

# Asian Bond Fund

Fund Summary  
as of 26 November 2019

## 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 intends to achieve this objective by investing all or substantially all of its assets in BlackRock Global Funds – Asian Tiger Bond Fund (“underlying fund”) in A6 SGD Hedged Share Class. The underlying fund 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. The underlying fund’s exposure to contingent convertible bonds is limited to 20% of total assets and the underlying fund’s exposure to distressed securities is limited to 10% of its total assets.

## Investment Approach

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

## Fund Details

<b>Launch Date</b>	3 May 2016
<b>Fund Manager</b>	NTUC Income Insurance Co-operative Limited
<b>Manager of the Underlying Fund</b>	BlackRock (Luxembourg) S.A.
<b>Custodian</b>	The Bank of New York Mellon
<b>Dealing Frequency</b>	Every business day
<b>Initial Sales Charge</b>	Please refer to “Fees and Charges” in section 4 of the Product Summary for ILP
<b>Annual Management Fee</b>	1.0% p.a. which includes management fee charged by the manager of the BlackRock Global Funds – Asian Tiger Bond 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.
<b>Inclusion in CPFIS</b>	N.A.
<b>CPFIS Risk Classification</b>	N.A.
<b>Structure</b>	Single Fund
<b>Benchmark</b>	JP Morgan Asia Credit Index hedged to Singapore Dollars
<b>Subscription Method</b>	Cash / SRS
<b>Financial Year End</b>	31 December
<b>Distribution</b>	The sub-fund offers a monthly payout feature and intends to provide a monthly distribution with effect from 27 May 2016. The Manager intends to pay the distribution within 45 days from the declaration date. The declaration date is set on the 3 <sup>rd</sup> last business day of every month. The declaration date is subject to review and the Manager has the sole discretion to determine the rate and frequency of the distribution. Distributions are not guaranteed and can be made out of income, capital gains, and/or capital of the sub-fund.

The default option for distribution is to reinvest them into the sub-fund. If policyholder wants to encash the distribution, he must notify the Manager in writing at least 30 days before the declaration date.

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Any distribution below S\$50 has to be reinvested and encashment is not allowed. Any distribution payable for investment bought using SRS monies, if applicable, will also be reinvested.

## Past Performance (as of 30 September 2019)

	1-month	3-month	6-month	1-year	3-year <sup>^</sup>	Since inception <sup>^</sup>
Asian Bond Fund	-0.45	1.47	3.75	8.89	2.30	3.25
Benchmark	-0.21	1.78	4.67	10.05	3.30	4.16

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

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

## Fund Manager

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

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

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

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

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

### BlackRock (Luxembourg) S.A.

BlackRock (Luxembourg) S.A. is a wholly owned subsidiary within the BlackRock Group and has been managing collective investment schemes or discretionary funds since 1988. As of 30 June 2019, BlackRock Group managed approximately US\$6.84 trillion in assets on behalf of investors worldwide. For additional information on BlackRock, please visit [www.blackrock.com/sg](http://www.blackrock.com/sg).

## Risks

### Key Risks

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

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

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

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

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## Market and Credit Risks

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

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

You are exposed to currency risks. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of the underlying fund's investments to diminish or increase. Currency exchange rates may fluctuate significantly over short periods of time.

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

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

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

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

## Liquidity Risks

You are exposed to liquidity risks. There is no secondary market for the sub-fund. All redemption requests should be made to the Manager. In exceptional circumstances, the sub-fund's investment in the underlying fund may not be readily redeemable.

## Product-Specific Risks

You are exposed to derivatives risks. The use of derivatives may expose the underlying fund to a higher degree of risk. Derivative contracts can be highly volatile and a relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative position can hence increase the underlying fund's volatility. The underlying fund may sustain loss as a result of the failure of a derivatives counterparty to comply with the term of the derivative contract. The underlying fund may also use derivatives to facilitate more complex efficient portfolio management techniques.

You are exposed to distressed securities risks. The underlying fund may invest in securities issued by a company that is in financial difficulty or in default. There is no guarantee that any exchange offer or reorganisation will be successfully completed.

You are exposed to non-investment grade risks. Non-investment grade securities will generally pay higher yields than more highly rated securities but will be subject to greater market credit and default risks.

You are exposed to risk of securities lending. The underlying fund may engage in securities lending. As such, the underlying fund will have a credit risk exposure to the counterparties to any securities lending contract. The underlying fund's investment can be lent to counterparties over a period of time. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the underlying fund. Please refer to the section on "Use of Derivatives and Securities Lending" of the underlying fund's Singapore Prospectus for more details.

You are exposed to risk relating to distributions. 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

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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.

For details on the specific risks of investments in BlackRock Global Funds – Asian Tiger Bond Fund, please refer to section on “Risk Factors” of the underlying fund’s Singapore Prospectus.

## Expense and Turnover Ratio

### Asian Bond Fund

	Expense Ratio	Turnover Ratio
As of 31 December 2018	1.27%	34.99%
As of 31 December 2017	1.24%	32.07%

### BlackRock Global Funds - Asian Tiger Bond Fund

	Expense Ratio	Turnover Ratio
As of 31 December 2018	1.22%	115.39%
As of 31 December 2017	1.22%	143.12%

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

## Soft Dollar Commission or Arrangement

### Income

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

### Blackrock

Each of the BlackRock Group company may endeavor, 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. Please refer to section on “Soft Dollar Commissions” of the underlying fund’s Singapore Prospectus for more information.

## 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. The Manager will conduct all transactions with or for the sub-fund on an arm’s length basis. The Manager have in place policies and procedures to monitor and mitigate conflicts of interest which may arise in the management of these sub-funds. The Manager believes that these policies and procedures are reasonably designed to ensure that portfolio management decisions are made in the best interest of the sub-fund and each sub-fund is treated fairly, regardless of the existence of any conflict.

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## BlackRock

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

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

## 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

### Dilution and dilution adjustment of the underlying fund

The directors of the underlying fund may adjust the net asset value per share for the fund in order to reduce the effect of "dilution" on that fund. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a fund, deviates from the carrying value of these assets in the fund's valuation due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets. Dilution may have an adverse effect on the value of a fund and therefore impact shareholders. By adjusting the net asset value per share this effect can be reduced or prevented and shareholders can be protected from the impact of dilution. The directors of the underlying fund may adjust the net asset value of a fund if on any dealing day the aggregate transactions in shares of all classes of that fund result in a net increase or decrease of shares which exceeds a threshold set by the directors from time to time for that fund (relating to the cost of market dealing for that fund). In such circumstances the net asset value of the relevant fund may be adjusted by an amount (not exceeding 1.50%, or 3% in the case of fixed income Funds, of that net asset value) which reflects the dealing costs that may be incurred by the fund and the estimated bid/offer spread of the assets in which the fund invests.

Please refer to paragraph 17.3 in Appendix B of the underlying fund's Luxembourg Prospectus for more information.

## Reports

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

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

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

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## IMPORTANT NOTES

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

Information correct as of 26 November 2019