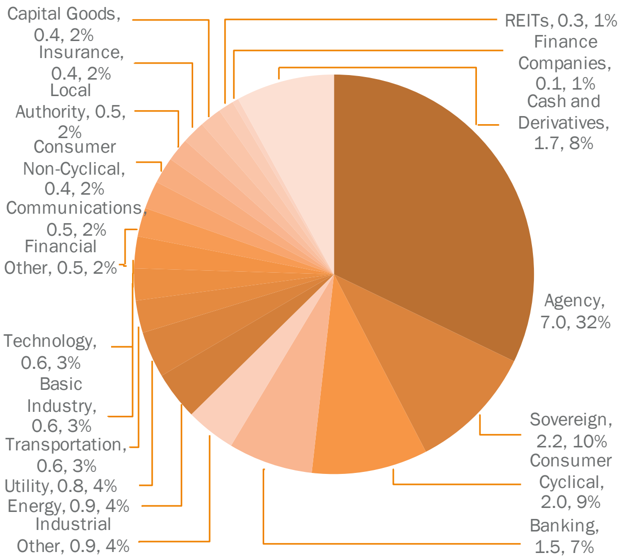


COUNTRY ALLOCATION^ AS OF 31 DECEMBER 2016



Asian Bond Fund

SECTOR ALLOCATION^ AS OF 31 DECEMBER 2016



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 31 DECEMBER 2016

	S$
Purchase of units	27,523,103
Redemption of units	(4,739,838)
Dividend distribution	(457,921)
Gain/(loss) on investments and other income	(418,803)
Value of fund as of 31 December 2016	21,906,541

Units in issue	23,325,607
Net asset value per unit	
- as of 31 December 2016	0.939

Asian Bond Fund was launched on 3 May 2016. The financial statement covered the period from 4 May to 31 December 2016.

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2016	S$ (mil)	% of Net Asset Value
BGF-ASIAN TIGER BOND-A6SHD BGATA6S	22.7	103.8

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, 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^

With respect to the underlying fund for which companies within the BlackRock Group 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 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 underlying fund as a whole and may contribute to an improvement in the underlying fund's 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 BlackRock uses its clients' commission dollars to obtain research or execution services, BlackRock Group companies will not have to pay for those products and services themselves. 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 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 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. 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.

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 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 Company has appointed BlackRock Advisors (UK) Limited as securities lending agent which in turn may sub-delegate the provision of securities lending agency services to other BlackRock Group companies. BlackRock Advisors (UK) Limited has the discretion to arrange stock loans with highly rated specialist financial institutions (the "counterparties"). Such counterparties can include associates of BlackRock Advisors (UK) Limited. The Board of Directors will ensure that revenues arising from securities lending transactions are in accordance with usual market practice.

Please refer to the section "Conflicts of Interest and Relationships within the BlackRock Group and with the PNC Group" in Appendix C – Additional Information Conflicts of Interest and Relationships within the BlackRock Group and with the PNC Group to the underlying fund's Luxembourg Prospectus for information.

^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 5% 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 31 DECEMBER 2016

Launch Date	12 May 2014
Fund Size	S$380.26 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio - Schroder Asian Income	381.4	100.3	Schroder International Opportunities Portfolio – Schroder Asian Income	237.2	100.4

Asian Income Fund

Schroder International Opportunities Portfolio - Schroder Asian Income ^

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Multi-Asset Income	90.2	3.4	SISF - Global Multi-Asset Income I Accumulation Share Class	141.5	7.4
HSBC Holdings Plc	53.9	2.0	HK Electric Investments and HK Electric Investments Ltd Stapled Shares	44.2	2.3
National Australia Bank	48.3	1.8	Telstra Corp Ltd	37.1	1.9
Link REIT	48.0	1.8	Link REIT	35.9	1.9
Mapletree Commercial Trust	43.8	1.7	National Australia Bank Ltd	35.8	1.9
Mapletree Industrial Trust	43.8	1.7	Ascendas Real Estate Investment Trust	33.2	1.7
Westpac	43.8	1.7	HKT Trust and HKT Ltd Stapled Shares	32.6	1.7
Duet Group	43.2	1.6	Spark New Zealand Ltd	30.3	1.6
Ausnet Services	43.0	1.6	Singapore Telecommunications Ltd	29.1	1.5
HKT Trust & HKT Limited	43.0	1.6	HSBC Holdings PLC	28.1	1.5

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 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 31 December 2016, Income had S$31.15 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$490.70 billion (as of 31 December 2016).

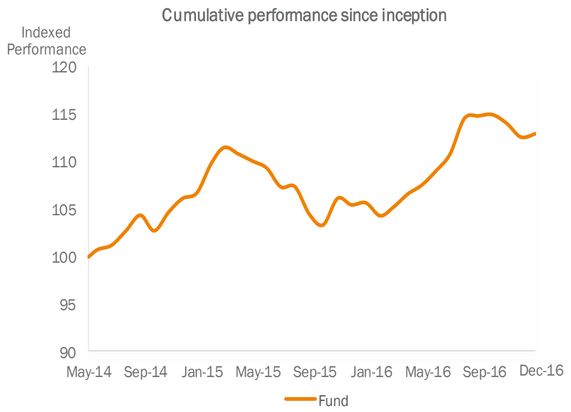
Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company, and over 430 investment professionals covering the world's investment markets, they offer their clients 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	0.31%	-1.75%	1.93%	6.88%
Benchmark	N.A.	N.A.	N.A.	N.A.

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Income Fund	N.A.	N.A.	N.A.	4.72%
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.

MARKET REVIEW

Market Review

Throughout the year of 2016, the fund maintained a preference for equities over bonds and cash as we believed that the cyclical environment of modest growth presented a sweet spot for equities, while sentiment for fixed income was dented by the expectation of a rate hike in the US. Therefore, the decision to overweight equities added value.

The large underweight in Chinese equities also contributed as they underperformed the broader market. Elsewhere, the allocation to global assets added value, as they outperformed Asian assets in general. Since March 2016, the fund has been adding Asian equities and Asian credit at the expense of global assets as Asian assets have better valuations. It also added China assets slightly in August given its cheap valuation relative to other countries as short-term economic growth had stabilised and sentiment was improving.

For the first time in nearly two years, global growth forecasts were upgraded, reflecting the better-than-expected recovery of activity worldwide and the prospect of looser fiscal policy in the US coming through later in the year. Alongside this positive development, we are likely to see further rate hikes by the US Federal Reserve as the labour market continues to tighten and inflationary pressures build. Elsewhere though, the European Central Bank and Bank of Japan are expected to keep monetary policy on hold reflecting the earlier stage of their respective cycles.

Stronger US growth will have a worldwide impact which should benefit Emerging Markets (EM) but to a lesser degree than in the past. EM assets caught up with strong performance as we entered 2017, after some retracement in US Treasury yields and a stabilising US Dollar. This reduced the stress on EM assets; on the other hand it also attracted funds flowing back to the region, supporting the asset class in the near-term despite the concern on the potential protectionist policies coming out of the Trump administration. Although we might see more volatilities in the near-term, the structural factors, such as ageing demographics, high debt levels, and lacklustre productivity, mean that the demand for income are here to stay over the longer- term.

Having experienced the unexpected events in 2016, we believe that all investors would agree that 2017 could again be a year full of uncertainty. Therefore, being flexible and unconstrained as well as focusing on managing risks arising from currencies, duration and equity markets will continue to be important. As such, the Asian Income strategy should be well-positioned to generate income and participate in Asian growth in a risk-controlled manner.

In terms of Asian equities, over the last two months, the fund has focused on reducing the portfolio's sensitivity to bond yields by rotating some of the exposures in sectors such as utilities into those which could benefit from higher interest rates such as banks. This means that even in a rising yield environment, while the defensive holdings such as utilities and telecoms could be under pressure, other exposures in the portfolio, such as technology and banks, could balance out some of the impacts. In addition, after the sell-off over the last two months, the valuation of stocks in defensive sectors has significantly improved, presenting investors with a better entry point. Since there are still a lot of uncertainties ahead of us in 2017, we believe keeping a bias towards defensive assets remains a sensible strategy. We will continue to focus on high quality companies with strong balance sheets and solid fundamentals, which can offer more sustainable dividend yields.

Asian credit remains relatively defensive in the fixed income universe during periods of rising interest rates thanks to its solid corporate fundamentals and robust demand-supply conditions. Default rates also remain close to historic lows. Asian corporate bonds have had a very strong 2016 mainly due to the tightening of credit spreads. The high yield bonds are now priced to perfection, while the valuation of investment grade bonds still looks attractive relative to other fixed income assets, and we continue to prefer high quality investment grade corporates which have stable leverage and ample liquidity on their balance sheets. The current strategy still focuses on diversifying the fund's holdings in peripheral Asian countries such as Australia to maintain both the quality and the yield of the portfolio.

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

Asian Income Fund

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 Income Fund

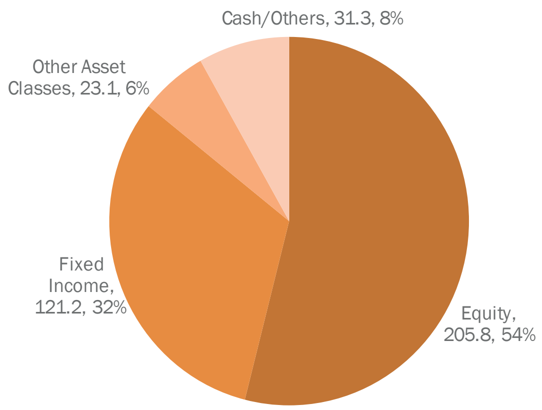
	Expense ratio	Turnover ratio
As of 31 December 2016	1.47%	7.36%
As of 31 December 2015	1.53%	9.68%

Schroder International Opportunities Portfolio - Schroder Asian Income

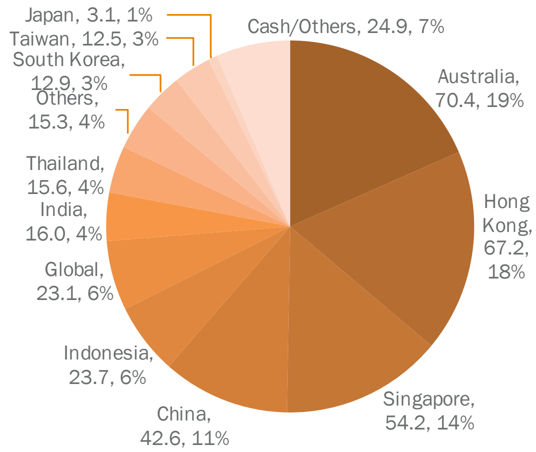
	Expense ratio	Turnover ratio
As of 31 December 2016	1.45%	26.26%
As of 31 December 2015	1.46%	23.11%

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

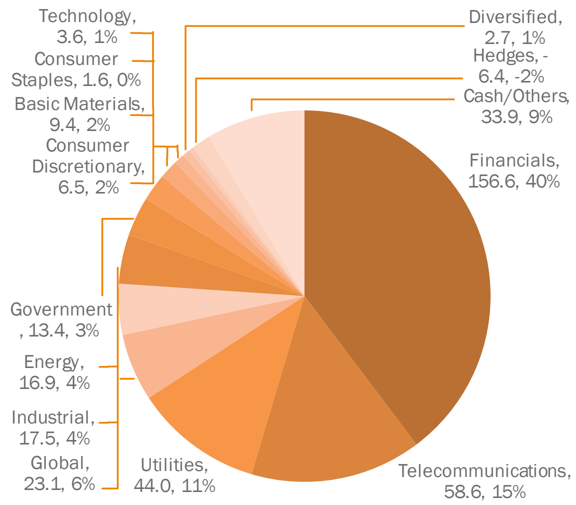
ASSET ALLOCATION^ AS OF 31 DECEMBER 2016



COUNTRY ALLOCATION^ AS OF 31 DECEMBER 2016



SECTOR ALLOCATION^ AS OF 31 DECEMBER 2016



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.

Asian Income Fund

SUMMARISED FINANCIAL STATEMENT AS OF 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	236,174,270
Purchase of units	161,645,528
Redemption of units	(20,283,505)
Dividend distribution	(15,859,593)
Gain/(loss) on investments and other income	18,587,907
Value of fund as of 31 December 2016	380,264,607

Units in issue	400,819,711
Net asset value per unit	
- at the beginning of the year	0.935
- as of 31 December 2016	0.949

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2016	S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio - Schroder Asian Income	381.4	100.3

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, 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;
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 Equity Stabiliser and/or 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 31 DECEMBER 2016

Launch Date	26 March 2015
Fund Size	S$69.90 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Schroder International Selection Fund – Global Multi Asset Income	69.5	99.5	Schroder International Selection Fund – Global Multi Asset Income	65.1	99.9

Global Income Fund

Schroder International Selection Fund Global Multi-Asset Income^

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Schroder Utl Advanced Beta Global Equity Value Fund	92.2	1.5	Telecom Italia Spa 144A 5.303% 300524	43.1	0.6
iShares Edge MSCI World Value Factor UCITS ETFD	88.4	1.4	Schroder Real Estate Investment Trust	35.9	0.5
US Treasury 2.375% 311220	41.0	0.7	GCP Infrastructure Investments	35.9	0.5
US Treasury Note 2.0% 151122	37.9	0.6	International Public Partnerships Limited	28.7	0.4
US Treasury Note 1.625% 151122	37.2	0.6	iShares Mortgage Real Estate Capped	28.7	0.4
US Treasury Note 0.75% 311018	37.2	0.6	Starwood European Real Estate Finance	28.7	0.4
US Treasury Note 1.375 300918	36.6	0.6	Bway Holding Co 144A 9.125% 150821	28.7	0.4
US Treasury Note 1.75% 300919	36.0	0.6	US Treasury Note 1% 150917	28.7	0.4
US Treasury Note 2.125% 150821	36.0	0.6	Schroder European Real Estate Investment Trust	28.7	0.4
Schroder ISF Emerging Multi-Asset Income I Dis	35.4	0.6	US Treasury Note 0.875% 311017	28.7	0.4

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 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 31 December 2016, Income had S$31.15 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$490.70 billion (as of 31 December 2016).

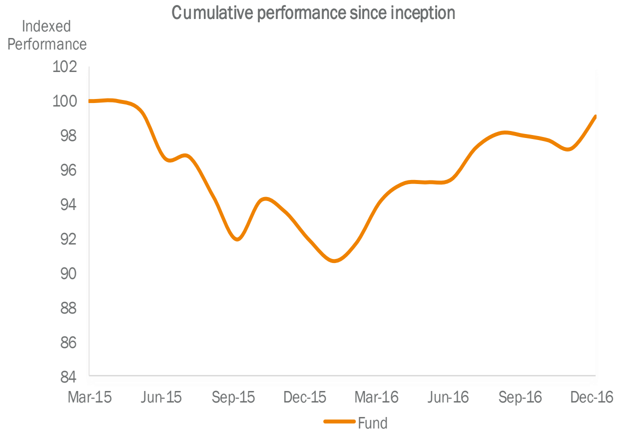
Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company, and over 430 investment professionals covering the world's investment markets, they offer their clients 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	1.93%	1.14%	3.84%	7.84%
Benchmark	N.A.	N.A.	N.A.	N.A.

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Income Fund	N.A.	N.A.	N.A.	-0.51%
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.

MARKET REVIEW

Market Review

2016 was a year of two halves, with deflationary forces prominent at the beginning of the year and reflationary forces dominating in the 2nd half.

While the income style was a key driver of underperformance in 2015, the fund was able to weather an environment of rising nominal bond yields and benefited from the outperformance of income-related assets in the 1st half of 2016. High dividend paying equities reversed two years of underperformance in the 1st quarter and outperformed the broader market in the 1st half of the year. High yield credit also outperformed equities, again helping the fund's performance.

The fund's barbell strategy gave it the flexibility to own both value and defensive assets while maintaining a low allocation to investment grade. The fund rotated into areas that offered more value as defensive assets became more expensive, then rotated back into defensive assets as they corrected. In line with this strategy, an allocation to government bonds was introduced at the beginning of 2016 which acted as a cushion at a time of disinflationary fears in the 1st quarter. As they became more expensive in the 2nd quarter, the fund rotated into areas of the market offering more value, such as high yield and Emerging Market debt, two of the best performing asset classes over the year.

Active management of the net equity exposure helped to cushion the fund's performance during periods of market volatility and allowed it to benefit from periods of equity strength. For example, our equity exposure was reduced going into the Brexit referendum, reducing the fund's volatility. Accommodative monetary policies and expansionary fiscal policies in Asia and Europe encouraged us to increase the equity exposure following that, benefiting from the reflation-led rally. The fund followed a similar strategy around the US elections and benefited from the post-election rally led by US domestic and value assets. Currency management also contributed positively to performance thanks to its preference for high carry emerging currencies over low yielding Asian currencies and an overall long exposure to the US Dollar.

Market Outlook

Most risky assets rallied following the US election on expectations of global fiscal expansion and ongoing accommodative monetary policies leading to accelerating economic growth and inflation. 2017 will be all about delivering on these expectations. In particular, we will be monitoring fiscal cuts in the US, the extent of the protectionist measures taken globally and the realisation of earnings growth.

Given the consensus for global reflation in 2017, the room for economic data or earnings forecasts to surprise positively is narrowing. This could create some pockets of volatility. In addition, we may see growth and inflation being challenged following the recent appreciation of the US Dollar, rising real rates, the depreciation of the Chinese renminbi, stable energy prices and falling inventories. Overall, however, we still expect reflationary forces to dominate as long as real growth keeps accelerating, supported by improving productivity and not just external stimulus policies.

Against this backdrop, equities are expected to outperform bonds and deliver positive returns driven by earnings growth rather than growth in price earnings multiples. The fund's strategy is to keep a bias to reflation sensitive asset classes while maintaining the flexibility to buy high yielding securities on weakness. The fund favours value and some high dividend paying stocks, and its combined equity/credit exposure is dominated by cyclical sectors such as financials, energy, IT and consumer discretionary. Regionally, the fund prefers assets that could benefit from either domestic fiscal expansionary policies, such as US high yield and value stocks, or loose monetary policies such as Japanese equities. It is constructive on Europe and will increase its exposure to Emerging Markets on weakness, but it will be important to remain selective.

Despite the preference for equities, fixed income assets are not ruled out. Although government bonds are likely to deliver returns close to zero, they may provide some diversification benefits in risk off periods. Credit should benefit from falling default rates and should provide a total return in line with the coupons they pay. The fund remains ready to identify value opportunities among correcting fixed income assets.

Global Income Fund

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

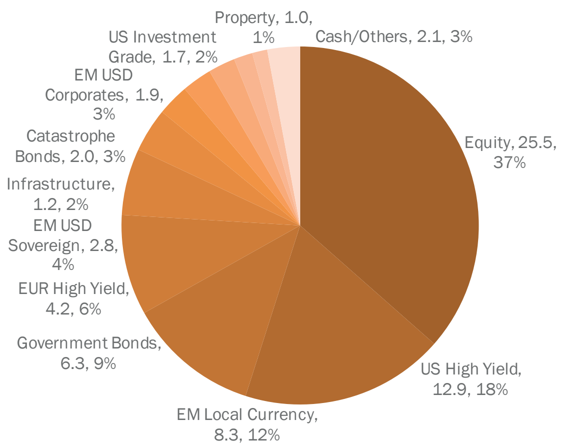
	Expense ratio	Turnover ratio
As of 31 December 2016	1.55%	23.11%
As of 31 December 2015	1.59%	20.25%

Schroder International Selection Fund Global Multi-Asset Income

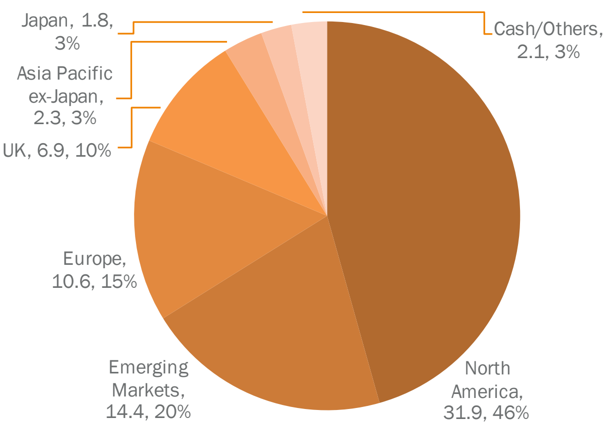
	Expense ratio	Turnover ratio
As of 31 December 2016	1.55%	109.91%
As of 31 December 2015	1.55%	128.15%

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

ASSET ALLOCATION^ AS OF 31 DECEMBER 2016

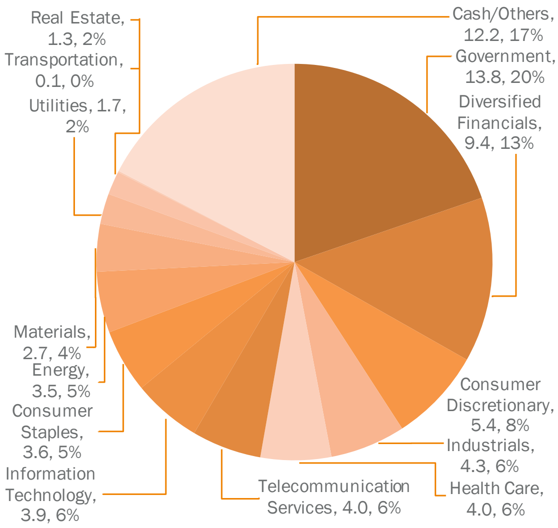


COUNTRY ALLOCATION^ AS OF 31 DECEMBER 2016



Global Income Fund

SECTOR ALLOCATION^ AS OF 31 DECEMBER 2016



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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	65,137,080
Purchase of units	18,289,233
Redemption of units	(15,125,639)
Dividend distribution	(3,299,245)
Gain/(loss) on investments and other income	4,897,391
Value of fund as of 31 December 2016	69,898,820

Units in issue	79,672,791
Net asset value per unit	
- at the beginning of the year	0.855
- as of 31 December 2016	0.877

EXPOSURE TO DERIVATIVES

Nil.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

December 2016	S$ (mil)	% of Net Asset Value
Schroder International Selection Fund - Global Multi Asset Income	69.5	99.5

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, 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.

The prospect of the performance fee may lead the Investment Managers to make investments that are riskier than would otherwise be the case.

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 31 DECEMBER 2016

Launch Date	1 August 2000
Fund Size	S$68.39 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Alphabet Inc Class A	4.2	6.1	Amazon.com Inc	3.1	4.2
Netflix Inc Com	3.0	4.3	Workday Inc	2.9	4.0
Facebook Inc	2.7	4.0	Cornerstone OnDemand Inc	2.4	3.3
Arista Networks Inc	2.4	3.5	FireEye Inc	2.4	3.3
Qualcomm Inc	2.3	3.4	Splunk Inc	2.4	3.2
Amazon.com Inc	2.2	3.2	NVIDIA Corp	2.3	3.2
Microchip Technology Inc	2.0	2.9	ServiceNow Inc	2.3	3.1
Cavium Inc	1.9	2.8	Alliance Data Systems	2.1	2.8
Seagate Technology Com	1.8	2.6	Athenahealth Inc	1.8	2.4
Alibaba Group Holdings	1.7	2.6	Cognizant Technology	1.8	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.

Global Technology Fund

As of 31 December 2016, Income had S$31.15 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.

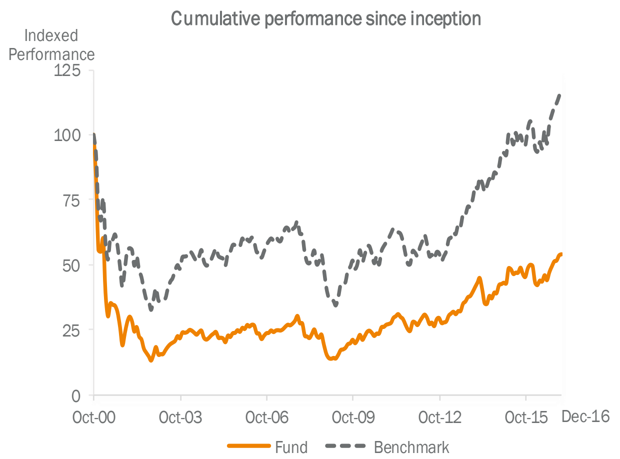
Wellington Management Singapore Pte Ltd (WMS)*

WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$979 billion in assets under management, WMC serves as an investment adviser to over 2,150 clients located in more than 55 countries, as of 31 December 2016. 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.

*With effect from 29 April 2016, Wellington Management Singapore Pte Ltd (WMS) has replaced Trust Company of the West (TCW) Asset Management Company as the Sub-Investment Manager of the Global Technology Fund.

FUND PERFORMANCE VS BENCHMARK

	1-month	3-month	6-month	1-year
Global Technology Fund	0.94%	5.48%	22.78%	9.33%
Benchmark	2.28%	6.18%	21.57%	13.78%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Technology Fund	9.37%	15.17%	8.47%	-3.73%
Benchmark	13.64%	17.07%	7.05%	1.00%



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.

MARKET REVIEW

Market Review

Global equities were up in the 2nd half of 2016. During the 3rd quarter, global equities posted positive results as investors quickly put Brexit fears in the rear-view mirror. Expectations for continued accommodative monetary policy from central banks around the globe helped to stoke investors' risk appetites. The Bank of England delivered a hefty stimulus package, which helped to counteract the Brexit shock. The Bank of Japan announced a policy shift revolving around yield curve control and a commitment to overshoot inflation. While the US Federal Reserve (Fed) signalled a higher probability of a rate hike before year end, market participants appeared more fixated on the downshift in the dot plot (rate expectations of each member). Elsewhere, Chinese macroeconomic data also appeared to stabilise, and better-than-expected corporates results meant earnings per share rose to their highest level since March 2013.

Global equities continued to climb during the last quarter, ending 2016 with a 9.7% gain. Stocks rallied following Donald Trump's victory, which some pundits viewed as the biggest political upset in US history. The S&P 500 hit a series of record highs during November and December on expectations that Trump will reduce regulatory restrictions and increase fiscal stimulus, including corporate and individual tax cuts and a boost in infrastructure spending. However, there was pronounced dispersion among sectors and regions. For instance, Emerging Market equities fell 1.4% on concerns that a Trump administration would lead to trade protectionism, higher inflation, and a stronger US Dollar. While global merger and acquisition (M&A) volume declined 16.6% from 2015's record, 2016's US$3.6 trillion in announced deals ranked third all time (after 2015 and 2007). On the monetary policy front, the Fed raised rates by 25 basis points, a well-telegraphed move and only the second hike in the last decade.

Market Outlook

The fundamentals and valuations for growth technology companies remain attractive. Going into 2017 we are underweight the largest mega-cap technology stocks (Apple, Alphabet, Microsoft and Facebook) in favour of more attractive relative ideas that we believe will do better in an accelerating world of higher inflation and/or stronger economic activity. The widely talked about policies of potential tax reform and repatriation holidays will benefit the technology sector overall and in turn we believe will help increase M&A activity in the space. Other policies such as infrastructure spending are also a positive as they by definition include a technology component. Longer-term, we continue to structure the portfolio to benefit from the key growth opportunities in technology, which include monetising mobility, the continuation of rapid data growth, AI/Machine learning, cloud computing, electrification of automobiles, secular growth in payments and the Internet of Things.

Global Technology Fund

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.

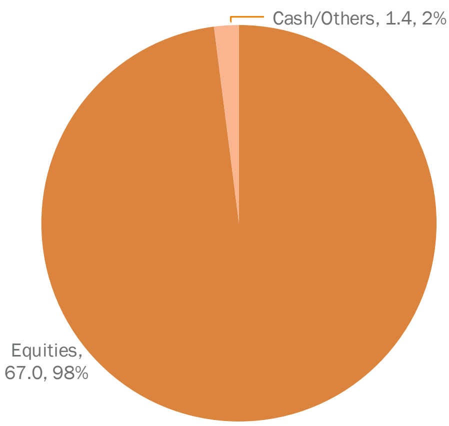
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

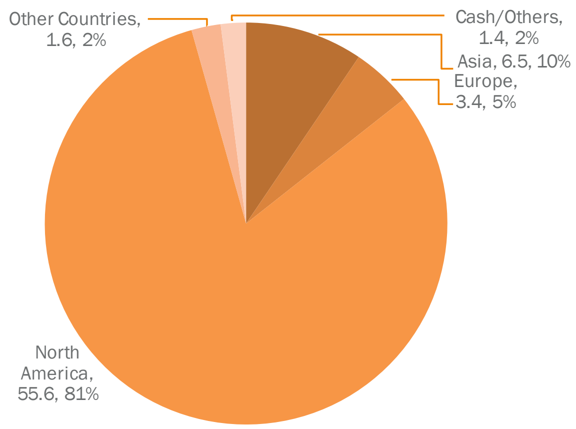
	Expense ratio	Turnover ratio
As of 31 December 2016	1.32%	305.44%
As of 31 December 2015	1.30%	38.33%

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

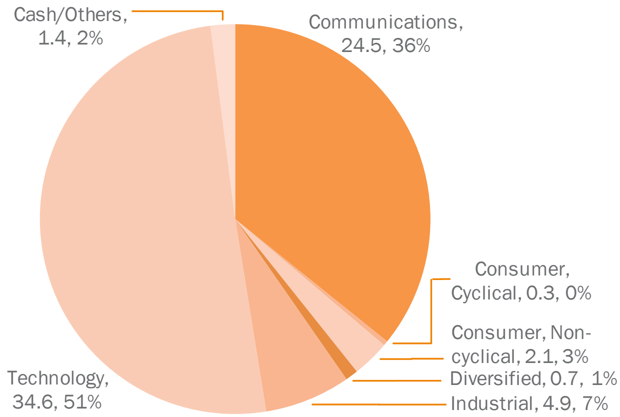
ASSET ALLOCATION AS OF 31 DECEMBER 2016



COUNTRY ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	73,106,190
Purchase of units	4,043,262
Redemption of units	(14,558,741)
Gain/(loss) on investments and other income	6,611,920
Management fees and other charges	(813,791)
Value of fund as of 31 December 2016	68,388,840

Units in issue	126,971,673
Net asset value per unit	
- at the beginning of the year	0.493
- as of 31 December 2016	0.539

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	132	-	(22,947)	132

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$813,791.

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 31 DECEMBER 2016

Launch Date	2 August 1973
Fund Size	S$212.47 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% Singapore 3-month Deposit 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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	80.2	37.8	Singapore Bond Fund^	87.5	42.2
DBS Group Holdings Ltd	9.0	4.2	DBS Group Holdings Ltd	7.2	3.5
Oversea-Chinese Banking Corp	8.3	3.9	Singapore Telecommunications Ltd	6.3	3.0
Tencent Holdings Ltd	7.6	3.6	Oversea-Chinese Banking Corp	6.1	3.0
HSBC Holdings Plc	6.0	2.8	United Overseas Bank Ltd	5.0	2.4
AIA Group Ltd	4.6	2.2	HSBC Holdings Plc	4.7	2.3
PING AN Insurance Group Co	4.4	2.1	Tencent Holdings Ltd	4.3	2.1
Singapore Telecommunications Ltd	4.2	2.0	AIA Group Ltd	3.7	1.8
Singapore Technologies Engineering Ltd	3.8	1.8	CapitaLand Ltd	3.1	1.5
United Overseas Bank Ltd	3.5	1.7	China Mobile Ltd	3.0	1.4

^ 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.

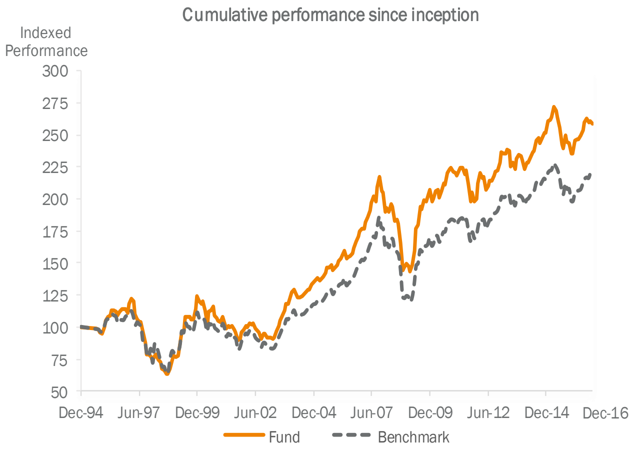
As a social enterprise, Income is committed to making insurance accessible, affordable and sustainable for all.

Prime Fund

As of 31 December 2016, Income had S$31.15 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
Prime Fund	-0.81%	-1.27%	3.93%	6.23%
Benchmark	-0.39%	1.11%	5.53%	5.53%
	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Prime Fund	4.02%	5.32%	4.04%	8.39%
Benchmark	3.08%	5.17%	3.84%	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.

MARKET REVIEW

Singapore, Hong Kong and Thailand markets experienced mixed fortunes in 2016, with the former two closing flat and the latter enjoying a stellar run, ending as one of the best performing markets in the region. All 3 indices were volatile throughout 2016, swinging in response to global developments like the Chinese market sell-off in January, Brexit, OPEC production cut and the US elections. Singapore, being an open economy, saw muted investor interest on fears of trade slowdown precipitated by rising protectionism and Brexit-triggered troubles in the Eurozone. Hong Kong, being highly dependent on China as a driver of growth, saw the Hang Seng Index fall in line with the Chinese market in January, rebound as cyclical recovery took place then taper off due to the introduction of tightening measures. Thailand's SET index fared the best, driven by foreign buying off the back of strong oil prices which boosted its energy sector.

Singapore's STI delivered -0.1% for 2016 as 16 out of 30 index constituents declined. Capital Goods was the worst performing sector due to Offshore and Marine-related companies which continued to be plagued by oversupply and weak demand. Transportation also underperformed, with ComfortDelgro and Singapore Airlines facing heightened competition driven by an increasingly challenging operational environment. Offsetting this, Consumer Staple firms such as Golden Agri-Resources and Wilmar enjoyed a good year supported by a recovery in soft commodity prices, while discretionary names such as Thai Beverage, Jardine Cycle & Carriage and Genting saw their businesses strengthen on improved execution.

Singapore's gross domestic product (GDP) grew by 1.8% for 2016 based on advanced estimates, the slowest since 2009. Manufacturing was the main driver, rebounding to +2.3% year-on-year (yoy) growth versus -5.2% yoy in 2015, whilst Services and Construction slowed from +3.4% yoy to +0.9% yoy and +2.5% yoy to +1.3% yoy respectively. Other macroeconomic indicators were broadly negative.

The Hang Seng index fell in the 4th quarter of 2016 to close the year flat at +0.4% yoy as policymakers in both China and Hong Kong introduced property tightening policies to rein in rising home prices. Investors were also concerned about tightening liquidity and capital controls as the depreciation of the Chinese Yuan resulted in accelerated capital outflow. In November, Trump's surprise victory in the US presidential election shifted focus to heightened geopolitical risks. In terms of sector performance, Technology was the best performer, driven predominantly by Tencent (+24.8%). Meanwhile, the recovery in energy prices bolstered earnings prospect and broad-based outperformance of the energy sector.

On the economic front, both China and Hong Kong's economies saw cyclical recovery in the 2nd half of 2016. Nominal GDP of China recovered from 7% yoy in 2015 to 8% yoy in 2016, as the economy exited deflation in September 2016 for the first time since March 2012. China's economic structure continued to transform with service/tertiary segment making up 51.6% of GDP in 2016, up from 50.2% in 2015. However, adjusted total social financing, which includes local government bond issuance and LGFV debt-swap programme, climbed to 230% of GDP at the end of 2016, up from 218% a year ago. In Hong Kong, 3rd quarter GDP grew 1.9% yoy as property market recovery boosted consumption and investment. Exports also recovered in last two months of the year due to stronger regional activities. In particular, exports to China, Taiwan and Korea grew 14% yoy, 38.5% yoy, and 22.6% yoy respectively in December.

The SET index had a good 2016 with a total return of 19.8%, reversing 2015's -14% return. Foreigners were net buyers of Thai equities, reversing 2015 outflows with a net buy of US$2.1 billion. The top performing sector was Energy, driven by a rally in oil prices from US$30 in January to US$56 in December. Esso Thailand led the pack, followed by PTT Exploration and Production. Telecommunications continued its 2015 lacklustre performance into 2016 as the worst performing sector. Among larger cap stocks, this was led by

Thaicom and Intouch Holdings. Fears of elevated competition in both mobile and the TV space coupled with a challenging business environment caused the sector to lag behind the broad index.

On the economic front, Thailand's GDP hovers just above the 3% level. Exports were negatively impacted by a weak global economy, with offshoots of improvement in December. Bank of Thailand continued to hold interest rates at 1.5%, just above its historical low of 1.25% with core inflation stable at 0.7%. The passing of the revered King Bhumibol led to national mourning, which impacted retail sales growth and visitor arrivals towards year end. Royal transition was however smooth, boosting investor optimism.

In 2017, external events should continue to hold sway given uncertainties surrounding Trump administration policies, upcoming European elections and the uncertain growth trajectory of the Chinese economy. Singapore is particularly exposed being an open economy, and would be negatively impacted by any curtailment in trade arising from increased protectionism from neighbouring countries. Moreover, the impact of increased fiscal spending from the US, driving reflation and an accelerated pace of interest rate hikes by the US Federal Reserve, would result in a more challenging environment for many corporates. Similarly, the Trump presidency induces uncertainty on the geopolitical and trade front in Hong Kong. However, barring any serious conflict, we expect its cyclical economic recovery to sustain through the 1st half of 2017.

Thailand's economic environment has been sluggish, hence the government is targeting to roll out an estimated Baht1.8 trillion worth of infrastructure projects in 2017 to boost growth. A key event to watch will be the upcoming elections, which will restore civilian rule and be the first under a new constitution approved in a referendum last year. SET index valuations are rich following a strong run up in 2016 and we remain cautious for 2017 given Thailand's weak economy coupled with uncertainties of elections.

In light of a rising reflationary momentum, we believe that stocks which benefit from higher interest rates would be longer-term beneficiaries. Markets will continue to be volatile given geopolitical and policy uncertainties across the world. Hence we also believe in having a quality tilt, favouring well-run defensive names or market leaders with high potential for strong earnings recovery.

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.

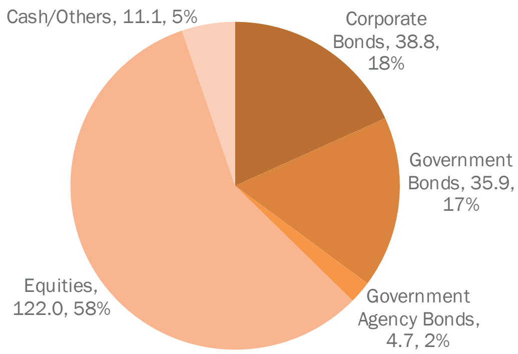
EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	0.95%	41.99%
As of 31 December 2015	0.88%	17.56%

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

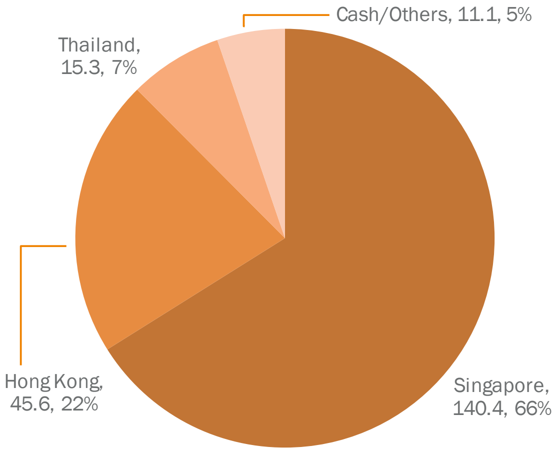
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

ASSET ALLOCATION AS OF 31 DECEMBER 2016

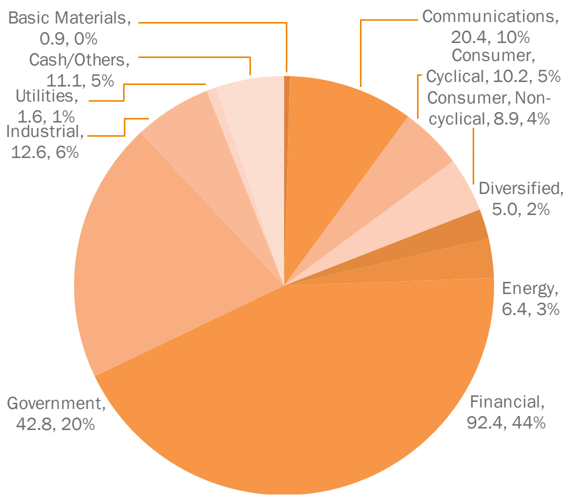


Prime Fund

COUNTRY ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



CREDIT RATINGS OF DEBT SECURITIES

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	41.4	19.5
AA	1.2	0.6
AA-	0.3	0.1
A+	6.6	3.1
A	3.4	1.6
A-	2.5	1.2
BBB+	3.3	1.5
BBB	7.2	3.4
BBB-	2.1	1.0
BB+	0.7	0.3
Not rated	10.7	5.1
Total	79.4	37.4

'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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	207,269,557
Purchase of units	15,116,631
Redemption of units	(22,772,517)
Gain/(loss) on investments and other income	14,348,428
Management fees and other charges	(1,488,727)
Value of fund as of 31 December 2016	212,473,372

Units in issue	28,390,180
Net asset value per unit	
- at the beginning of the year	7.045
- as of 31 December 2016	7.484

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(1,757)	-	-	(1,757)

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$1,488,727.

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 31 DECEMBER 2016

Launch Date	1 September 1995
Fund Size	S$18.58 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	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

December 2016	S$ (mil)	% of Net Asset Value	December 2015	S$ (mil)	% of Net Asset Value
Apple Inc	0.5	2.9	Alphabet Inc Class A	0.7	3.5
Alphabet Inc Class A	0.5	2.4	Microsoft Corp	0.5	2.6
Bristol-Myers Squibb Co	0.4	1.9	Apple Inc	0.5	2.5
Unilever Plc	0.3	1.7	Facebook Inc	0.4	2.1
Mondelez International Inc	0.3	1.7	Bristol-Myers Squibb Co	0.4	2.1
Pepsico Inc	0.3	1.6	Mondelez International Inc	0.4	1.9
Visa Inc	0.3	1.5	Visa Inc	0.3	1.6
Exxon Mobil	0.3	1.5	Exxon Mobil	0.3	1.5
FedEx Corp	0.3	1.4	Eli Lilly & Co	0.3	1.5
Facebook Inc	0.3	1.4	Regeneron Pharmaceuticals	0.3	1.4

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. 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.

Takaful Fund

As of 31 December 2016, Income had S$31.15 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.

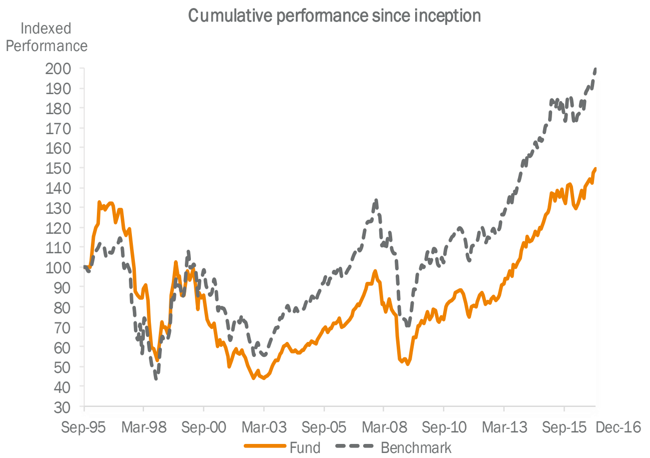
Wellington Management Singapore Pte Ltd (WMS)

WMS is the Investment Manager of the Global Islamic Research Equity Strategy. WMS is an affiliate of Wellington Management Company LLP (WMC), which was founded in 1928. With US$979 billion in assets under management, WMC serves as an investment adviser to over 2,150 clients located in more than 55 countries, as of 31 December 2016. 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	1.58%	3.92%	10.92%	6.65%
Benchmark[1]	2.15%	4.19%	11.31%	8.38%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Takaful Fund	10.15%	13.26%	6.57%	1.90%
Benchmark[1]	9.11%	12.29%	6.32%	3.28%



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.

MARKET REVIEW

Market Review

Global equities, as measured by the MSCI World Index returned 14.8% in Singapore Dollar (SGD) terms in the 2nd half of 2016. The surprising election of Donald Trump as US President in November was the prime catalyst for late-year rally, in anticipation of a reflationary programme of tax cuts, regulatory reform and infrastructure investments. Also contributing was a synchronous upturn in sentiment in most of the developed world, exemplified by improved Purchasing Managers Indices (PMI).

The US S&P 500 index returned 15.6% in SGD terms for the 2nd half of 2016. Rebounding oil prices, improved global economic growth and anticipation of expansionary fiscal policy from the Trump administration helped fuel the advance, as did a stronger US Dollar (USD) relative to SGD. With labour market performance still solid, markets took the US Federal Reserve's (Fed) December rate hike in stride.

European stocks, as measured by the STOXX 50 index returned 18.2% in SGD terms during the 2nd half of 2016. Markets managed to shrug off populist political developments of Brexit, Trump's victory and the defeat of constitutional reform referendum in Italy. A weaker euro helped boost European earnings and exports, while accommodative monetary policy from the European Central Bank (ECB) remains a tailwind.

In Japan, the Nikkei Composite Index returned 17.5% in SGD terms during the 2nd half of 2016. A weak yen provided a tailwind for exporter earnings as did improved demand from overseas. While the Bank of Japan shifted gears in its approach to monetary policy by targeting the shape of the yield curve, policy remains extremely accommodative overall and interest rates remain negative at the short-end of the curve.

Emerging Markets (EM), as measured by the MSCI EM Index returned 12% in SGD terms during the 2nd half of 2016. Stabilising commodity prices and aggressive fiscal and monetary stimulus from China contributed to the 2nd half recovery, though volatility was seen following the US election owing to uncertainty surrounding trade policy going forward.

Market Outlook

Overall, we are cautious on the markets given that valuations are relatively full. In the US and China, gross domestic product remains below trend and is still being supported by accommodative central bank policy. Meanwhile, the Eurozone has yet to feel the full impact of Brexit. Since the US election in November, markets have priced-in significantly higher US economic growth rates based on promises of reflationary policies from the new administration. We fear fiscal stimulus will be both smaller and later than markets expect, setting the stage for disappointment. Geopolitics will be an increasing focus for markets in 2017. Elections in Europe in 2017, specifically in the Netherlands, France and Germany, will be closely watched to see if populist, anti-establishment, anti-globalisation trends intensify, which could increase risk premia.

United States: The current seven-year bull market is one of the longest on record. While some late-cycle dynamics like an increase in mergers and acquisitions are evident, there are no obvious signs of a global recession on the horizon. Valuations are elevated versus their 10-year average and versus other regions. Many companies are flush with cash, have strong balance sheets, high returns on equity, low capital expenditures (CapEx) and solid dividends and buyback programmes. Expectations for increased CapEx have emerged on hopes of corporate tax reform. Reasonable valuations, a positively sloped yield curve and generally positive sentiment from market participants support the continuation of the current bull market. Less optimistic elements include a weakening earnings trajectory and a possible peak in margins.

Europe: European valuations are modest versus their 10-year average. While economic growth of 1.3% is above its 5-year average of 0.7%, the full impact of Brexit has yet to hit. The region suffers from high debt, low growth and slumping competitiveness. While economic fundamentals such as PMIs, employment and steady consumer spending are generally favourable, demographic trends are particularly unfavourable. The ECB continues to maintain its negative interest rate policy and has not yet indicated its intention to taper monetary accommodation. Dividends yields in excess of 3% are supportive of European equities, however uncertainty surrounding the Brexit process is worrisome.

Japan: To date, Abenomics have not achieved their objective amid unfavourable long-term demographic trends, falling inflation and slow growth. On the other hand, the equity market is fairly valued, and is the cheapest of the developed markets. Importantly, headline inflation is picking up, signalling favourable monetary environment and a weaker yen is ultimately good for a country heavily dependent on trade.

Emerging Markets: Economic growth is below its five-year average at 5%, but is still healthy by comparison with the developed world. China's growth remains steady at 6.7% amid stabilising fundamentals. PMIs have turned up and commodity prices have begun to rebound. Currencies have largely stabilised, though the post-US election period has seen an uptick in volatility. Consumer-facing sectors remain healthier than the infrastructure/materials/commodity sectors. Secular demographic trends remain in place amid growing middle classes, rising consumerism and increased consumption of western goods/lifestyles. EM debt levels are historically low and central banks have more policy flexibility than in the past. It is estimated that by 2030, 93% of the global middle class will reside in EMs. Discretionary spending is expected to increase from 25% in 2005 to 44% by 2030.

While favourable demography is important, investors need to be selective as countries have unique polices and differing growth trajectories.

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.

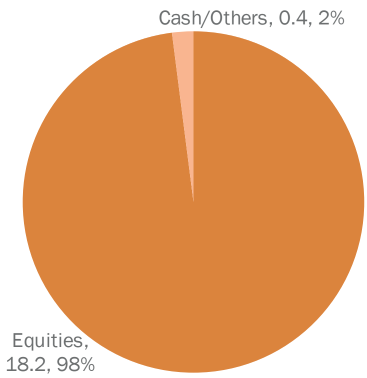
Income's ILP sub-funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in Income's ILP sub-funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

EXPENSE AND TURNOVER RATIO

	Expense ratio	Turnover ratio
As of 31 December 2016	1.17%	47.10%
As of 31 December 2015	1.15%	46.62%

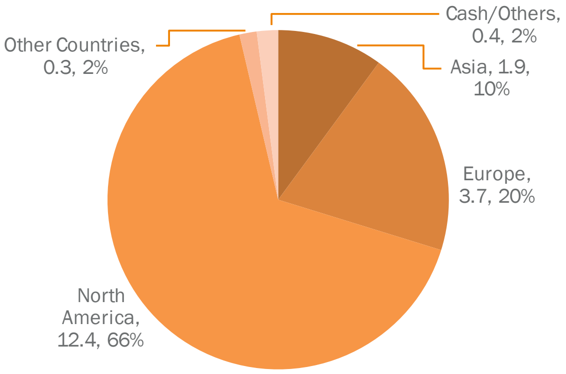
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

ASSET ALLOCATION AS OF 31 DECEMBER 2016

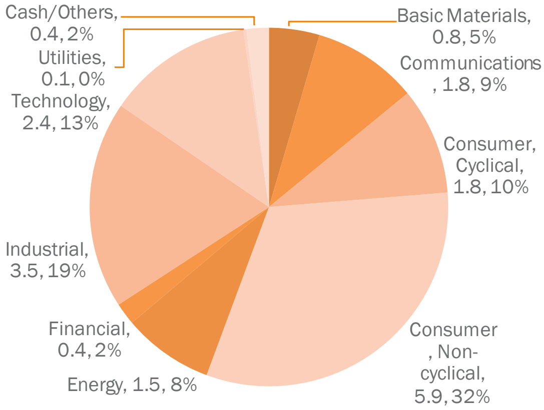


Takaful Fund

COUNTRY ALLOCATION AS OF 31 DECEMBER 2016



SECTOR ALLOCATION AS OF 31 DECEMBER 2016



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 31 DECEMBER 2016

	S$
Value of fund as of 1 January 2016	19,473,334
Purchase of units	633,461
Redemption of units	(2,659,632)
Gain/(loss) on investments and other income	1,317,094
Management fees and other charges	(182,335)
Value of fund as of 31 December 2016	18,581,922

Units in issue	15,239,809
Net asset value per unit	
- at the beginning of the year	1.143
- as of 31 December 2016	1.219

EXPOSURE TO DERIVATIVES

	Market Value S$	% of Net Asset Value	Realised Gains/(Losses) S$	Unrealised Gains/(Losses) S$
Forwards	173	-	(3,170)	309

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

Nil.

BORROWINGS

Nil.

RELATED PARTY DISCLOSURE

Income is the Investment Manager of the sub-fund. During the financial year ended 31 December 2016, management fee paid or payable by the sub-fund to the Investment Manager is S$182,335.

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.

Takaful Fund

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 2016	124,369,841	244,630,412	275,998,401	144,061,082
Purchase of units	11,067,876	9,297,173	33,974,991	26,036,147
Redemption of units	(18,842,718)	(30,057,859)	(43,662,917)	(20,328,824)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	3,362,493	19,018,076	11,590,321	6,806,600
Management fees and other charges	(1,021,047)	(2,908,461)	(1,390,852)	(930,451)
Value of fund as of 31 December 2016	118,936,445	239,979,341	276,509,944	155,644,554

	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 2016	96,207,908	171,791,379	11,841,954	240,801,927
Purchase of units	6,529,453	6,155,962	514,489	12,234,663
Redemption of units	(11,925,582)	(16,079,718)	(1,146,623)	(25,723,907)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	6,845,500	7,642,620	438,422	12,372,194
Management fees and other charges	(236,506)	(115,453)	(6,775)	(173,144)
Value of fund as of 31 December 2016	97,420,773	169,394,790	11,641,467	239,511,733

	Singapore Managed Fund S$	Aim Now S$	Aim 2025 S$	Aim 2035 S$
Value of fund as of 1 January 2016	78,923,917	116,668,972	13,852,336	17,315,160
Purchase of units	5,808,062	15,274,168	1,797,578	2,409,162
Redemption of units	(8,553,710)	(30,444,940)	(1,908,429)	(1,740,460)
Dividend distribution	-	(2,826,878)	-	-
Gain/(loss) on investments and other income	4,136,698	3,869,298	646,843	971,100
Management fees and other charges	(560,124)	(680,860)	(125,507)	(166,630)
Value of fund as of 31 December 2016	79,754,843	101,859,760	14,262,821	18,788,332

Financial Statements

CAPITAL AND INCOME ACCOUNT

	Aim 2045 S$	Money Market Fund S$	Asian Bond Fund S$	Asian Income Fund S$
Value of fund as of 1 January 2016	17,878,528	18,515,133	-	236,174,270
Purchase of units	4,135,906	69,473,020	27,523,103	161,645,528
Redemption of units	(2,273,753)	(70,263,586)	(4,739,838)	(20,283,505)
Dividend distribution	-	-	(457,921)	(15,859,593)
Gain/(loss) on investments and other income	1,065,852	304,102	(418,803)	18,587,907
Management fees and other charges	(174,994)	(45,991)	-	-
Value of fund as of 31 December 2016	20,631,539	17,982,678	21,906,541	380,264,607

	Global Income Fund S$	Global Technology Fund S$	Prime Fund S$	Takaful Fund S$
Value of fund as of 1 January 2016	65,137,080	73,106,190	207,269,557	19,473,334
Purchase of units	18,289,233	4,043,262	15,116,631	633,461
Redemption of units	(15,125,639)	(14,558,741)	(22,772,517)	(2,659,632)
Dividend distribution	(3,299,245)	-	-	-
Gain/(loss) on investments and other income	4,897,391	6,611,920	14,348,428	1,317,094
Management fees and other charges	-	(813,791)	(1,488,727)	(182,335)
Value of fund as of 31 December 2016	69,898,820	68,388,840	212,473,372	18,581,922

Financial Statements

BALANCE SHEET

	Global Bond Fund S$	Global Equity Fund S$	Singapore Bond Fund S$	Singapore Equity Fund S$	Asia Managed Fund S$
ASSETS					
Financial assets					
Equities	-	237,039,063	-	152,906,690	97,194,290
Debt securities	109,346,353	-	273,631,304	-	-
Financial derivatives	3,022,568	24,256	-	-	-
Other receivables and assets	5,564,469	11,331,351	2,802,754	6,370,396	380,372
Cash and cash equivalents	4,556,487	4,184,641	795,739	2,264,985	240,562
Total assets	122,489,877	252,579,311	277,229,797	161,542,071	97,815,224
LIABILITIES					
Financial liabilities					
Financial derivatives	3,215,704	11,191	378,879	1,681	-
Other payables and liabilities	337,728	12,588,779	340,974	5,895,836	394,451
Total liabilities	3,553,432	12,599,970	719,853	5,897,517	394,451
Value of fund	118,936,445	239,979,341	276,509,944	155,644,554	97,420,773
Units in issue	76,481,224	82,182,712	158,658,036	54,673,437	39,181,569
Net asset value per unit					
- at the beginning of the year	1.529	2.735	1.677	2.742	2.321
- as of 31 December 2016	1.555	2.920	1.743	2.847	2.486

	Global Managed Fund (Balanced) S$	Global Managed Fund (Conservative) S$	Global Managed Fund (Growth) S$	Singapore Managed Fund S$	Aim Now S$
ASSETS					
Financial assets					
Equities	169,079,048	11,423,352	239,712,560	77,856,890	95,435,014
Debt securities	-	-	-	-	-
Financial derivatives	-	-	-	-	270,420
Other receivables and assets	4,300,806	292,510	4,896,617	5,044,047	122,012
Cash and cash equivalents	127,002	129,613	200,000	1,341,759	8,261,906
Total assets	173,506,856	11,845,475	244,809,177	84,242,696	104,089,352
LIABILITIES					
Financial liabilities					
Financial derivatives	-	-	-	1,357	382,398
Other payables and liabilities	4,112,066	204,008	5,297,444	4,486,496	1,847,194
Total liabilities	4,112,066	204,008	5,297,444	4,487,853	2,229,592
Value of fund	169,394,790	11,641,467	239,511,733	79,754,843	101,859,760
Units in issue	82,270,308	6,312,920	107,736,054	30,128,600	112,139,907
Net asset value per unit					
- at the beginning of the year	1.970	1.778	2.112	2.533	0.907
- as of 31 December 2016	2.059	1.844	2.223	2.647	0.908

Financial Statements

BALANCE SHEET

	Aim 2025	Aim 2035	Aim 2045	Money Market Fund	Asian Bond Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	13,867,162	18,499,802	20,396,595	-	22,730,348
Debt securities	-	-	-	17,196,829	-
Financial derivatives	30,255	27,368	35,219	3,702	-
Other receivables and assets	127,715	63,210	82,125	2,438,098	600,234
Cash and cash equivalents	346,960	292,710	219,970	1,938,870	226,732
Total assets	**14,372,092**	**18,883,090**	**20,733,909**	**21,577,499**	**23,557,314**
LIABILITIES					
Financial liabilities					
Financial derivatives	64,759	56,018	59,976	80,862	-
Other payables and liabilities	44,512	38,740	42,394	3,513,959	1,650,773
Total liabilities	**109,271**	**94,758**	**102,370**	**3,594,821**	**1,650,773**
Value of fund	**14,262,821**	**18,788,332**	**20,631,539**	**17,982,678**	**21,906,541**
Units in issue	**10,793,380**	**13,399,804**	**14,615,793**	**15,619,870**	**23,325,607**
Net asset value per unit					
- at the beginning of the year	**1.272**	**1.342**	**1.350**	**1.135**	**-**
- as of 31 December 2016	**1.321**	**1.402**	**1.412**	**1.151**	**0.939**

	Asian Income Fund	Global Income Fund	Global Technology Fund	Prime Fund	Takaful Fund
	S$	S$	S$	S$	S$
ASSETS					
Financial assets					
Equities	381,362,617	69,519,738	67,006,464	202,191,837	18,207,089
Debt securities	-	-	-	-	-
Financial derivatives	-	-	132	-	292
Other receivables and assets	5,814,204	1,196,496	1,277,259	15,605,299	135,201
Cash and cash equivalents	1,961,307	37,858	1,973,542	1,621,828	414,563
Total assets	**389,138,128**	**70,754,092**	**70,257,397**	**219,418,964**	**18,757,145**
LIABILITIES					
Financial liabilities					
Financial derivatives	-	-	-	1,757	119
Other payables and liabilities	8,873,521	855,272	1,868,557	6,943,835	175,104
Total liabilities	**8,873,521**	**855,272**	**1,868,557**	**6,945,592**	**175,223**
Value of fund	**380,264,607**	**69,898,820**	**68,388,840**	**212,473,372**	**18,581,922**
Units in issue	**400,819,711**	**79,672,791**	**126,971,673**	**28,390,180**	**15,239,809**
Net asset value per unit					
- at the beginning of the year	**0.935**	**0.855**	**0.493**	**7.045**	**1.143**
- as of 31 December 2016	**0.949**	**0.877**	**0.539**	**7.484**	**1.219**

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 (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 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, 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, 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 date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date.

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

Guide to Your Investment-Linked Policy Statement

We provide a policy statement to keep you updated on your investment(s) twice a year. Here is a guide to help you understand your statement better.

Description of Transaction Details	
Ad-hoc Top-up	Amount of ad-hoc top-up premium paid.
Additional Risk Premium	Mortality charge for IP1, IP2 and IB1 plans only.
Advisory Charges	The charge covers the commission paid to the adviser.
Closing Balance	The number of units in each fund at the end of the statement period.
Distribution Reinvestment	Amount reinvested into the policy after the distribution payout.
Free Fund Units	Amount of units allocated to offset bid-offer spread for single premium investments.
Fund Switch in	Value of amount switched into the fund.
Fund Switch out	Value of amount switched out of the fund.
Opening Balance	The number of units in each fund at the start of the statement period.
Policy Fees	Covers the cost of issuance and policy administration (both at initial and on-going)
Regular Premium	Amount of regular premium paid based on the premium frequency chosen.
Regular Top-up	Amount of regular top-up premium paid based on the premium frequency chosen.
Rider Premium	Premium deducted via units for rider coverage.
Unit Adjustment	Adjustment made to existing fund units.
Withdrawal	Value of withdrawal of units from each fund.

FREQUENTLY ASKED QUESTIONS

Q1 Where can I check the latest fund prices?

A1 Our Investment-Linked Policy (ILP) funds are valued daily. The latest prices of our ILP funds are available on Income's website at www.income.com.sg/fund/coopprices.asp.

Q2 Where can I get updated financial reports on my fund?

A2 The financial year end of Income's ILP funds is 31 December of each year.

You can find the annual audited financial statements and / or the semi-annual statements in the Semi-annual Report and Relevant Audited Report available on Income's website at www.income.com.sg/fund/coopprices.asp. Alternatively, you can contact us at our Customer Service Hotline at 67881122/ 67881777 or email us at csquery@income.com.sg to request for a hard copy.

Q3 How do I make additional investment(s) to existing or new funds?

A3 You will be required to complete and submit the 'Top-up form for Investment-Linked Policy' at any of our branches or you can fax the form to us at 6338 1500.

Alternatively, you can access me@income via www.income.com.sg or approach your insurance adviser for advice.

The minimum top-up amount is $1,000 or $2,500 per transaction depending on your plan type. For FlexiCash policy, the minimum top-up amount is $500.

Q4 How do I switch to another fund?

A4 You will be required to complete and submit the 'Switching form for Investment-Linked Policy' at any of our branches or you can fax the form to us at 6338 1500.

Alternatively, you can approach your insurance adviser for advice.

The minimum value per switching transaction is $1,000. The number of free switches will depend on the plan you purchased.

Q5 How do I make a withdrawal?

A5 You will be required to complete and submit the 'Application for Withdrawal of Investment-Linked Policy Form' at any of our branches.

Alternatively, you can access me@income via www.income.com.sg or approach your insurance adviser for advice.

The minimum amount to be maintained in the policy is $2,000 or $3,500 depending on your plan type. For FlexiCash policy, the minimum to be maintained in the policy is $5,000.

For withdrawals, the proceeds will be transferred to your agent bank, CPF or SRS account directly. For policies purchased by cash, you will receive the proceeds via cheque. All withdrawals will be processed & completed within 5 working days.