Annual Fund Report

for the financial year as of 31 December 2015

ntuc income
made different

Contents

MESSAGE

1 March 2016

Dear Policyholder

We are pleased to bring you our Annual Fund Report.

In 2015, both Singapore and global financial markets declined in light of uncertainty around China's growth potential and volatility in prices for oil and other raw materials. Over the last 12 months, we saw global investments move away from developing economies and risk assets to safer ones like US government bonds, which depressed interest rates in advanced economies to a historical low. Global trade also grew at a much slower pace as many emerging economies are China and commodity-dependent. The Singapore economy was also impacted, with gross domestic product expanding by 2.1% in 2015, the slowest pace in six years. In the next 12 months, we continue to take a cautious view on the investment climate as market volatility is likely to escalate in 2016. We strive to continue managing your investment-linked funds with prudence to deliver long-term expected returns through this particularly challenging environment.

Despite a challenging market environment, I am glad to report that our funds continued 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 4th quarter of 2015. Our Global Managed Fund (Growth) achieved "Lipper Leader" in two categories, "Consistent Return" and "Total Return" in the same review.

The latest Annual Fund Report for the financial period ended December 2015 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 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
NTUC Income

SUMMARY OF FUND PERFORMANCE AS OF 31 DECEMBER 2015

Fund	Launch Date	Fund Size (S$ million)	Performance (1 year)	Performance (2 years - Cumulative)
Core Funds				
Global Bond Fund	Jan-03	124	0.13%	6.11%
Global Equity Fund	Apr-98	245	6.34%	15.01%
Singapore Bond Fund	Mar-00	276	0.66%	5.01%
Singapore Equity Fund	Jan-03	144	-11.75%	-3.76%
Managed Funds				
Asia Managed Fund	Sep-95	96	0.65%	8.76%
Global Managed Fund (Balanced)	Jan-03	172	1.65%	8.72%
Global Managed Fund (Conservative)	Jan-03	12	1.25%	7.50%
Global Managed Fund (Growth)	Jan-03	241	1.93%	9.60%
Singapore Managed Fund	May-94	79	-7.05%	-0.20%
Target Maturity Funds				
AIM Now	Sep-09	117	0.74%	5.50%
AIM 2025	Sep-09	14	1.03%	7.80%
AIM 2035	Sep-09	17	1.82%	9.37%
AIM 2045	Sep-09	18	1.81%	9.58%
Specialised Funds				
Money Market Fund	May-06	19	0.62%	0.89%
Thematic Funds				
Asian Income Fund	May-14	236	-0.98%	NA
Global Income Fund	Mar-15	65	NA	NA
Global Technology Fund	Aug-00	73	14.92%	19.66%
Prime Fund	Aug-73	207	-2.93%	5.94%
Takaful Fund	Sep-95	19	10.22%	25.33%
Average Return			**1.17%**	**8.28%**

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 fund will invest mainly in global government and corporate bonds, mortgage backed securities and asset backed securities. The portfolio will have an average "A" rating by Standard and Poor's. The fund is denominated in Singapore Dollars.

Fund details as of 31 December 2015

Launch Date	2 January 2003
Fund Size	S$124.37 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	0.85% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Broadly Diversified
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Spanish Govt Bond 2.75% 311024	8.1	6.5
US Treasury Note 3% 151145	4.0	3.2
US Treasury Note 3.5% 150520	3.8	3.1
Japan Govt 10-yr 0.6% 200324	3.7	3.0
Canada Housing Trust 3.15% 150923	3.2	2.6
US Treasury Infl. Index Bond 2.5% 150129	2.9	2.3
Rep of Slovenia Slorep 4.375% 180121	2.4	2.0
Treasury UKT 4.25% 070336	2.4	1.9
Japan Treasury Disc Bill 220216	2.4	1.9
Japan Govt 30-yr 1.7% 200944	2.4	1.9

December 2014	S$ (mil)	% of Net Asset Value
US Treasury Bill 120315	5.3	4.1
Spanish Govt Bond 3.75% 311018	5.0	3.9
Japan Govt 10-yr 0.6% 200324	4.9	3.8
US Treasury Infl. Index Bond 0.125% 150724	4.6	3.6
Treasury UKT 1.75% 070922	4.2	3.3
US Treasury Bill 140515	4.0	3.1
Treasury UKT 4% 070322	3.7	2.9
US Treasury Infl. Index Bond 2.5% 150129	3.4	2.6
US Treasury Note 2.125% 300921	3.1	2.4
Australian Govt 5.25% 150319	2.8	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 fund. Pacific Investment Management Company LLC is the Sub-Investment Manager of the fund.

NTUC Income Insurance Co-operative Limited
NTUC 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.

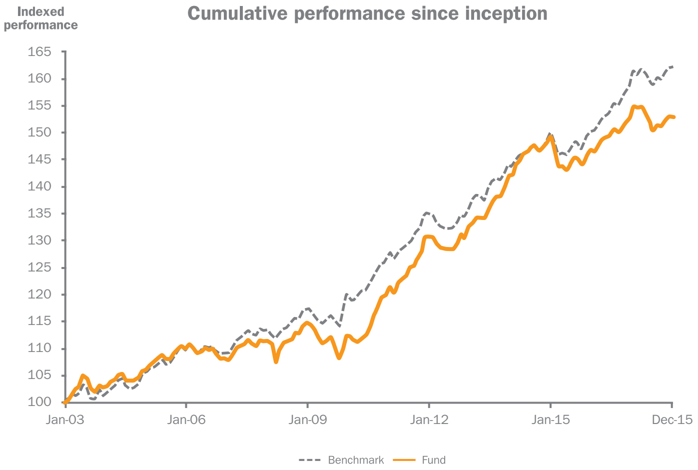
As a social enterprise, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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.

Pacific Investment Management Company LLC (PIMCO LLC)
Pacific Investment Management Company LLC ("PIMCO") was founded in Newport Beach, California in 1971. PIMCO is a global investment solutions provider with more than 2,400 dedicated professionals in 12 countries focused on a single mission: to manage risks and deliver returns for clients. Today, PIMCO has offices in Newport Beach, New York, Amsterdam, Singapore, Tokyo, London, Sydney, Munich, Zurich, Toronto, Hong Kong, Milan and Rio de Janeiro. PIMCO's global investment process includes both top-down and bottom-up decision-making, holding a long-term view to guard against periodic bouts of euphoria and depression that often characterise financial markets. As of 31 December 2015, PIMCO managed US$1.43 trillion in assets, including US$1.07 trillion in third-party client assets.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Bond Fund	-0.3%	0.1%	1.7%	0.1%	1.2%	3.5%	3.3%	3.3%
Benchmark	-0.2%	0.4%	2.1%	2.2%	3.1%	4.1%	3.9%	3.8%



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 3rd quarter was marked by lingering concerns about global growth and uncertainty over how central bank policies would unfold, leaving markets on edge. The subsequent rise in global financial market volatility to multi-year highs drove Developed Market central banks to reiterate their commitment to accommodative policies. On a positive note, the 4th quarter brought some respite as economic fundamentals strengthened and sentiment stabilised. The improving backdrop was sufficient to give the US Federal Reserve (Fed) the confidence to lift policy rates for the first time in nearly a decade. While markets first responded to the long-awaited lift-off with a sense of relief, as the year wound down, some assets struggled to navigate a still difficult international landscape.

In the energy sector, oil slumped again in late 2015, following a similar pattern in 2014. At the December OPEC meeting, leaders of oil-producing nations were unable to come to an agreement to cut production, which caused another leg down in energy prices. With Saudi Arabia “doubling down” on its goal to take out higher-cost producers, Iran expected to re-enter the global market in 2016, and US shale producers proving more resilient than anticipated, a narrative of “lower for longer” in oil prices took hold. Brent crude prices fell 35.0% over the year and weighed heavily on the outlook for energy companies and exporting countries.

Asia

The People’s Bank of China’s (PBOC) surprise devaluation of the yuan on August 11 generated market volatility. While the devaluation was small relative to other global currency moves, it sparked another round of global uncertainty as markets surmised that China’s hasty structural reform policies were a sign that policymakers were losing their ability to effectively manage a smooth transition to a different and slower growth model, despite simultaneously deploying fiscal and monetary stimulus as a cushion. The devaluation and rising fears quickly rippled through financial markets, sparking a selloff in Emerging Market currencies, commodities and a drop in inflation expectations. Fortunately, these assets showed signs of recovery after a volatile 3rd quarter. The yuan was officially welcomed into the International Monetary Fund’s Special Drawing Rights basket (alongside the USD, EUR, JPY and GBP). To help facilitate a gradual revaluation of the yuan, the PBOC subsequently decided to adopt a comprehensive trade-weighted basket to manage the yuan against (instead of purely against the US Dollar). In Japan, focus shifted from the central bank’s actions to Prime Minister Abe’s new set of policies designed to revive the world’s 3rd largest economy.

US

In the US, many global economic indicators remained strong, despite the overall market volatility. Economic indicators continued to suggest a healthy pace of growth, especially the labour market where the unemployment rate fell further towards its pre-crisis lows. The US domestic demand engine was robust, driven predominantly by consumer spending, which was supported by job gains and rising consumer confidence, while government spending and investment contributed modestly. Amid signs that job gains may be transitioning to income gains, inflation expectations rose modestly, despite new lows in oil prices. This positive tone allowed the Fed to begin reducing monetary accommodation, raising the policy rate by 25 basis points on December 16. Markets were well-prepared and interpreted the hike to be a vote of confidence in the economic recovery. Markets were also calmed by the Fed’s indication that this would be a dovish tightening cycle.

Eurozone

Anaemic inflation led markets to anticipate another policy intervention from the European Central Bank’s (ECB) President Mario Draghi but the cut in the deposit rate and expansion of Quantitative Easing (QE) disappointed markets, which deemed them insufficient.

GLOBAL BOND FUND

Market Outlook

Major economies are expected to continue converging in 2016 while central bank policies diverge. The US recovery will remain on a fairly stable trajectory. Growth in Europe and Japan is projected to increase only modestly, while Brazil, India, Russia & Mexico (BRIM) economies should continue to improve. The Fed will not be the only central bank hiking in 2016, but most others will likely ease policy through rate cuts, QE or, at least, keeping rates on hold.

In the US, the baseline view is above-trend economic growth of 2.0%–2.5% over the year with headline inflation of 1.5%–2.0%. With job growth expected to slow as the economy reaches full employment, personal spending will be tied more closely to real wage gains, which should remain modest. Given modest global growth and a strong US Dollar, we anticipate little boost from international trade. On the positive side, the recent budget agreement will provide the US economy with a modest fiscal boost. We see the risks biased toward more Fed rate hikes than the two quarter-point increases the market currently prices in.

For the Eurozone, we anticipate above-trend gross domestic product (GDP) growth of about 1.5%. The ECB's QE measures will keep bank lending rates low across both core and peripheral countries, boosting loan growth. While net exports should benefit from the euro weakening to date, slower growth in the Eurozone's major trading partners may limit their contribution to growth. Headline inflation will increase to about 1.0% on a weaker euro and firming oil prices, but core inflation is unlikely to rise to the ECB's definition of price stability. Persistently below-target inflation should open the door to an expansion of the existing programme.

Japanese GDP growth will increase modestly to about 1.0% in 2016. A weak yen may continue to support corporate profits and the stock market, but the slowdown in China and other trading partners will remain a headwind to net exports. Headline inflation will advance toward 1.0%, but likely remain below the Bank of Japan's (BOJ) target of 2.0%. While this could prompt further BOJ easing, it is not assured as there are concerns that the Quantitative and Qualitative Easing programme could run up against technical limits. Japan's shift in fiscal policy goals – an important new development – could be supportive of stronger growth.

For China, the outlook is mostly unchanged with expectations for growth around 6.0% and headline inflation about 2.0%. We still believe China possesses the "will and the wallet" to deal with the challenges of slower growth and pivot toward a service economy; however, the task is difficult and policy mistakes may occur along the way. We anticipate additional easing via cuts to the deposit rate and required reserve ratio. We also see a modest rise in the budget deficit due to quasi-fiscal financing of local public works.

BRIM growth is expected to increase modestly to 1.25%–2.25%. An important driver of our lower-than-consensus forecast is the extended contraction in Brazil, given the sharp drop in confidence and elevated political uncertainty. Russia is also expected to contract in 2016, albeit at a slower pace than previously. Meanwhile, both India and Mexico should grow in line with consensus. We forecast 2016 headline consumer price index inflation in BRIM at 6.0%, but Brazil remains the outlier with higher-than-consensus inflation.

Risks

As the 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

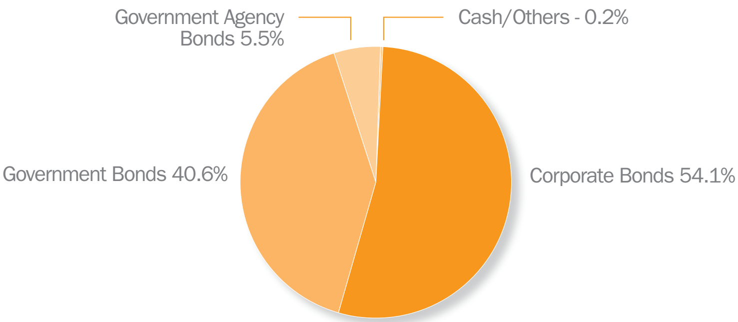
NTUC Income's ILP funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	0.92%	185.71%
As of 31 December 2014	0.93%	315.04%

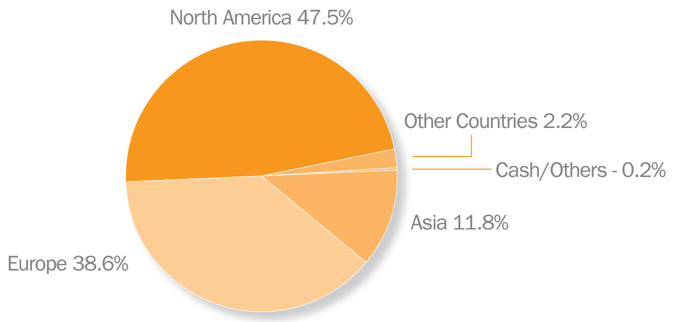
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 31 December 2015



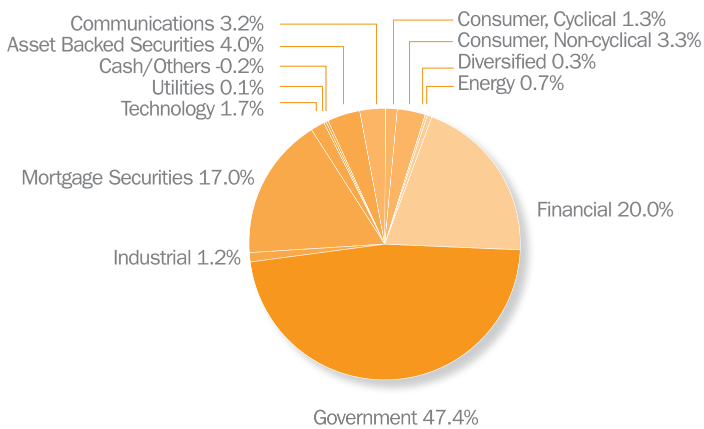
	S$ (mil)
Corporate Bonds	67.3
Government Bonds	50.5
Government Agency Bonds	6.8
Cash/Others	-0.2
Total	124.4

Country allocation as of 31 December 2015



	S$ (mil)
Asia	14.7
Europe	48.1
North America	59.1
Other Countries	2.8
Cash/Others	-0.2
Total	124.4

Sector allocation as of 31 December 2015



	S$ (mil)
Asset Backed Securities	5.0
Communications	3.9
Consumer, Cyclical	1.7
Consumer, Non-cyclical	4.1
Diversified	0.3
Energy	0.9
Financial	24.9
Government	59.0
Industrial	1.5
Mortgage Securities	21.1
Technology	2.2
Utilities	0.2
Cash/Others	-0.2
Total	124.4

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	41.8	33.6
AA+	8.7	7.0
AA	4.2	3.4
AA-	4.0	3.2
A+	3.9	3.1
A	20.6	16.6
A-	4.6	3.7
BBB+	10.4	8.4
BBB	11.9	9.6
BBB-	12.1	9.7
Not rated	2.3	1.9
Total	124.6	100.2

'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.

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	128,845,409
Purchase of units	6,611,615
Redemption of units	(11,214,809)
Gain/(loss) on investments and other income	1,218,098
Management fee and other charges	(1,090,472)
Value of fund as of 31 December 2015	124,369,841

Units in issue	81,331,419
Net asset value per unit	
- at the beginning of the year	1.527
- as of 31 December 2015	1.529

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	(1,258,225)	1.01	(4,851,960)	1,051,652
Swaps	189,680	0.15	1,589,350	(1,339,171)

GLOBAL BOND FUND

Collateral received for OTC Financial Derivative Instruments

Collateral management is used to mitigate the fund's exposure to the counterparty of OTC financial derivatives. As at 31 December 2015, the fund has received a US Treasury Bill of credit rating A-1 from S&P, worth USD 298,000, from JP Morgan Chase Bank, N.A.

Investment in collective investment schemes

Nil.

Borrowings

Nil.

Related party disclosure

NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$1,090,472.

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.

Conflict of interests

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

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

Other parties

The auditor of this 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 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.

Investment objective

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

Investment scope

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

Fund details as of 31 December 2015

Launch Date	1 April 1998
Fund Size	S$244.63 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	1.25% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Benchmark	MSCI World Index in Singapore Dollars
Structure	Single Fund

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

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity Alpha	59.4	24.3
Nestle SA	7.1	2.9
Reckitt Benckiser Group	6.4	2.6
Accenture Plc	5.5	2.3
The Walt Disney Co	5.0	2.0
Visa Inc	4.9	2.0
Time Warner Inc	4.7	1.9
Thermo Fisher Scientific Inc	4.1	1.7
Honeywell International Inc	3.8	1.5
Microsoft Corp	3.4	1.4

December 2014	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity Alpha	64.7	25.3
Nestle SA	7.9	3.1
Reckitt Benckiser Group	6.5	2.5
Time Warner Inc	5.9	2.3
Accenture Plc	5.5	2.1
The Walt Disney Co	5.4	2.1
Visa Inc	5.1	2.0
Diageo Plc	5.0	2.0
British American Tobacco PLC	4.0	1.6
Honeywell International Inc	3.7	1.5

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

Fund manager

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

NTUC Income Insurance Co-operative Limited
NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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.

Morgan Stanley Investment Management Company (MSIM)
Morgan Stanley Investment Management headquartered in New York (USA), together with its investment advisory affiliates, has more than 602 investment professionals around the world and US$406 billion in assets under management or supervision as of 31 December 2015. It is a direct, wholly-owned subsidiary of Morgan Stanley.

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$413.2 billion (as of 31 December 2015). 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.

Schroder Investment Management Limited
Schroder Investment Management Limited is the Investment Manager of the Schroder ISF- Global Equity Alpha.

Schroder Investment Management Limited is domiciled in the United Kingdom and has been managing collective investment schemes and discretionary funds since 1985.

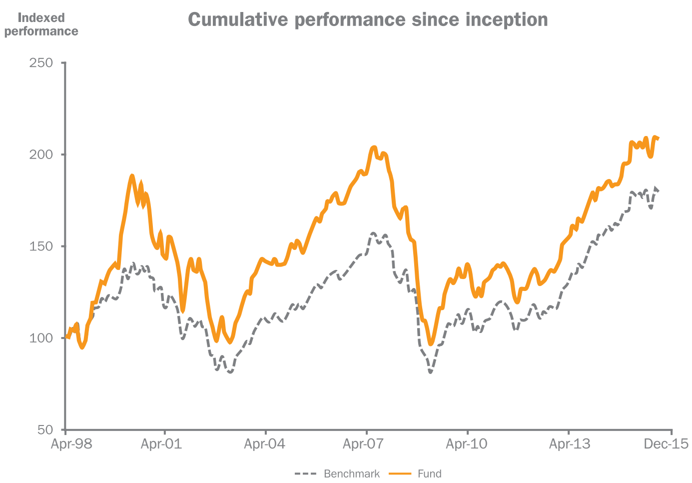
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$462.1 billion (as of 31 December 2015).

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
Global Equity Fund	-1.6%	4.7%	2.2%	6.3%
Benchmark	-1.1%	5.3%	1.8%	6.1%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Equity Fund	14.1%	9.0%	2.1%	4.4%
Benchmark	15.2%	9.8%	3.3%	3.5%



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

Markets were volatile during the 2nd half of 2015. Headwinds from slowing Chinese growth sent ripple effects across the Developed and Emerging Markets (EM). Heavy selling of Chinese shares early in the summer was compounded during August when an unexpected yuan devaluation spawned fears that China was the latest entrant into the so-called currency wars. China's trial-and-error policy response to market events late in 2015 severely undermined market faith in China's ability to manage an increasingly complex market and economic landscape. Developed Market central banks were busy late in 2015. The US Federal Reserve (Fed) raised rates at the December Federal Open Market Committee meeting while the European Central Bank (ECB) and the Bank of Japan both modestly added to their asset purchase programmes with inflation remaining stubbornly low. Global growth remained modest while deflationary forces continue to build. Tumbling prices for oil and other raw materials was pervasive during the 2nd half of 2015.

The US S&P 500 index returned 5.5% in Singapore Dollar terms for the 2nd half of 2015. Upbeat US labour data helped set the stage for the first rate hike in the post-financial crisis era late in mid-December. The hike was initially viewed as a vote of confidence in the US economy, but by year-end, many were concerned that the Fed had jumped the gun by hiking amid modest growth and still very low inflation. Slowing Chinese growth and a steady decline in the prices of oil and other commodities were headwinds for firms in the energy, materials and industrial sectors while solid US employment and housing markets were supportive factors.

European stocks, as measured by the STOXX 50 index, returned -2.1% in Singapore Dollar terms during the 2nd half of 2015. Only modest additional stimulus from the ECB in December, despite very low inflation, caught markets off-guard, causing the market to shed earlier gains. A more aggressive policy response had been priced in by the markets. Europe experienced an uptick in political risk during late 2015 with the Greek government maintaining only a bare majority while Spain and Portugal had difficulty forming governing coalitions after inconclusive election results. Additionally, the refugee crisis intensified during the 2nd half.

In Japan, the Nikkei Composite Index returned 0.8% in Singapore Dollar terms during the 2nd half of 2015. Markets have grown concerned that Abenomics — fiscal stimulus, monetary easing and structural reforms —have run out of steam. A significantly stronger yen weighed on sentiment, as has slowing growth in China, Japan's largest trading partner.

Market outlook

Volatility is expected to remain high during 2016, making for challenging markets. Sub-par growth and low inflation will likely endure for much of the developed and emerging world.

United States: US multinational companies are expected to face some earnings headwinds from the strong US Dollar and a below-trend economic recovery — although many of them continue to deliver positive organic growth. Margins have also begun to peak across sectors, and top-line growth has been very company-specific. Examining recent earnings results, we see significant discrepancies in performance between companies that are able to deliver growth and those that cannot. In other words, active stock-picking matters. Until more data is available to indicate whether the slowdown in manufacturing, the weakness in exports and the stutter step in earnings will persist, fear could rule the markets for riskier assets.

Europe: A continued economic recovery may be seen, although the strength of the rebound will be extremely moderate and some European stocks have already priced in these expectations. Looking further out, we believe global multinationals based in Europe, currently hurt by their exposure to EM, will continue to provide long-term value.

Japan: While overall valuations appear low on a relative basis, we are very selective in identifying compelling opportunities. While there are some world-class niche businesses in Japan, and the focus on shareholders is marginally improving, fundamentals remain challenged because of weaker demand from overseas, particularly from China, and pro-growth reforms to bolster the Japanese economy are proceeding slowly.

Emerging Markets: Consumption areas are favourable as compared to infrastructure or commodity-based industries or state-owned enterprises. Broadly speaking, the fund also continues to be underweight sectors such as energy, commodities and basic materials. Reduced Chinese demand has compounded EM countries' structural issues by adding cyclical challenges like low commodity prices and slowing global trade. EM debt levels have been building — rapidly in some countries. Higher rates from the Fed and wider risk premia make servicing that debt more difficult.

Risks

As the 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

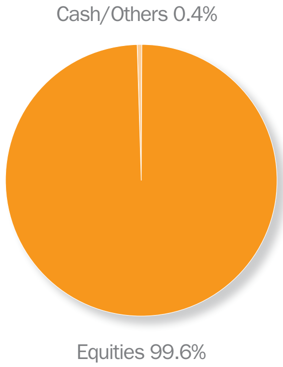
NTUC Income's ILP funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	1.46%	9.96%
As of 31 December 2014	1.47%	9.35%

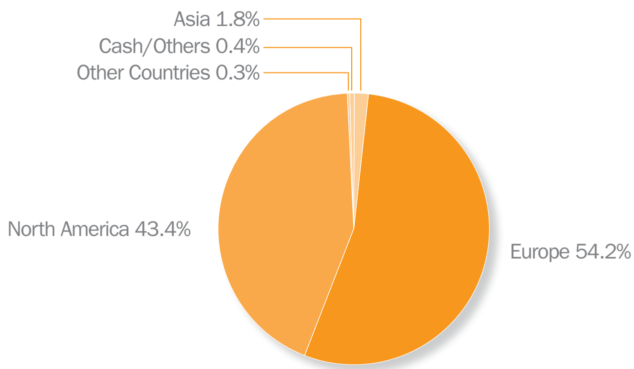
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 31 December 2015



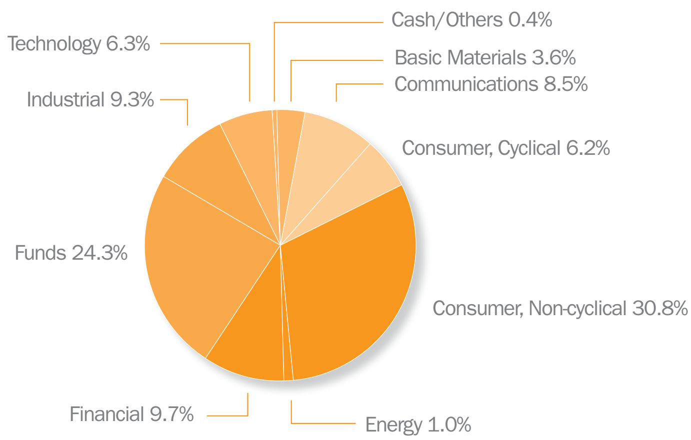
	S$ (mil)
Equities	243.7
Cash/Others	0.9
Total	244.6

Country allocation as of 31 December 2015



	S$ (mil)
Asia	4.4
Europe	132.5
North America	106.1
Other Countries	0.6
Cash/Others	0.9
Total	244.6

Sector allocation as of 31 December 2015



GLOBAL EQUITY FUND

Sector allocation as of 31 December 2015

	S$ (mil)
Basic Materials	8.9
Communications	20.7
Consumer, Cyclical	15.3
Consumer, Non-cyclical	75.2
Energy	2.4
Financial	23.7
Funds	59.4
Industrial	22.6
Technology	15.4
Cash/Others	0.9
Total	244.6

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

Credit rating of debt securities

There are no debt securities under Global Equity Fund.

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	255,561,161
Purchase of units	6,144,765
Redemption of units	(33,178,924)
Gain/(loss) on investments and other income	18,857,522
Management fee and other charges	(2,754,112)
Value of fund as of 31 December 2015	244,630,412

Units in issue	89,457,559
Net asset value per unit	
- at the beginning of the year	2.572
- as of 31 December 2015	2.735

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	-	-	(16,541)	1,332

Investment in collective investment schemes

December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity Alpha	59.4	24.3

Borrowings

Nil.

Related party disclosure

NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$2,754,112.

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 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 Sub-Investment Managers did not accept or enter into soft dollar commission/arrangement unless such commission/arrangement would, in the opinion of the Sub-Investment Managers, assist the Sub-Investment Managers in the management of the sub-fund. The Sub-Investment Managers confirmed that trades were made on best execution basis, that is, the 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.

Conflict of interests

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.

MFS has in place policies and procedures to mitigate conflict of interests which may arise in the management of clients' accounts. MFS 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.

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

Other parties

The auditor of this 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 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.

SINGAPORE BOND FUND

Investment objective

The objective of this 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 fund is at least 4 years.

Investment scope

This 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 fund may invest up to 30% high quality unsecured or unrated bonds. The fund is denominated in Singapore Dollars.

Fund details as of 31 December 2015

Launch Date	1 March 2000
Fund Size	S$276.00 million
Initial Sales Charge	3.5%(an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	0.5% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Narrowly Focused – Country – Singapore
Benchmark	UOB Long Bond Index
Structure	Single Fund

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

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 2.875% 010930	39.8	14.4
Singapore Government Bonds 2.75% 010442	25.4	9.2
Singapore Government Bonds 3% 010924	18.8	6.8
Singapore Government Bonds 3.5% 010327	13.4	4.9
Singapore Government Bonds 2.75% 010723	8.8	3.2
Singapore Government Bonds 2.875% 010729	7.1	2.6
Malayan Banking 3.8% 280421	5.8	2.1
Temasek FINL I 4% 071229	5.2	1.9
Singapore Government Bonds 2.5% 010619	5.2	1.9
Land Transport Authority 3.275% 291025	5.1	1.8

December 2014	S$ (mil)	% of Net Asset Value
Singapore Government Bonds 3% 010924	21.4	8.1
Singapore Government Bonds 3.25% 010920	19.0	7.2
Singapore Government Bonds 2.75% 010442	17.1	6.4
Singapore Government Bonds 3.5% 010327	13.8	5.2
Singapore Government Bonds 2.875% 010930	11.9	4.5
Singapore Government Bonds 2.75% 010723	8.9	3.3
Singapore Government Bonds 2.25% 010621	8.1	3.1
Singapore Government Bonds 3.125% 010922	6.5	2.4
Temasek FINL I 4% 071229	5.3	2.0
Singapore Government Bonds 2.5% 010619	5.2	2.0

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

NTUC 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.

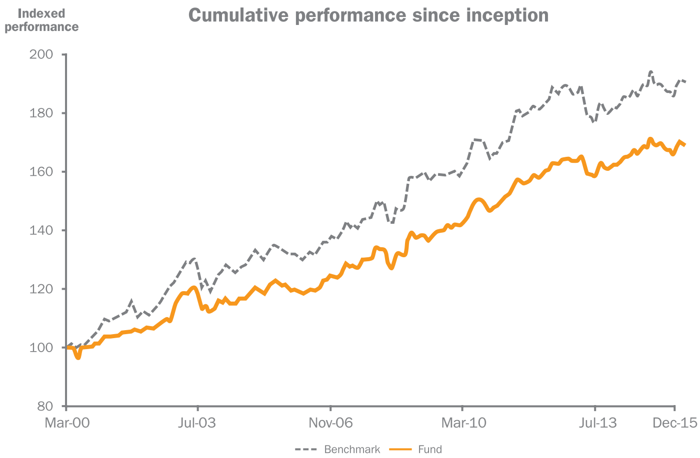
As a social enterprise, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Bond Fund	-0.5%	0.2%	1.3%	0.7%	1.0%	2.9%	3.5%	3.3%
Benchmark	-0.3%	0.2%	1.9%	0.9%	0.2%	3.0%	3.7%	4.1%

SINGAPORE BOND FUND



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 has been in a benign inflation environment since late 2014 and the consumer price index (CPI) posted a -0.5% reading for the whole of 2015, down from 1.0% in 2014. Core CPI which excludes accommodation and private road transport was 0.5% in 2015, lower than the 1.9% increase in 2014. Meanwhile gross domestic product growth for the year 2015 is likely to be around 2.0%, the lowest since the recession in early 2009. The aforementioned are associated with moderated economic growth in China as it transitions to a consumption led economy, as well as low global commodity prices.

Notwithstanding the weaker economic environment, return of the UOB Singapore Government Securities (SGS) Long Index was 0.86% in the year 2015. The weaker Singapore Dollar story which started after the Monetary Authority of Singapore eased in January 2015, coupled with hawkish rhetoric from US Federal Reserve (Fed) in the latter part of 2015, contributed to the low return. As interest rates remained low and credit default rates at below historical average, moderate quality credits were well bid at the expense of SGS.

As we enter into 2016, markets are beginning to feel uneasy with the diverging policies of central banks. Fed has embarked on its path of monetary policy tightening – the December 2015 rate hike was the first since June 2006 – amid improvements in the labour and housing markets, but all other major central banks continue to run accommodative monetary policies. Market volatility is likely to escalate in 2016.

With SGS as its core holding, the Singapore Bond Fund is positioned for slower economic growth and low interest rates for an extended period. The good quality credits held by the Fund will provide yield pick-up over SGS and are robust enough to weather short- to medium-term market volatility. We remain constructive on credits in the longer run as moderate growth and accommodative policy stance of central banks should continue to underpin investors' search for yield.

Risks

As the 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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.

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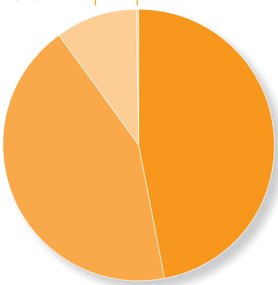
Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	0.53%	26.82%
As of 31 December 2014	0.56%	10.57%

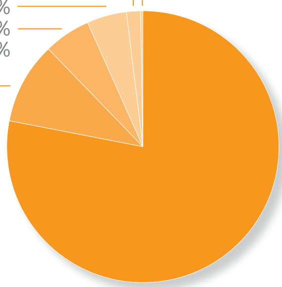
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 31 December 2015



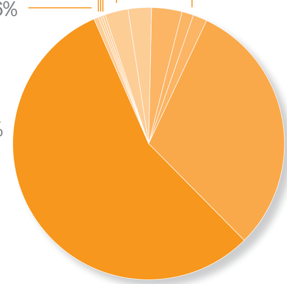
	S$ (mil)
Corporate Bonds	130.0
Government Bonds	118.5
Government Agency Bonds	27.0
Cash/Others	0.5
Total	276.0

Country allocation as of 31 December 2015



	S$ (mil)
Singapore	216.1
Asia	26.6
Europe	15.4
North America	13.3
Other Countries	4.0
Cash/Others	0.5
Total	276.0

Sector allocation as of 31 December 2015



	S$ (mil)
Basic Materials	1.0
Communications	7.4
Consumer, Cyclical	8.1
Consumer, Non-cyclical	9.7
Diversified	4.0
Energy	4.5
Financial	84.3
Government	154.0
Industrial	1.7
Utilities	0.7
Cash/Others	0.5
Total	276.0

Credit rating of debt securities

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	132.9	48.1
AA	3.7	1.3
AA-	5.6	2.0
A+	23.0	8.3
A	9.6	3.5
A-	2.5	0.9
BBB+	17.8	6.4
BBB	8.8	3.2
BBB-	9.2	3.3
BB+	2.4	0.9
Not rated	60.1	21.8
Total	275.5	99.8

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

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

SINGAPORE BOND FUND

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	265,985,711
Purchase of units	22,750,606
Redemption of units	(14,573,833)
Gain/(loss) on investments and other income	3,198,818
Management fee and other charges	(1,362,901)
Value of fund as of 31 December 2015	275,998,401

Units in issue	164,573,179
Net asset value per unit	
- at the beginning of the year	1.666
- as of 31 December 2015	1.677

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	(85,362)	0.03	4,224	(85,362)
Swaps	(121,795)	0.04	-	(122,250)

Investment in collective investment schemes

Nil.

Borrowings

Nil.

Related party disclosure

NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$1,362,901.

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.

Conflict of interests

As the Manager of various NTUC 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 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 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.

SINGAPORE EQUITY FUND

Investment objective

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

Investment scope

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

Fund details as of 31 December 2015

Launch Date	2 January 2003
Fund Size	S$144.06 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	0.65% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Narrowly Focused – Country – Singapore
Benchmark	FTSE Straits Times Index (FTSE STI)
Structure	Single Fund

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

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
DBS Group Holdings Ltd	18.1	12.5
Oversea-Chinese Banking Corp	16.6	11.5
Singapore Telecommunications Ltd	16.2	11.2
United Overseas Bank Ltd	13.6	9.5
Hongkong Land Holdings Ltd	6.9	4.8
CapitaLand Ltd	6.1	4.2
Keppel Corp Ltd	5.7	3.9
Thai Beverage PCL	4.5	3.1
Global Logistic Properties Ltd	4.1	2.9
Wilmar International Ltd	3.7	2.6

December 2014	S$ (mil)	% of Net Asset Value
DBS Group Holdings Ltd	22.3	13.1
Oversea-Chinese Banking Corp	18.4	10.9
United Overseas Bank Ltd	16.7	9.9
Singapore Telecommunications Ltd	16.5	9.7
Jardine Matheson Holdings	11.5	6.8
Keppel Corp Ltd	6.9	4.1
Hongkong Land Holdings Ltd	6.5	3.8
CapitaLand Ltd	6.2	3.6
Jardine Strategic Holdings Ltd	6.0	3.5
Global Logistic Properties Ltd	5.2	3.1

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

Fund manager

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

NTUC Income Insurance Co-operative Limited

NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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.

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.

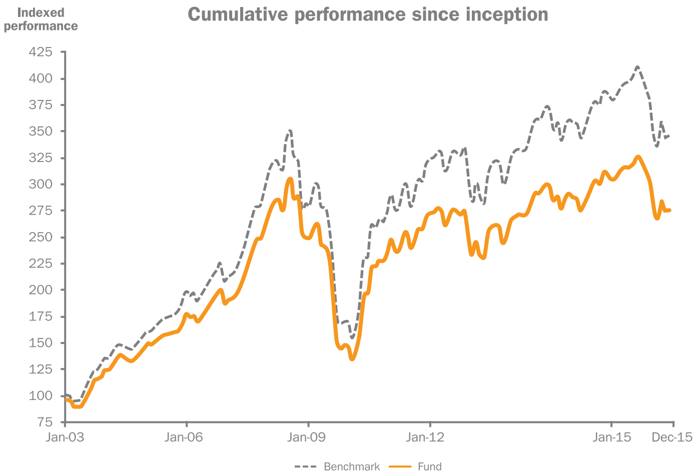
SINGAPORE EQUITY FUND

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

*AUM reflects approximately US$2.24 trillion (as of 31 December 2015), US$24.5 billion with respect to which State Street Global Markets, LLC (SSGM) serves as marketing agent; SSGM and State Street Global Advisors are affiliated.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Equity Fund	1.2%	3.7%	-11.7%	-11.7%	-0.6%	0.0%	4.3%	8.1%
Benchmark	1.3%	3.9%	-11.4%	-11.2%	0.1%	1.1%	5.6%	10.0%



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 bruising 2015 with most stocks seeing red. Concerns of a stuttering China, depressed oil price, and the first tightening by the US Federal Reserve in almost a decade, sent investors seeking for cover. Singapore, which is primarily an export driven country, was severely sold off by investors on concerns of the impact of a slowing Chinese economy and weak global trade.

The equity market, STI, was down 14.3% for the year with 25 of the 30 index constituents seeing share price decline. This led to the STI to underperform Asia ex-Japan by 9.2%. With the exception of the Transportation sector, all sectors registered negative returns. The worst performing was the Capital Goods sector, dragged down by commodity trader, Noble. Downgrades by credit rating agencies, and falling commodity prices drove the stock price lower by 65.0%, a level not seen since 2004. Offshore and Marine names, Sembcorp Marine and Keppel Corp also saw large losses, on the back of possible huge order book cancellations by a technically bankrupt Sete Brazil. The few bright spots for the year, were outperformers like SATS (+25.9%) and ComfortDelgro (+17.3%). SATS reported strong earnings growth for the year supported by cost savings and healthy income contributions from associates and joint ventures. ComfortDelgro with its stable growth in its bus business and a resilient taxi fleet despite threats from Uber and Grabcar, was viewed as a defensive, and saw positive stock gains for the year.

On the local economy, gross domestic product expanded by 2.1% in 2015. This was the slowest in six years. The manufacturing sector declined by 6.0% in the 4th quarter, extending the 5.9% decline in the previous quarter. The sector was dragged down by weak output in the electronics, transport engineering and precision engineering clusters. Non-oil domestic exports in Singapore also continued to weaken, falling 7.2% in December, after registering a 3.4% drop the previous month. Top country contributor to the decline was China.

As for market outlook, we believe the weak start to 2016 has pushed market valuations to very attractive levels. However, Singapore is operating in a particularly challenging environment. Being an open economy, we are especially susceptible to the risk of the current uncertain macro headwinds. A weak China, Singapore largest trading partner, would hurt its economic growth. The country is also undergoing a transformation of its economy through deflating the asset market, such as the housing, and restructuring the labour market by restricting foreign labour growth and improving productivity. Hence, we believe that stock selection is key. We believe in a barbell strategy of buying defensive stocks that pays dividends as well as attractively valued blue chip cyclical names.

Risks

As the 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

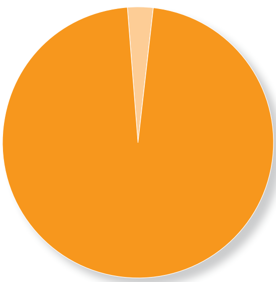
NTUC Income's ILP funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	0.74%	15.13%
As of 31 December 2014	0.72%	6.53%

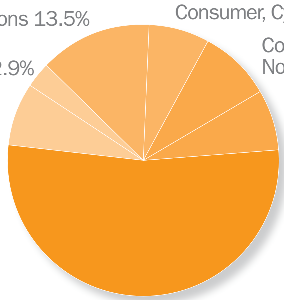
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 31 December 2015



	S$ (mil)
Equities	139.9
Cash/Others	4.2
Total	144.1

Sector allocation as of 31 December 2015



	S$ (mil)
Communications	19.5
Consumer, Cyclical	10.3
Consumer, Non-cyclical	12.7
Diversified	10.1
Financial	76.4
Industrial	11.0
Cash/Others	4.2
Total	144.1

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

Credit rating of debt securities

There are no debt securities under Singapore Equity Fund.

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	169,294,395
Purchase of units	20,601,178
Redemption of units	(27,848,795)
Gain/(loss) on investments and other income	(16,952,444)
Management fee and other charges	(1,033,252)
Value of fund as of 31 December 2015	144,061,082

Units in issue	52,533,079
Net asset value per unit	
- at the beginning of the year	3.107
- as of 31 December 2015	2.742

SINGAPORE EQUITY FUND

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	-	-	371	-
Futures	5,113	-	(188,805)	(3,448)

Investment in collective investment schemes

December 2015	S$ (mil)	% of Net Asset Value
CapitaLand Mall Trust (REIT)	2.8	1.9
Hutchison Port Holdings Trust	2.3	1.6
Ascendas REIT	2.1	1.5
CapitaLand Retail China Trust (REIT)	0.5	0.3
Keppel REIT	0.2	0.2

Borrowings

Nil.

Related party disclosure

NTUC Income is the Investment Manager of the fund. During the financial period ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$1,033,252.

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.

Conflict of interests

As the Manager of various NTUC 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 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 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.

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 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) 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 Fund is denominated in Singapore Dollars.

Fund details as of 31 December 2015

Launch Date	1 September 1995
Fund Size	S$96.21 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	1.0% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Narrowly Focused – Regional – Asia
Benchmark	70% MSCI AC Asia ex-Japan Index in Singapore Dollars 30% UOB Long Bond Index
Structure	Single Fund

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

Top 10 holdings

Asia Managed Fund

December 2015	S$ (mil)	% of Net Asset Value	December 2014	S$ (mil)	% of Net Asset Value
Schroder Asian Growth Fund	66.7	69.3	Schroder Asian Growth Fund	69.2	69.6
Singapore Bond Fund	27.8	28.9	Singapore Bond Fund	28.2	28.4
Schroder ISF Indian Equity	1.1	1.1	Schroder ISF Indian Equity	1.5	1.5
			Oversea Chinese 4.2% 140149	0.1	0.1

Schroder Asian Growth Fund^

December 2015	S$ (mil)	% of Net Asset Value	December 2014	S$ (mil)	% of Net Asset Value
Taiwan Semiconductor Manufacturing Co Ltd	35.8	6.9	Taiwan Semiconductor Manufacturing Co Ltd	30.8	6.2
AIA Group Ltd	28.8	5.5	AIA Group Ltd	22.6	4.5
Tencent Holdings Ltd	27.0	5.2	Jardine Strategic Hldg Ltd	17.6	3.5
China Mobile Ltd	19.7	3.8	Techtronic Ind Co Ltd	14.9	3.0
Samsung Electronics Co Ltd	17.7	3.4	Hyundai Motor Co	14.8	3.0
Techtronic Ind Co Ltd	17.6	3.4	Samsung Electronics Co Ltd	14.7	2.9
Baidu Inc ADR	14.4	2.8	Tencent Holdings Ltd	14.4	2.9
China Pacific Insurance (Group) Co Ltd H Shares	14.3	2.7	Hutchison Whampoa Ltd	14.0	2.8
China Lodging Group Ltd ADS	14.2	2.7	China Pacific Insurance (Group) Co Ltd H Shares	13.2	2.6
HDFC Bank Ltd	14.0	2.7	China Lodging Group Ltd ADS	11.9	2.4

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

Fund manager

NTUC Income Insurance Co-operative Limited

NTUC 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.

ASIA MANAGED FUND

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

At the end of 2015, NTUC Income had S$30.70 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$462.1 billion (as of 31 December 2015).

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	0.3%	5.5%	-1.9%	0.7%
Benchmark	0.0%	2.6%	-5.9%	-1.5%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asia Managed Fund	4.8%	4.5%	7.1%	5.3%
Benchmark	3.3%	2.4%	6.0%	5.1%

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

Looking back on 2015, Asian stock markets have had a challenging year as slowing global and Emerging Market growth, particularly in China, and a stronger US Dollar have weighed on investor sentiment. Asian equities underperformed as global growth failed to spill-over into Asian markets, and domestic demands continued to be weak despite the large windfall from lower oil price. Sentiment was muted on the back of the US Federal Reserve's (Fed) interest rate hike, the first since 2006. Across the region, Indonesia's government announced an extensive economic stimulus plan which saw a surge in the stock market for the month of December. In contrast, Thailand declined as foreign outflow accelerated amidst weak sentiment and slowing growth. In China, macro data continued to indicate a slowdown in economic growth. A weaker global demand backdrop also weighed on export-oriented economies Korea and Taiwan, with the latter's technology sector correcting following a series of negative data prints that point to potential downside for the Apple supply chain.

Market outlook

Asia continues to offer significant structural advantages in terms of growth potential over the longer term, but there are short-term headwinds that need to be factored into investment decision making. Events in China continue to dominate sentiment towards the regional asset class. China has been responsible for a disproportionate percentage of aggregate demand growth globally in recent years, and stimulated further growth across the supply chains of Asian and Emerging Markets, most notably in the commodity complex. As the Chinese economy continues to slow and rebalance, this weakness is acting as a painful drag on growth across many industries and economies in Asia. Tighter US Dollar liquidity, as the Fed starts to raise rates, and the US currency appreciates, also acts as a restraint on credit growth in the region, where dollars are still a key lubricant for trade flows and economic activity and an important source of borrowings in recent years.

The fund continues to be relatively cautious on the Asian equity outlook heading into 2016. The manager can still find enough ideas to remain close to fully invested, however, clients should be reasonable about likely returns given the upward rerating potential is low at a time of weak aggregate earnings growth. Caution stems from the view that deflationary forces and the sluggish global economy are likely to remain headwinds for Asian stock markets. Deflation is not good if there is excessive amounts of debt – and significant leverage has been added in the region since the Global Financial Crisis, particularly in the corporate sector in Greater China. Sluggish top line growth and sticky costs bases mean return on invested capital is likely to remain under pressure in many sectors.

The fund's preferred areas for investment are companies geared to the stronger secular growth themes in the region that are less vulnerable to the near term cyclical weakness or to the disruptive changes in technologies and business models that are likely to wreak havoc on many sleepy incumbents. This narrows the opportunity set today in Asia and selectivity is key.

Risks

The risk in the Asia Managed Fund is diversified by investing in a mixture of Asian equities & bonds. As the 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 counter party 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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.

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Expense and turnover ratio

Asia Managed Fund

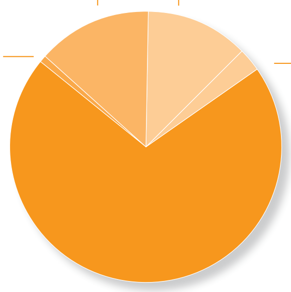
	Expense ratio	Turnover ratio
As of 31 December 2015	1.39%	3.30%
As of 31 December 2014	1.41%	5.06%

Schroder Asian Growth Fund

	Expense ratio	Turnover ratio
As of 31 December 2015	1.37%	29.42%
As of 31 December 2014	1.38%	20.04%

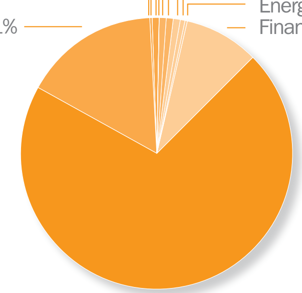
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 31 December 2015



	S$ (mil)
Corporate Bonds	13.1
Government Bonds	12.0
Government Agency Bonds	2.7
Equities	67.8
Cash/Others	0.6
Total	96.2

Sector allocation as of 31 December 2015



	S$ (mil)
Basic Materials	0.1
Communications	0.7
Consumer, Cyclical	0.8
Consumer, Non-cyclical	1.0
Diversified	0.4
Energy	0.5
Financial	8.5
Equity Funds	67.8
Government	15.5
Industrial	0.2
Utilities	0.1
Cash/Others	0.6
Total	96.2

ASIA MANAGED FUND

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	13.4	13.9
AA	0.4	0.4
AA-	0.6	0.6
A+	2.3	2.4
A	1.0	1.0
A-	0.3	0.3
BBB+	1.8	1.9
BBB	0.9	0.9
BBB-	0.9	1.0
BB+	0.2	0.2
Not rated	6.1	6.3
Total	27.8	28.9

'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.

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	99,390,942
Purchase of units	6,604,971
Redemption of units	(10,520,560)
Gain/(loss) on investments and other income	926,279
Management fee and other charges	(193,724)
Value of fund as of 31 December 2015	96,207,908

Units in issue	41,447,905
Net asset value per unit	
- at the beginning of the year	2.306
- as of 31 December 2015	2.321

Exposure to derivatives

Nil.

Investment in collective investment schemes

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

Borrowings

Nil.

Related party disclosure

NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$193,724.

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. The Manager also did not receive soft dollars for the sub-fund.

Conflict of interests

As the Manager of various NTUC 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 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 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.

GLOBAL MANAGED FUND (BALANCED)

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

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

Fund details as of 31 December 2015

Launch Date	2 January 2003
Fund Size	S$171.79 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	Charges at core funds levels as follow: Singapore Equity: 0.65% p.a. Singapore Bond: 0.5% p.a. Global Equity: 1.25% p.a. Global Bond: 0.85% p.a. Based on the above management fees charged to the respective core funds, the computed effective management fee applicable is 0.9375% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
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 Charge is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Global Equity Fund^	69.0	40.2
Global Bond Fund^	63.0	36.7
Singapore Bond Fund	25.2	14.7
Singapore Equity Fund	14.6	8.5

December 2014	S$ (mil)	% of Net Asset Value
Global Equity Fund^	74.5	41.0
Global Bond Fund^	65.7	36.1
Singapore Bond Fund	24.0	13.2
Singapore Equity Fund	17.4	9.6

^ 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.

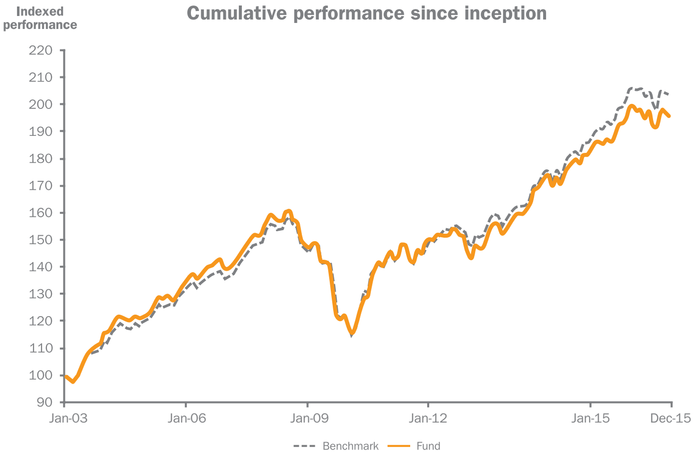
Fund manager
NTUC Income Insurance Co-operative Limited is the Investment Manager of the fund.

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

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Balanced)	-0.7%	2.2%	0.6%	1.7%	6.3%	5.3%	3.5%	5.4%
Benchmark	-0.4%	2.7%	0.6%	2.3%	7.2%	6.1%	4.2%	5.7%

GLOBAL MANAGED FUND (BALANCED)



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

The 3rd quarter was marked by lingering concerns about global growth and uncertainty over how central bank policies would unfold, leaving markets on edge. The subsequent rise in global financial market volatility to multi-year highs drove Developed Market central banks to reiterate their commitment to accommodative policies. On a positive note, the 4th quarter brought some respite as economic fundamentals strengthened and sentiment stabilised. The improving backdrop was sufficient to give the US Federal Reserve (Fed) the confidence to lift policy rates for the first time in nearly a decade. While markets first responded to the long-awaited lift-off with a sense of relief, as the year wound down, some assets struggled to navigate a still difficult international landscape.

In the energy sector, oil slumped again in late 2015, following a similar pattern in 2014. At the December OPEC meeting, leaders of oil-producing nations were unable to come to an agreement to cut production, which caused another leg down in energy prices. With Saudi Arabia "doubling down" on its goal to take out higher-cost producers, Iran expected to re-enter the global market in 2016, and US shale producers proving more resilient than anticipated, a narrative of "lower for longer" in oil prices took hold. Brent crude prices fell 35.0% over the year and weighed heavily on the outlook for energy companies and exporting countries.

Asia

The People's Bank of China's (PBOC) surprise devaluation of the yuan on August 11 generated market volatility. While the devaluation was small relative to other global currency moves, it sparked another round of global uncertainty as markets surmised that China's hasty structural reform policies were a sign that policymakers were losing their ability to effectively manage a smooth transition to a different and slower growth model, despite simultaneously deploying fiscal and monetary stimulus as a cushion. The devaluation and rising fears quickly rippled through financial markets, sparking a selloff in Emerging Market currencies, commodities and a drop in inflation expectations. Fortunately, these assets showed signs of recovery after a volatile 3rd quarter. The yuan was officially welcomed into the International Monetary Fund's Special Drawing Rights basket (alongside the USD, EUR, JPY and GBP). To help facilitate a gradual revaluation of the yuan, the PBOC subsequently decided to adopt a comprehensive trade-weighted basket to manage the yuan against (instead of purely against the US Dollar). In Japan, focus shifted from the central bank's actions to Prime Minister Abe's new set of policies designed to revive the world's 3rd largest economy.

US

In the US, many global economic indicators remained strong, despite the overall market volatility. Economic indicators continued to suggest a healthy pace of growth, especially the labour market where the unemployment rate fell further towards its pre-crisis lows. The US domestic demand engine was robust, driven predominantly by consumer spending, which was supported by job gains and rising consumer confidence, while government spending and investment contributed modestly. Amid signs that job gains may be transitioning to income gains, inflation expectations rose modestly, despite new lows in oil prices. This positive tone allowed the Fed to begin reducing monetary accommodation, raising the policy rate by 25 basis points on December 16. Markets were well-prepared and interpreted the hike to be a vote of confidence in the economic recovery. Markets were also calmed by the Fed's indication that this would be a dovish tightening cycle.

Eurozone

Anaemic inflation led markets to anticipate another policy intervention from the European Central Bank's (ECB) President Mario Draghi but the cut in the deposit rate and expansion of Quantitative Easing (QE) disappointed markets, which deemed them insufficient.

Market Outlook

Major economies are expected to continue converging in 2016 while central bank policies diverge. The US recovery will remain on a fairly stable trajectory. Growth in Europe and Japan is projected to increase only modestly, while Brazil, India, Russia & Mexico (BRIM) economies should continue to improve. The Fed will not be the only central bank hiking in 2016, but most others will likely ease policy through rate cuts, QE or, at least, keeping rates on hold.

In the US, the baseline view is above-trend economic growth of 2.0%–2.5% over the year with headline inflation of 1.5%–2.0%. With job growth expected to slow as the economy reaches full employment, personal spending will be tied more closely to real wage gains, which should remain modest. Given modest global growth and a strong US Dollar, we anticipate little boost from international trade. On the positive side, the recent budget agreement will provide the US economy with a modest fiscal boost. We see the risks biased toward more Fed rate hikes than the two quarter-point increases the market currently prices in.

For the Eurozone, we anticipate above-trend gross domestic product (GDP) growth of about 1.5%. The ECB's QE measures will keep bank lending rates low across both core and peripheral countries, boosting loan growth. While net exports should benefit from the euro weakening to date, slower growth in the Eurozone's major trading partners may limit their contribution to growth. Headline inflation will increase to about 1.0% on a weaker euro and firming oil prices, but core inflation is unlikely to rise to the ECB's definition of price stability. Persistently below-target inflation should open the door to an expansion of the existing programme.

Japanese GDP growth will increase modestly to about 1.0% in 2016. A weak yen may continue to support corporate profits and the stock market, but the slowdown in China and other trading partners will remain a headwind to net exports. Headline inflation will advance toward 1.0%, but likely remain below the Bank of Japan's (BOJ) target of 2.0%. While this could prompt further BOJ easing, it is not assured as there are concerns that the Quantitative and Qualitative Easing programme could run up against technical limits. Japan's shift in fiscal policy goals – an important new development – could be supportive of stronger growth.

For China, the outlook is mostly unchanged with expectations for growth around 6.0% and headline inflation about 2.0%. We still believe China possesses the "will and the wallet" to deal with the challenges of slower growth and pivot toward a service economy; however, the task is difficult and policy mistakes may occur along the way. We anticipate additional easing via cuts to the deposit rate and required reserve ratio. We also see a modest rise in the budget deficit due to quasi-fiscal financing of local public works.

BRIM growth is expected to increase modestly to 1.25% – 2.25%. An important driver of our lower-than-consensus forecast is the extended contraction in Brazil, given the sharp drop in confidence and elevated political uncertainty. Russia is also expected to contract in 2016, albeit at a slower pace than previously. Meanwhile, both India and Mexico should grow in line with consensus. We forecast 2016 headline consumer price index inflation in BRIM at 6.0%, but Brazil remains the outlier with higher-than-consensus inflation.

Singapore Bond

Singapore has been in a benign inflation environment since late 2014 and the consumer price index (CPI) posted a -0.5% reading for the whole of 2015, down from 1.0% in 2014. Core CPI which excludes accommodation and private road transport was 0.5% in 2015, lower than the 1.9% increase in 2014. Meanwhile gross domestic product growth for the year 2015 is likely to be around 2.0%, the lowest since the recession in early 2009. The aforementioned are associated with moderated economic growth in China as it transitions to a consumption led economy, as well as low global commodity prices.

Notwithstanding the weaker economic environment, return of the UOB Singapore Government Securities (SGS) Long Index was 0.86% in the year 2015. The weaker Singapore Dollar story which started after the Monetary Authority of Singapore eased in January 2015, coupled with hawkish rhetoric from US Federal Reserve (Fed) in the latter part of 2015, contributed to the low return. As interest rates remained low and credit default rates at below historical average, moderate quality credits were well bid at the expense of SGS.

As we enter into 2016, markets are beginning to feel uneasy with the diverging policies of central banks. Fed has embarked on its path of monetary policy tightening – the December 2015 rate hike was the first since June 2006 – amid improvements in the labour and housing markets, but all other major central banks continue to run accommodative monetary policies. Market volatility is likely to escalate in 2016.

With SGS as its core holding, the Singapore Bond Fund is positioned for slower economic growth and low interest rates for an extended period. The good quality credits held by the Fund will provide yield pick-up over SGS and are robust enough to weather short- to medium-term market volatility. We remain constructive on credits in the longer run as moderate growth and accommodative policy stance of central banks should continue to underpin investors' search for yield.

Global Equity

Market Review

Markets were volatile during the 2nd half of 2015. Headwinds from slowing Chinese growth sent ripple effects across the Developed and Emerging Markets (EM). Heavy selling of Chinese shares early in the summer was compounded during August when an unexpected yuan devaluation spawned fears that China was the latest entrant into the so-called currency wars. China's trial-and-error policy response to market events late in 2015 severely undermined market faith in China's ability to manage an increasingly complex market and economic landscape. Developed Market central banks were busy late in 2015. The US Federal Reserve (Fed) raised rates at the December Federal Open Market Committee meeting while the European Central Bank (ECB) and the Bank of Japan both modestly added to their asset purchase programmes with inflation remaining stubbornly low. Global growth remained modest while deflationary forces continue to build. Tumbling prices for oil and other raw materials was pervasive during the 2nd half of 2015.

The US S&P 500 index returned 5.5% in Singapore Dollar terms for the 2nd half of 2015. Upbeat US labour data helped set the stage for the first rate hike in the post-financial crisis era late in mid-December. The hike was initially viewed as a vote of confidence in the US economy, but by year-end, many were concerned that the Fed had jumped the gun by hiking amid modest growth and still very low inflation. Slowing Chinese growth and a steady decline in the prices of oil and other commodities were headwinds for firms in the energy, materials and industrial sectors while solid US employment and housing markets were supportive factors.

European stocks, as measured by the STOXX 50 index, returned -2.1% in Singapore Dollar terms during the 2nd half of 2015. Only modest additional stimulus from the ECB in December, despite very low inflation, caught markets off-guard, causing the market to shed earlier gains. A more aggressive policy response had been priced in by the markets. Europe experienced an uptick in political risk during late 2015 with the Greek government maintaining only a bare majority while Spain and Portugal had difficulty forming governing coalitions after inconclusive election results. Additionally, the refugee crisis intensified during the 2nd half.

In Japan, the Nikkei Composite Index returned 0.8% in Singapore Dollar terms during the 2nd half of 2015. Markets have grown concerned that Abenomics — fiscal stimulus, monetary easing and structural reforms — have run out of steam. A significantly stronger yen weighed on sentiment, as has slowing growth in China, Japan's largest trading partner.

Market Outlook

Volatility is expected to remain high during 2016, making for challenging markets. Sub-par growth and low inflation will likely endure for much of the developed and emerging world.

United States: US multinational companies are expected to face some earnings headwinds from the strong US Dollar and a below-trend economic recovery — although many of them continue to deliver positive organic growth. Margins have also begun to peak across sectors, and top-line growth has been very company-specific. Examining recent earnings results, we see significant discrepancies in performance between companies that are able to deliver growth and those that cannot. In other words, active stock-picking matters. Until more data is available to indicate whether the slowdown in manufacturing, the weakness in exports and the stutter step in earnings will persist, fear could rule the markets for riskier assets.

Europe: A continued economic recovery may be seen, although the strength of the rebound will be extremely moderate and some European stocks have already priced in these expectations. Looking further out, we believe global multinationals based in Europe, currently hurt by their exposure to EM, will continue to provide long-term value.

GLOBAL MANAGED FUND (BALANCED)

Japan: While overall valuations appear low on a relative basis, we are very selective in identifying compelling opportunities. While there are some world-class niche businesses in Japan, and the focus on shareholders is marginally improving, fundamentals remain challenged because of weaker demand from overseas, particularly from China, and pro-growth reforms to bolster the Japanese economy are proceeding slowly.

Emerging Markets: Consumption areas are favourable as compared to infrastructure or commodity-based industries or state-owned enterprises. Broadly speaking, the fund also continues to be underweight sectors such as energy, commodities and basic materials. Reduced Chinese demand has compounded EM countries' structural issues by adding cyclical challenges like low commodity prices and slowing global trade. EM debt levels have been building—rapidly in some countries. Higher rates from the Fed and wider risk premia make servicing that debt more difficult.

Singapore Equity

The Singapore market had a bruising 2015 with most stocks seeing red. Concerns of a stuttering China, depressed oil price, and the first tightening by the US Federal Reserve in almost a decade, sent investors seeking for cover. Singapore, which is primarily an export driven country, was severely sold off by investors on concerns of the impact of a slowing Chinese economy and weak global trade.

The equity market, STI, was down 14.3% for the year with 25 of the 30 index constituents seeing share price decline. This led to the STI to underperform Asia ex-Japan by 9.2%. With the exception of the Transportation sector, all sectors registered negative returns. The worst performing was the Capital Goods sector, dragged down by commodity trader, Noble. Downgrades by credit rating agencies, and falling commodity prices drove the stock price lower by 65.0%, a level not seen since 2004. Offshore and Marine names, Sembcorp Marine and Keppel Corp also saw large losses, on the back of possible huge order book cancellations by a technically bankrupt Sete Brazil. The few bright spots for the year, were outperformers like SATS (+25.9%) and ComfortDelgro (+17.3%). SATS reported strong earnings growth for the year supported by cost savings and healthy income contributions from associates and joint ventures. ComfortDelgro with its stable growth in its bus business and a resilient taxi fleet despite threats from Uber and Grabcar, was viewed as a defensive, and saw positive stock gains for the year.

On the local economy, gross domestic product expanded by 2.1% in 2015. This was the slowest in six years. The manufacturing sector declined by 6.0% in the 4th quarter, extending the 5.9% decline in the previous quarter. The sector was dragged down by weak output in the electronics, transport engineering and precision engineering clusters. Non-oil domestic exports in Singapore also continued to weaken, falling 7.2% in December, after registering a 3.4% drop the previous month. Top country contributor to the decline was China.

As for market outlook, we believe the weak start to 2016 has pushed market valuations to very attractive levels. However, Singapore is operating in a particularly challenging environment. Being an open economy, we are especially susceptible to the risk of the current uncertain macro headwinds. A weak China, Singapore largest trading partner, would hurt its economic growth. The country is also undergoing a transformation of its economy through deflating the asset market, such as the housing, and restructuring the labour market by restricting foreign labour growth and improving productivity. Hence, we believe that stock selection is key. We believe in a barbell strategy of buying defensive stocks that pays dividends as well as attractively valued blue chip cyclical names.

Risks

The risk in the Balanced Fund is diversified by investing in a mixture of local and global bonds and equities. As the 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

NTUC Income's ILP 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 NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP fund.

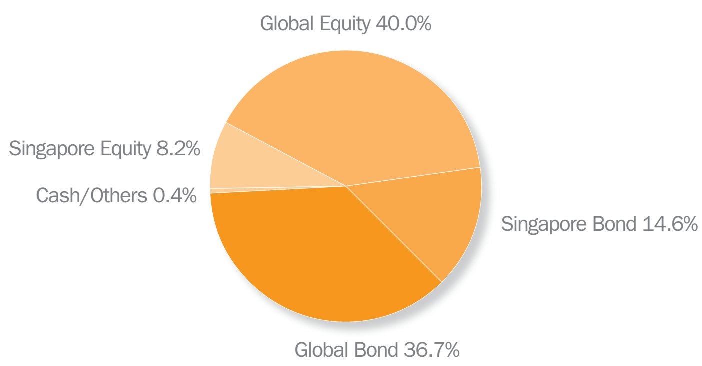
Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	1.16%	2.59%
As of 31 December 2014	1.13%	2.91%

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.

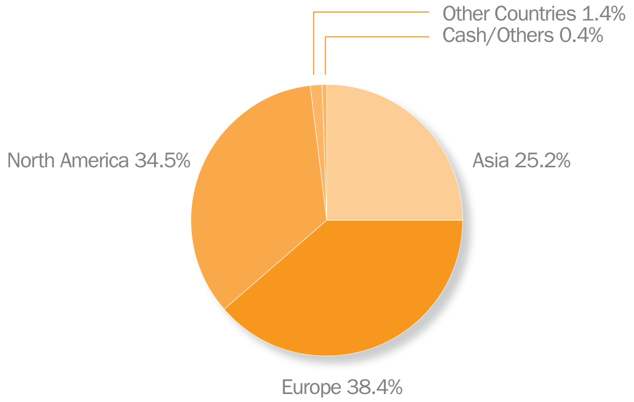
Asset allocation as of 31 December 2015



	S$ (mil)
Singapore Equity	14.1
Global Equity	68.8
Singapore Bond	25.1
Global Bond	63.1
Cash/Others	0.7
Total	171.8

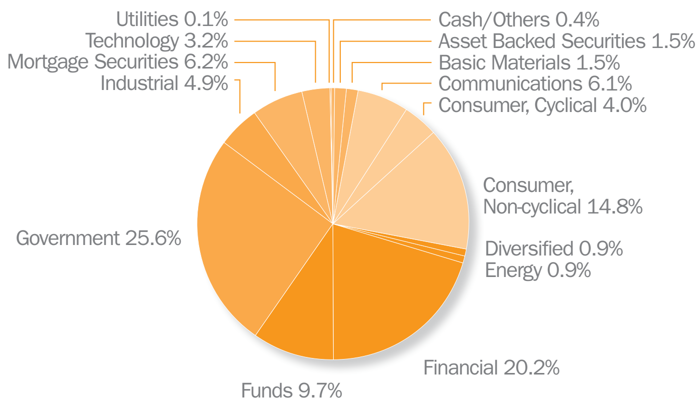
GLOBAL MANAGED FUND (BALANCED)

Country allocation as of 31 December 2015



	S$ (mil)
Asia	43.4
Europe	66.0
North America	59.3
Other Countries	2.4
Cash/Others	0.7
Total	171.8

Sector allocation as of 31 December 2015



	S$ (mil)
Asset Backed Securities	2.5
Basic Materials	2.6
Communications	10.5
Consumer, Cyclical	6.9
Consumer, Non-cyclical	25.5
Diversified	1.6
Energy	1.5
Financial	34.7
Funds	16.7
Government	43.9
Industrial	8.4
Mortgage Securities	10.7
Technology	5.4
Utilities	0.1
Cash/Others	0.7
Total	171.8

Credit rating of debt securities

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	33.3	19.4
AA+	4.4	2.6
AA	2.5	1.4
AA-	2.5	1.5
A+	4.1	2.4
A	11.3	6.6
A-	2.6	1.5
BBB+	6.9	4.0
BBB	6.8	4.0
BBB-	7.0	4.1
BB+	0.2	0.1
Not rated	6.7	3.9
Total	88.2	51.4

'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.

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	181,706,716
Purchase of units	5,532,965
Redemption of units	(18,460,130)
Gain/(loss) on investments and other income	3,011,828
Value of fund as of 31 December 2015	171,791,379

Units in issue	87,223,242
Net asset value per unit	
- at the beginning of the year	1.938
- as of 31 December 2015	1.970

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 2015	S$ (mil)	% of Net Asset Value
Global Equity Fund	69.0	40.2
Global Bond Fund	63.0	36.7
Singapore Bond Fund	25.2	14.7
Singapore Equity Fund	14.6	8.5

Borrowings
Nil.

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

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.

Conflict of interests
As the Manager of various NTUC 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 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 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.

GLOBAL MANAGED FUND (CONSERVATIVE)

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

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

Fund details as of 31 December 2015

Launch Date	2 January 2003
Fund Size	S$11.84 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	Charges at core funds levels as follow: Singapore Equity: 0.65% p.a. Singapore Bond: 0.5% p.a. Global Equity: 1.25% p.a. Global Bond: 0.85% p.a. Based on the above management fees charged to the respective core funds, the computed effective management fee applicable is 0.87% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
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 Charge is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.

Top 10 holdings

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

December 2014	S$ (mil)	% of Net Asset Value
Global Bond Fund^	6.2	49.5
Global Equity Fund	3.1	25.2
Singapore Bond Fund	2.4	19.2
Singapore Equity Fund	0.6	4.8

^ 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.

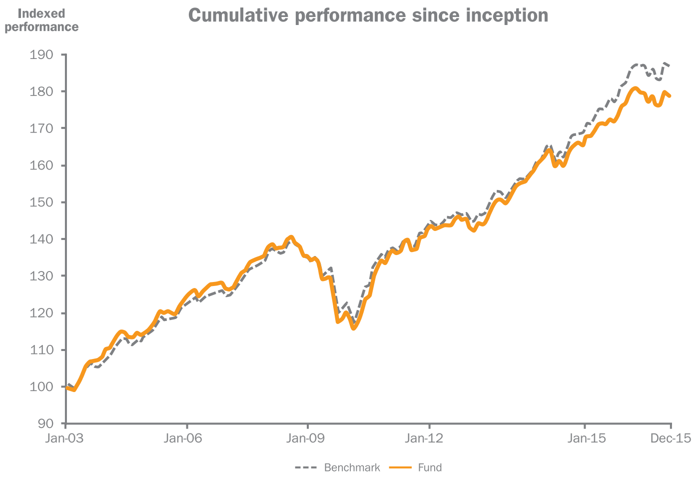
Fund manager
NTUC Income Insurance Co-operative Limited is the Investment Manager of the fund.

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

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Conservative)	-0.6%	1.4%	1.1%	1.3%	4.1%	4.5%	3.5%	4.5%
Benchmark	-0.4%	1.8%	1.3%	2.3%	5.4%	5.3%	4.1%	4.9%

GLOBAL MANAGED FUND (CONSERVATIVE)



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

The 3rd quarter was marked by lingering concerns about global growth and uncertainty over how central bank policies would unfold, leaving markets on edge. The subsequent rise in global financial market volatility to multi-year highs drove Developed Market central banks to reiterate their commitment to accommodative policies. On a positive note, the 4th quarter brought some respite as economic fundamentals strengthened and sentiment stabilised. The improving backdrop was sufficient to give the US Federal Reserve (Fed) the confidence to lift policy rates for the first time in nearly a decade. While markets first responded to the long-awaited lift-off with a sense of relief, as the year wound down, some assets struggled to navigate a still difficult international landscape.

In the energy sector, oil slumped again in late 2015, following a similar pattern in 2014. At the December OPEC meeting, leaders of oil-producing nations were unable to come to an agreement to cut production, which caused another leg down in energy prices. With Saudi Arabia “doubling down” on its goal to take out higher-cost producers, Iran expected to re-enter the global market in 2016, and US shale producers proving more resilient than anticipated, a narrative of “lower for longer” in oil prices took hold. Brent crude prices fell 35.0% over the year and weighed heavily on the outlook for energy companies and exporting countries.

Asia

The People’s Bank of China’s (PBOC) surprise devaluation of the yuan on August 11 generated market volatility. While the devaluation was small relative to other global currency moves, it sparked another round of global uncertainty as markets surmised that China’s hasty structural reform policies were a sign that policymakers were losing their ability to effectively manage a smooth transition to a different and slower growth model, despite simultaneously deploying fiscal and monetary stimulus as a cushion. The devaluation and rising fears quickly rippled through financial markets, sparking a selloff in Emerging Market currencies, commodities and a drop in inflation expectations. Fortunately, these assets showed signs of recovery after a volatile 3rd quarter. The yuan was officially welcomed into the International Monetary Fund’s Special Drawing Rights basket (alongside the USD, EUR, JPY and GBP). To help facilitate a gradual revaluation of the yuan, the PBOC subsequently decided to adopt a comprehensive trade-weighted basket to manage the yuan against (instead of purely against the US Dollar). In Japan, focus shifted from the central bank’s actions to Prime Minister Abe’s new set of policies designed to revive the world’s 3rd largest economy.

US

In the US, many global economic indicators remained strong, despite the overall market volatility. Economic indicators continued to suggest a healthy pace of growth, especially the labour market where the unemployment rate fell further towards its pre-crisis lows. The US domestic demand engine was robust, driven predominantly by consumer spending, which was supported by job gains and rising consumer confidence, while government spending and investment contributed modestly. Amid signs that job gains may be transitioning to income gains, inflation expectations rose modestly, despite new lows in oil prices. This positive tone allowed the Fed to begin reducing monetary accommodation, raising the policy rate by 25 basis points on December 16. Markets were well-prepared and interpreted the hike to be a vote of confidence in the economic recovery. Markets were also calmed by the Fed’s indication that this would be a dovish tightening cycle.

Eurozone

Anaemic inflation led markets to anticipate another policy intervention from the European Central Bank’s (ECB) President Mario Draghi but the cut in the deposit rate and expansion of Quantitative Easing (QE) disappointed markets, which deemed them insufficient.

Market Outlook

Major economies are expected to continue converging in 2016 while central bank policies diverge. The US recovery will remain on a fairly stable trajectory. Growth in Europe and Japan is projected to increase only modestly, while Brazil, India, Russia & Mexico (BRIM) economies should continue to improve. The Fed will not be the only central bank hiking in 2016, but most others will likely ease policy through rate cuts, QE or, at least, keeping rates on hold.

In the US, the baseline view is above-trend economic growth of 2.0%–2.5% over the year with headline inflation of 1.5%–2.0%. With job growth expected to slow as the economy reaches full employment, personal spending will be tied more closely to real wage gains, which should remain modest. Given modest global growth and a strong US Dollar, we anticipate little boost from international trade. On the positive side, the recent budget agreement will provide the US economy with a modest fiscal boost. We see the risks biased toward more Fed rate hikes than the two quarter-point increases the market currently prices in.

For the Eurozone, we anticipate above-trend gross domestic product (GDP) growth of about 1.5%. The ECB’s QE measures will keep bank lending rates low across both core and peripheral countries, boosting loan growth. While net exports should benefit from the euro weakening to date, slower growth in the Eurozone’s major trading partners may limit their contribution to growth. Headline inflation will increase to about 1.0% on a weaker euro and firming oil prices, but core inflation is unlikely to rise to the ECB’s definition of price stability. Persistently below-target inflation should open the door to an expansion of the existing programme.

Japanese GDP growth will increase modestly to about 1.0% in 2016. A weak yen may continue to support corporate profits and the stock market, but the slowdown in China and other trading partners will remain a headwind to net exports. Headline inflation will advance toward 1.0%, but likely remain below the

Bank of Japan's (BOJ) target of 2.0%. While this could prompt further BOJ easing, it is not assured as there are concerns that the Quantitative and Qualitative Easing programme could run up against technical limits. Japan's shift in fiscal policy goals – an important new development – could be supportive of stronger growth.

For China, the outlook is mostly unchanged with expectations for growth around 6.0% and headline inflation about 2.0%. We still believe China possesses the "will and the wallet" to deal with the challenges of slower growth and pivot toward a service economy; however, the task is difficult and policy mistakes may occur along the way. We anticipate additional easing via cuts to the deposit rate and required reserve ratio. We also see a modest rise in the budget deficit due to quasi-fiscal financing of local public works.

BRIM growth is expected to increase modestly to 1.25% – 2.25%. An important driver of our lower-than-consensus forecast is the extended contraction in Brazil, given the sharp drop in confidence and elevated political uncertainty. Russia is also expected to contract in 2016, albeit at a slower pace than previously. Meanwhile, both India and Mexico should grow in line with consensus. We forecast 2016 headline consumer price index inflation in BRIM at 6.0%, but Brazil remains the outlier with higher-than-consensus inflation.

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Notwithstanding the weaker economic environment, return of the UOB Singapore Government Securities (SGS) Long Index was 0.86% in the year 2015. The weaker Singapore Dollar story which started after the Monetary Authority of Singapore eased in January 2015, coupled with hawkish rhetoric from US Federal Reserve (Fed) in the latter part of 2015, contributed to the low return. As interest rates remained low and credit default rates at below historical average, moderate quality credits were well bid at the expense of SGS.

As we enter into 2016, markets are beginning to feel uneasy with the diverging policies of central banks. Fed has embarked on its path of monetary policy tightening – the December 2015 rate hike was the first since June 2006 – amid improvements in the labour and housing markets, but all other major central banks continue to run accommodative monetary policies. Market volatility is likely to escalate in 2016.

With SGS as its core holding, the Singapore Bond Fund is positioned for slower economic growth and low interest rates for an extended period. The good quality credits held by the Fund will provide yield pick-up over SGS and are robust enough to weather short- to medium-term market volatility. We remain constructive on credits in the longer run as moderate growth and accommodative policy stance of central banks should continue to underpin investors' search for yield.

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Market Outlook

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GLOBAL MANAGED FUND (CONSERVATIVE)

Europe: A continued economic recovery may be seen, although the strength of the rebound will be extremely moderate and some European stocks have already priced in these expectations. Looking further out, we believe global multinationals based in Europe, currently hurt by their exposure to EM, will continue to provide long-term value.

Japan: While overall valuations appear low on a relative basis, we are very selective in identifying compelling opportunities. While there are some world-class niche businesses in Japan, and the focus on shareholders is marginally improving, fundamentals remain challenged because of weaker demand from overseas, particularly from China, and pro-growth reforms to bolster the Japanese economy are proceeding slowly.

Emerging Markets: Consumption areas are favourable as compared to infrastructure or commodity-based industries or state-owned enterprises. Broadly speaking, the fund also continues to be underweight sectors such as energy, commodities and basic materials. Reduced Chinese demand has compounded EM countries' structural issues by adding cyclical challenges like low commodity prices and slowing global trade. EM debt levels have been building — rapidly in some countries. Higher rates from the Fed and wider risk premia make servicing that debt more difficult.

Singapore Equity

The Singapore market had a bruising 2015 with most stocks seeing red. Concerns of a stuttering China, depressed oil price, and the first tightening by the US Federal Reserve in almost a decade, sent investors seeking for cover. Singapore, which is primarily an export driven country, was severely sold off by investors on concerns of the impact of a slowing Chinese economy and weak global trade.

The equity market, STI, was down 14.3% for the year with 25 of the 30 index constituents seeing share price decline. This led to the STI to underperform Asia ex-Japan by 9.2%. With the exception of the Transportation sector, all sectors registered negative returns. The worst performing was the Capital Goods sector, dragged down by commodity trader, Noble. Downgrades by credit rating agencies, and falling commodity prices drove the stock price lower by 65.0%, a level not seen since 2004. Offshore and Marine names, Sembcorp Marine and Keppel Corp also saw large losses, on the back of possible huge order book cancellations by a technically bankrupt Sete Brazil. The few bright spots for the year, were outperformers like SATS (+25.9%) and ComfortDelgro (+17.3%). SATS reported strong earnings growth for the year supported by cost savings and healthy income contributions from associates and joint ventures. ComfortDelgro with its stable growth in its bus business and a resilient taxi fleet despite threats from Uber and Grabcar, was viewed as a defensive, and saw positive stock gains for the year.

On the local economy, gross domestic product expanded by 2.1% in 2015. This was the slowest in six years. The manufacturing sector declined by 6.0% in the 4th quarter, extending the 5.9% decline in the previous quarter. The sector was dragged down by weak output in the electronics, transport engineering and precision engineering clusters. Non-oil domestic exports in Singapore also continued to weaken, falling 7.2% in December, after registering a 3.4% drop the previous month. Top country contributor to the decline was China.

As for market outlook, we believe the weak start to 2016 has pushed market valuations to very attractive levels. However, Singapore is operating in a particularly challenging environment. Being an open economy, we are especially susceptible to the risk of the current uncertain macro headwinds. A weak China, Singapore largest trading partner, would hurt its economic growth. The country is also undergoing a transformation of its economy through deflating the asset market, such as the housing, and restructuring the labour market by restricting foreign labour growth and improving productivity. Hence, we believe that stock selection is key. We believe in a barbell strategy of buying defensive stocks that pays dividends as well as attractively valued blue chip cyclical names.

Risks

The risk in the Conservative Fund is diversified by investing in a mixture of local and global bonds and equities. As the 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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.

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Expense and turnover ratio

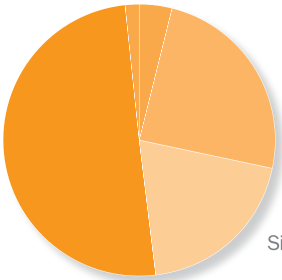
	Expense ratio	Turnover ratio
As of 31 December 2015	1.05%	1.84%
As of 31 December 2014	1.02%	3.02%

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.

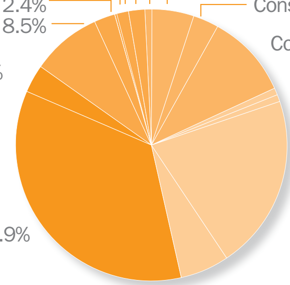
GLOBAL MANAGED FUND (CONSERVATIVE)

Asset allocation as of 31 December 2015



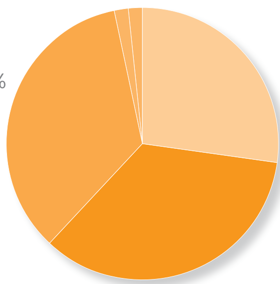
	S$ (mil)
Singapore Equity	0.5
Global Equity	2.9
Singapore Bond	2.3
Global Bond	6.0
Cash/Others	0.2
Total	11.8

Sector allocation as of 31 December 2015



	S$ (mil)
Asset Backed Securities	0.2
Basic Materials	0.1
Communications	0.6
Consumer, Cyclical	0.4
Consumer, Non-cyclical	1.2
Diversified	0.1
Energy	0.1
Financial	2.4
Funds	0.7
Government	4.1
Industrial	0.4
Mortgage Securities	1.0
Technology	0.3
Utilities	0.0
Cash/Others	0.2
Total	11.8

Country allocation as of 31 December 2015



	S$ (mil)
Asia	3.2
Europe	4.1
North America	4.1
Other Countries	0.2
Cash/Others	0.2
Total	11.8

Credit rating of debt securities

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	3.1	26.4
AA+	0.4	3.5
AA	0.2	2.0
AA-	0.2	2.0
A+	0.4	3.2
A	1.1	9.0
A-	0.2	2.1
BBB+	0.6	5.5
BBB	0.6	5.4
BBB-	0.7	5.6
BB+	0.0	0.2
Not rated	0.6	5.2
Total	8.3	70.1

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

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

GLOBAL MANAGED FUND (CONSERVATIVE)

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	12,453,671
Purchase of units	593,925
Redemption of units	(1,363,010)
Gain/(loss) on investments and other income	157,368
Value of fund as of 31 December 2015	11,841,954

Units in issue	6,658,528
Net asset value per unit	
- at the beginning of the year	1.756
- as of 31 December 2015	1.778

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 2015	S$ (mil)	% of Net Asset Value
Global Bond Fund	6.0	50.3
Global Equity Fund	2.9	24.5
Singapore Bond Fund	2.3	19.7
Singapore Equity Fund	0.5	4.1

Borrowings
Nil.

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

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.

Conflict of interests
As the Manager of various NTUC 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 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 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.

GLOBAL MANAGED FUND (GROWTH)

Investment objective

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

Investment scope

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

Fund details as of 31 December 2015

Launch Date	2 January 2003
Fund Size	S$240.80 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	Charges at core funds levels as follow: Singapore Equity: 0.65% p.a. Singapore Bond: 0.5% p.a. Global Equity: 1.25% p.a. Global Bond: 0.85% p.a. Based on the above management fees charged to the respective core funds, the computed effective management fee applicable is 1.005% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
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 Charge is not guaranteed and may be reviewed from time to time. However it shall not exceed 2.0% of the fund balance at any point of time.

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Global Equity Fund^	134.4	55.8
Global Bond Fund	49.9	20.7
Singapore Equity Fund	30.6	12.7
Singapore Bond Fund	25.8	10.7

December 2014	S$ (mil)	% of Net Asset Value
Global Equity Fund^	139.6	55.5
Global Bond Fund	51.0	20.3
Singapore Equity Fund	36.4	14.5
Singapore Bond Fund	24.6	9.8

^ 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

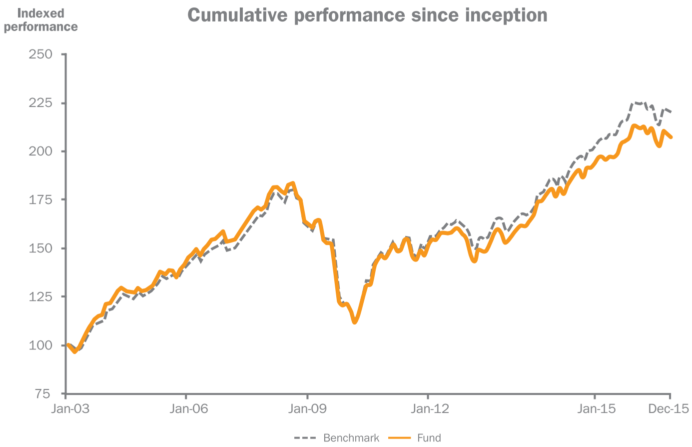
NTUC Income Insurance Co-operative Limited is the Investment Manager of the fund.

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

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Managed Fund (Growth)	-0.8%	3.1%	0.0%	1.9%	8.0%	5.9%	3.3%	5.9%
Benchmark	-0.5%	3.6%	-0.1%	2.3%	9.0%	6.8%	4.2%	6.4%

GLOBAL MANAGED FUND (GROWTH)



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

The 3rd quarter was marked by lingering concerns about global growth and uncertainty over how central bank policies would unfold, leaving markets on edge. The subsequent rise in global financial market volatility to multi-year highs drove Developed Market central banks to reiterate their commitment to accommodative policies. On a positive note, the 4th quarter brought some respite as economic fundamentals strengthened and sentiment stabilised. The improving backdrop was sufficient to give the US Federal Reserve (Fed) the confidence to lift policy rates for the first time in nearly a decade. While markets first responded to the long-awaited lift-off with a sense of relief, as the year wound down, some assets struggled to navigate a still difficult international landscape.

In the energy sector, oil slumped again in late 2015, following a similar pattern in 2014. At the December OPEC meeting, leaders of oil-producing nations were unable to come to an agreement to cut production, which caused another leg down in energy prices. With Saudi Arabia "doubling down" on its goal to take out higher-cost producers, Iran expected to re-enter the global market in 2016, and US shale producers proving more resilient than anticipated, a narrative of "lower for longer" in oil prices took hold. Brent crude prices fell 35.0% over the year and weighed heavily on the outlook for energy companies and exporting countries.

Asia

The People's Bank of China's (PBOC) surprise devaluation of the yuan on August 11 generated market volatility. While the devaluation was small relative to other global currency moves, it sparked another round of global uncertainty as markets surmised that China's hasty structural reform policies were a sign that policymakers were losing their ability to effectively manage a smooth transition to a different and slower growth model, despite simultaneously deploying fiscal and monetary stimulus as a cushion. The devaluation and rising fears quickly rippled through financial markets, sparking a selloff in Emerging Market currencies, commodities and a drop in inflation expectations. Fortunately, these assets showed signs of recovery after a volatile 3rd quarter. The yuan was officially welcomed into the International Monetary Fund's Special Drawing Rights basket (alongside the USD, EUR, JPY and GBP). To help facilitate a gradual revaluation of the yuan, the PBOC subsequently decided to adopt a comprehensive trade-weighted basket to manage the yuan against (instead of purely against the US Dollar). In Japan, focus shifted from the central bank's actions to Prime Minister Abe's new set of policies designed to revive the world's 3rd largest economy.

US

In the US, many global economic indicators remained strong, despite the overall market volatility. Economic indicators continued to suggest a healthy pace of growth, especially the labour market where the unemployment rate fell further towards its pre-crisis lows. The US domestic demand engine was robust, driven predominantly by consumer spending, which was supported by job gains and rising consumer confidence, while government spending and investment contributed modestly. Amid signs that job gains may be transitioning to income gains, inflation expectations rose modestly, despite new lows in oil prices. This positive tone allowed the Fed to begin reducing monetary accommodation, raising the policy rate by 25 basis points on December 16. Markets were well-prepared and interpreted the hike to be a vote of confidence in the economic recovery. Markets were also calmed by the Fed's indication that this would be a dovish tightening cycle.

Eurozone

Anaemic inflation led markets to anticipate another policy intervention from the European Central Bank's (ECB) President Mario Draghi but the cut in the deposit rate and expansion of Quantitative Easing (QE) disappointed markets, which deemed them insufficient.

Market Outlook

Major economies are expected to continue converging in 2016 while central bank policies diverge. The US recovery will remain on a fairly stable trajectory. Growth in Europe and Japan is projected to increase only modestly, while Brazil, India, Russia & Mexico (BRIM) economies should continue to improve. The Fed will not be the only central bank hiking in 2016, but most others will likely ease policy through rate cuts, QE or, at least, keeping rates on hold.

In the US, the baseline view is above-trend economic growth of 2.0%–2.5% over the year with headline inflation of 1.5%–2.0%. With job growth expected to slow as the economy reaches full employment, personal spending will be tied more closely to real wage gains, which should remain modest. Given modest global growth and a strong US Dollar, we anticipate little boost from international trade. On the positive side, the recent budget agreement will provide the US economy with a modest fiscal boost. We see the risks biased toward more Fed rate hikes than the two quarter-point increases the market currently prices in.

For the Eurozone, we anticipate above-trend gross domestic product (GDP) growth of about 1.5%. The ECB's QE measures will keep bank lending rates low across both core and peripheral countries, boosting loan growth. While net exports should benefit from the euro weakening to date, slower growth in the Eurozone's major trading partners may limit their contribution to growth. Headline inflation will increase to about 1.0% on a weaker euro and firming oil prices, but core inflation is unlikely to rise to the ECB's definition of price stability. Persistently below-target inflation should open the door to an expansion of the existing programme.

Japanese GDP growth will increase modestly to about 1.0% in 2016. A weak yen may continue to support corporate profits and the stock market, but the slowdown in China and other trading partners will remain a headwind to net exports. Headline inflation will advance toward 1.0%, but likely remain below the Bank of Japan's (BOJ) target of 2.0%. While this could prompt further BOJ easing, it is not assured as there are concerns that the Quantitative and Qualitative Easing programme could run up against technical limits. Japan's shift in fiscal policy goals – an important new development – could be supportive of stronger growth.

For China, the outlook is mostly unchanged with expectations for growth around 6.0% and headline inflation about 2.0%. We still believe China possesses the "will and the wallet" to deal with the challenges of slower growth and pivot toward a service economy; however, the task is difficult and policy mistakes may occur along the way. We anticipate additional easing via cuts to the deposit rate and required reserve ratio. We also see a modest rise in the budget deficit due to quasi-fiscal financing of local public works.

BRIM growth is expected to increase modestly to 1.25%–2.25%. An important driver of our lower-than-consensus forecast is the extended contraction in Brazil, given the sharp drop in confidence and elevated political uncertainty. Russia is also expected to contract in 2016, albeit at a slower pace than previously. Meanwhile, both India and Mexico should grow in line with consensus. We forecast 2016 headline consumer price index inflation in BRIM at 6.0%, but Brazil remains the outlier with higher-than-consensus inflation.

Singapore Bond

Singapore has been in a benign inflation environment since late 2014 and the consumer price index (CPI) posted a -0.5% reading for the whole of 2015, down from 1.0% in 2014. Core CPI which excludes accommodation and private road transport was 0.5% in 2015, lower than the 1.9% increase in 2014. Meanwhile gross domestic product growth for the year 2015 is likely to be around 2.0%, the lowest since the recession in early 2009. The aforementioned are associated with moderated economic growth in China as it transitions to a consumption led economy, as well as low global commodity prices.

Notwithstanding the weaker economic environment, return of the UOB Singapore Government Securities (SGS) Long Index was 0.86% in the year 2015. The weaker Singapore Dollar story which started after the Monetary Authority of Singapore eased in January 2015, coupled with hawkish rhetoric from US Federal Reserve (Fed) in the latter part of 2015, contributed to the low return. As interest rates remained low and credit default rates at below historical average, moderate quality credits were well bid at the expense of SGS.

As we enter into 2016, markets are beginning to feel uneasy with the diverging policies of central banks. Fed has embarked on its path of monetary policy tightening – the December 2015 rate hike was the first since June 2006 – amid improvements in the labour and housing markets, but all other major central banks continue to run accommodative monetary policies. Market volatility is likely to escalate in 2016.

With SGS as its core holding, the Singapore Bond Fund is positioned for slower economic growth and low interest rates for an extended period. The good quality credits held by the Fund will provide yield pick-up over SGS and are robust enough to weather short- to medium-term market volatility. We remain constructive on credits in the longer run as moderate growth and accommodative policy stance of central banks should continue to underpin investors' search for yield.

Global Equity

Market Review

Markets were volatile during the 2nd half of 2015. Headwinds from slowing Chinese growth sent ripple effects across the Developed and Emerging Markets (EM). Heavy selling of Chinese shares early in the summer was compounded during August when an unexpected yuan devaluation spawned fears that China was the latest entrant into the so-called currency wars. China's trial-and-error policy response to market events late in 2015 severely undermined market faith in China's ability to manage an increasingly complex market and economic landscape. Developed Market central banks were busy late in 2015. The US Federal Reserve (Fed) raised rates at the December Federal Open Market Committee meeting while the European Central Bank (ECB) and the Bank of Japan both modestly added to their asset purchase programmes with inflation remaining stubbornly low. Global growth remained modest while deflationary forces continue to build. Tumbling prices for oil and other raw materials was pervasive during the 2nd half of 2015.

The US S&P 500 index returned 5.5% in Singapore Dollar terms for the 2nd half of 2015. Upbeat US labour data helped set the stage for the first rate hike in the post-financial crisis era late in mid-December. The hike was initially viewed as a vote of confidence in the US economy, but by year-end, many were concerned that the Fed had jumped the gun by hiking amid modest growth and still very low inflation. Slowing Chinese growth and a steady decline in the prices of oil and other commodities were headwinds for firms in the energy, materials and industrial sectors while solid US employment and housing markets were supportive factors.

European stocks, as measured by the STOXX 50 index, returned -2.1% in Singapore Dollar terms during the 2nd half of 2015. Only modest additional stimulus from the ECB in December, despite very low inflation, caught markets off-guard, causing the market to shed earlier gains. A more aggressive policy response had been priced in by the markets. Europe experienced an uptick in political risk during late 2015 with the Greek government maintaining only a bare majority while Spain and Portugal had difficulty forming governing coalitions after inconclusive election results. Additionally, the refugee crisis intensified during the 2nd half.

In Japan, the Nikkei Composite Index returned 0.8% in Singapore Dollar terms during the 2nd half of 2015. Markets have grown concerned that Abenomics — fiscal stimulus, monetary easing and structural reforms — have run out of steam. A significantly stronger yen weighed on sentiment, as has slowing growth in China, Japan's largest trading partner.

Market Outlook

Volatility is expected to remain high during 2016, making for challenging markets. Sub-par growth and low inflation will likely endure for much of the developed and emerging world.

United States: US multinational companies are expected to face some earnings headwinds from the strong US Dollar and a below-trend economic recovery — although many of them continue to deliver positive organic growth. Margins have also begun to peak across sectors, and top-line growth has been very company-specific. Examining recent earnings results, we see significant discrepancies in performance between companies that are able to deliver growth and those that cannot. In other words, active stock-picking matters. Until more data is available to indicate whether the slowdown in manufacturing, the weakness in exports and the stutter step in earnings will persist, fear could rule the markets for riskier assets.

GLOBAL MANAGED FUND (GROWTH)

Europe: A continued economic recovery may be seen, although the strength of the rebound will be extremely moderate and some European stocks have already priced in these expectations. Looking further out, we believe global multinationals based in Europe, currently hurt by their exposure to EM, will continue to provide long-term value.

Japan: While overall valuations appear low on a relative basis, we are very selective in identifying compelling opportunities. While there are some world-class niche businesses in Japan, and the focus on shareholders is marginally improving, fundamentals remain challenged because of weaker demand from overseas, particularly from China, and pro-growth reforms to bolster the Japanese economy are proceeding slowly.

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Risks

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Expense and turnover ratio

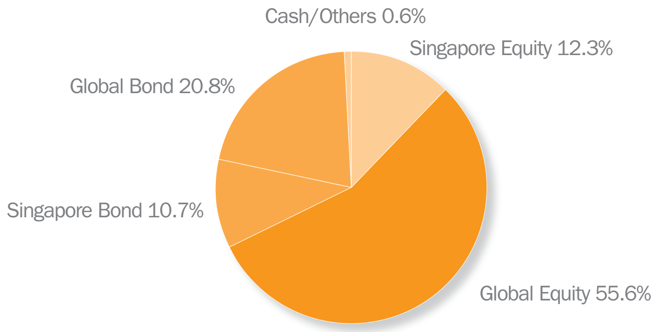
	Expense ratio	Turnover ratio
As of 31 December 2015	1.23%	3.31%
As of 31 December 2014	1.21%	4.63%

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.

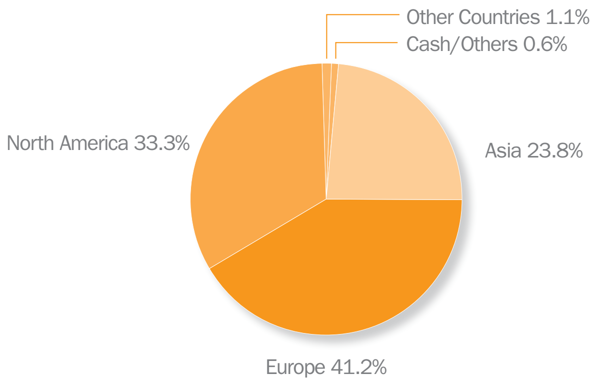
GLOBAL MANAGED FUND (GROWTH)

Asset allocation as of 31 December 2015



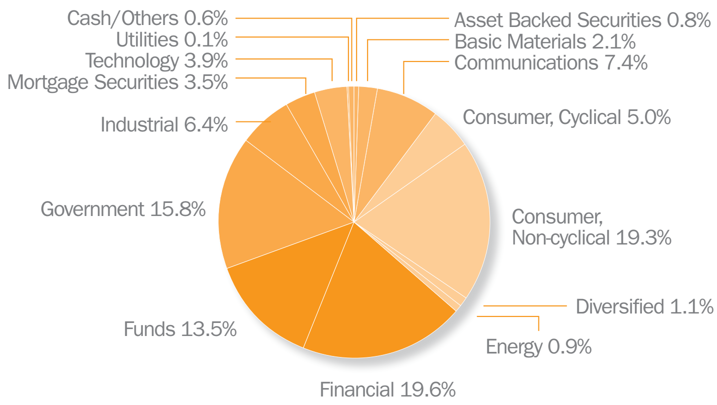
	S$ (mil)
Singapore Equity	29.7
Global Equity	133.9
Singapore Bond	25.8
Global Bond	50.0
Cash/Others	1.4
Total	240.8

Country allocation as of 31 December 2015



	S$ (mil)
Asia	57.4
Europe	99.2
North America	80.1
Other Countries	2.7
Cash/Others	1.4
Total	240.8

Sector allocation as of 31 December 2015



	S$ (mil)
Asset Backed Securities	2.0
Basic Materials	5.0
Communications	17.8
Consumer, Cyclical	12.0
Consumer, Non-cyclical	46.6
Diversified	2.7
Energy	2.1
Financial	47.1
Funds	32.6
Government	38.1
Industrial	15.5
Mortgage Securities	8.5
Technology	9.3
Utilities	0.1
Cash/Others	1.4
Total	240.8

Credit rating of debt securities

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	29.2	12.1
AA+	3.5	1.4
AA	2.0	0.8
AA-	2.1	0.9
A+	3.7	1.5
A	9.2	3.8
A-	2.1	0.9
BBB+	5.8	2.4
BBB	5.6	2.3
BBB-	5.7	2.4
BB+	0.2	0.1
Not rated	6.6	2.7
Total	75.8	31.5

'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.

GLOBAL MANAGED FUND (GROWTH)

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	251,395,314
Purchase of units	12,545,335
Redemption of units	(28,158,185)
Gain/(loss) on investments and other income	5,019,463
Value of fund as of 31 December 2015	240,801,927

Units in issue	114,034,309
Net asset value per unit	
- at the beginning of the year	2.072
- as of 31 December 2015	2.112

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 2015	S$ (mil)	% of Net Asset Value
Global Equity Fund	134.4	55.8
Global Bond Fund	49.9	20.7
Singapore Equity Fund	30.6	12.7
Singapore Bond Fund	25.8	10.7

Borrowings

Nil.

Related party disclosure

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

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.

Conflict of interests

As the Manager of various NTUC 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 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 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.

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

Fund details as of 31 December 2015

Launch Date	1 May 1994
Fund Size	S$78.92 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	1.0% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Narrowly Focused – Country – Singapore
Benchmark	60% FTSE Straits Times Index (FTSE STI) 40% Singapore 3-month Deposit Rate
Structure	Single Fund

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

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	32.5	41.1
DBS Group Holdings Ltd	5.8	7.4
Singapore Telecommunications Ltd	5.1	6.5
Oversea-Chinese Banking Corp	4.9	6.2
United Overseas Bank Ltd	4.0	5.1
CapitaLand Ltd	2.5	3.2
Hongkong Land Holdings Ltd	2.1	2.6
Jardine Matheson Holdings	2.1	2.6
Keppel Corp Ltd	1.9	2.3
Thai Beverage PCL	1.7	2.2

December 2014	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	31.2	35.2
DBS Group Holdings Ltd	8.4	9.5
Oversea-Chinese Banking Corp	5.9	6.6
Singapore Telecommunications Ltd	5.3	5.9
United Overseas Bank Ltd	5.2	5.9
Jardine Matheson Holdings	3.8	4.3
CapitaLand Ltd	2.8	3.1
Hongkong Land Holdings Ltd	2.3	2.6
Global Logistic Properties Ltd	2.2	2.5
Keppel Corp Ltd	2.0	2.3

^ 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
NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

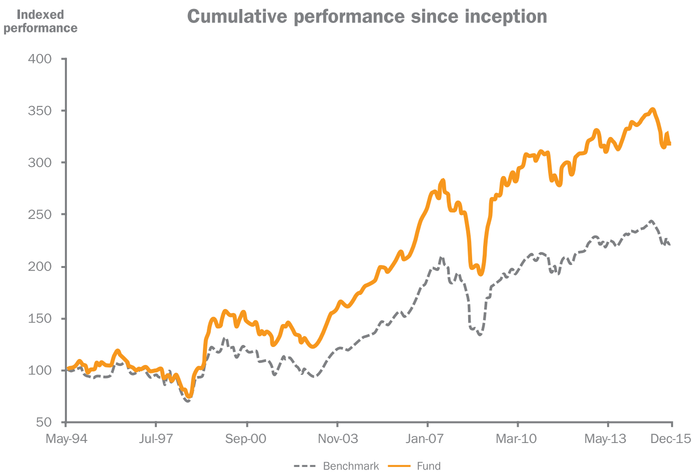
At the end of 2015, NTUC Income had S$30.70 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Singapore Managed Fund	0.5%	2.3%	-6.9%	-7.0%	0.1%	0.6%	4.7%	5.5%
Benchmark	0.8%	2.5%	-6.6%	-6.3%	0.4%	1.1%	4.3%	3.8%

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

SINGAPORE MANAGED FUND



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 bruising 2015 with most stocks seeing red. Concerns of a stuttering China, depressed oil price, and the first tightening by the US Federal Reserve in almost a decade, sent investors seeking for cover. Singapore, which is primarily an export driven country, was severely sold off by investors on concerns of the impact of a slowing Chinese economy and weak global trade.

The equity market, STI, was down 14.3% for the year with 25 of the 30 index constituents seeing share price decline. This led to the STI to underperform Asia ex-Japan by 9.2%. With the exception of the Transportation sector, all sectors registered negative returns. The worst performing was the Capital Goods sector, dragged down by commodity trader, Noble. Downgrades by credit rating agencies, and falling commodity prices drove the stock price lower by 65.0%, a level not seen since 2004. Offshore and Marine names, Sembcorp Marine and Keppel Corp also saw large losses, on the back of possible huge order book cancellations by a technically bankrupt Sete Brazil. The few bright spots for the year, were outperformers like SATS (+25.9%) and ComfortDelgro (+17.3%). SATS reported strong earnings growth for the year supported by cost savings and healthy income contributions from associates and joint ventures. ComfortDelgro with its stable growth in its bus business and a resilient taxi fleet despite threats from Uber and Grabcar, was viewed as a defensive, and saw positive stock gains for the year.

On the local economy, gross domestic product expanded by 2.1% in 2015. This was the slowest in six years. The manufacturing sector declined by 6.0% in the 4th quarter, extending the 5.9% decline in the previous quarter. The sector was dragged down by weak output in the electronics, transport engineering and precision engineering clusters. Non-oil domestic exports in Singapore also continued to weaken, falling 7.2% in December, after registering a 3.4% drop the previous month. Top country contributor to the decline was China.

As for market outlook, we believe the weak start to 2016 has pushed market valuations to very attractive levels. However, Singapore is operating in a particularly challenging environment. Being an open economy, we are especially susceptible to the risk of the current uncertain macro headwinds. A weak China, Singapore largest trading partner, would hurt its economic growth. The country is also undergoing a transformation of its economy through deflating the asset market, such as the housing, and restructuring the labour market by restricting foreign labour growth and improving productivity. Hence, we believe that stock selection is key. We believe in a barbell strategy of buying defensive stocks that pays dividends as well as attractively valued blue chip cyclical names.

Risks

The risk in the Singapore Managed Fund is diversified by investing in the Singapore equity and bond markets. As the 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

NTUC Income's ILP 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 NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP fund.

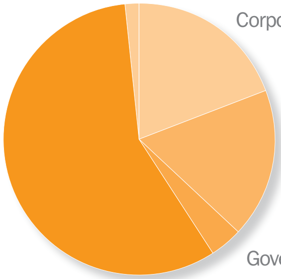
Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	0.89%	9.23%
As of 31 December 2014	0.90%	9.59%

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 2015



	S$ (mil)
Corporate Bonds	15.3
Government Bonds	13.9
Government Agency Bonds	3.2
Equities	45.3
Cash/Others	1.2
Total	78.9

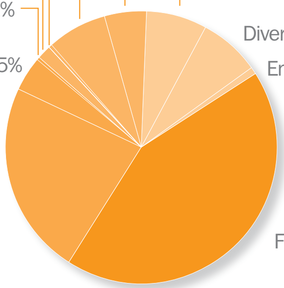
Credit rating of debt securities

S&P's rating or its equivalent	S$ (mil)	% of NAV
AAA	15.6	19.8
AA	0.4	0.6
AA-	0.7	0.8
A+	2.7	3.4
A	1.1	1.4
A-	0.3	0.4
BBB+	2.1	2.6
BBB	1.0	1.3
BBB-	1.1	1.4
BB+	0.3	0.4
Not rated	7.1	9.0
Total	32.4	41.0

'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.

Sector allocation as of 31 December 2015



	S$ (mil)
Basic Materials	0.1
Communications	6.0
Consumer, Cyclical	3.8
Consumer, Non-cyclical	5.8
Diversified	5.7
Energy	0.5
Financial	34.1
Government	18.1
Industrial	3.5
Utilities	0.1
Cash/Others	1.2
Total	78.9

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	88,827,512
Purchase of units	4,243,092
Redemption of units	(8,210,583)
Gain/(loss) on investments and other income	(5,411,735)
Management fee and other charges	(524,369)
Value of fund as of 31 December 2015	78,923,917

Units in issue	31,162,487
Net asset value per unit	
- at the beginning of the year	2.725
- as of 31 December 2015	2.533

Exposure to derivatives

Nil.

Investment in collective investment schemes

December 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	32.5	41.1
Hutchison Port Holdings Trust	0.7	0.9
CapitaLand Mall Trust (REIT)	0.7	0.9
CapitaLand Retail China Trust (REIT)	0.5	0.6
Ascendas REIT	0.3	0.4
Keppel REIT	0.2	0.3

Borrowings
Nil.

Related party disclosures
NTUC Income is the Investment Manager of the fund. During the financial period ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$524,369.

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 has 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 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 have also executed trades for other sub-fund managed by the Manager.

Conflict of interests
As the Manager of various NTUC 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 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 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.

Investment objective

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

The sub-fund offers a semi-annual payout feature, with a distribution of up to 2% of the net asset value on 31 May and 30 November every year, or a total potential distribution of 4% per annum.

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 2015

Launch Date	25 September 2009
Fund Size	S$116.67 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	0.85% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Low to Medium Risk, Broadly Diversified
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 Charge is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	39.7	34.1
Schroder Asian Investment Grade Credit	19.1	16.3
Schroder ISF Global Bond	9.3	8.0
Schroder ISF Global Corporate Bond	9.0	7.7
Schroder ISF Global Inflation Linked Bond	7.0	6.0
Schroder ISF Global Equity	6.6	5.7
Schroder ISF Asian Opportunities	4.2	3.6
Schroder ISF Asian Bond Absolute Return	3.9	3.3
Singapore Equity Fund	3.4	2.9
Monetary Authority of Singapore Bills 150116	2.3	2.0

December 2014	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	39.5	26.7
Schroder Asian Investment Grade Credit	23.8	16.1
Schroder ISF Global Bond	15.1	10.2
Schroder ISF Global Corporate Bond	14.8	10.0
Schroder ISF Asian Opportunities	7.9	5.4
Schroder ISF Global Equity	7.8	5.2
Schroder ISF Asian Bond Absolute Return	7.4	5.0
Schroder ISF Global Inflation Linked Bond	6.4	4.3
Singapore Equity Fund	4.5	3.1
SPDR Gold Trust	0.6	0.4

^ 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 fund. Schroder Investment Management (Singapore) Limited is the Sub-Investment Manager of the fund.

NTUC Income Insurance Co-operative Limited
NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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.

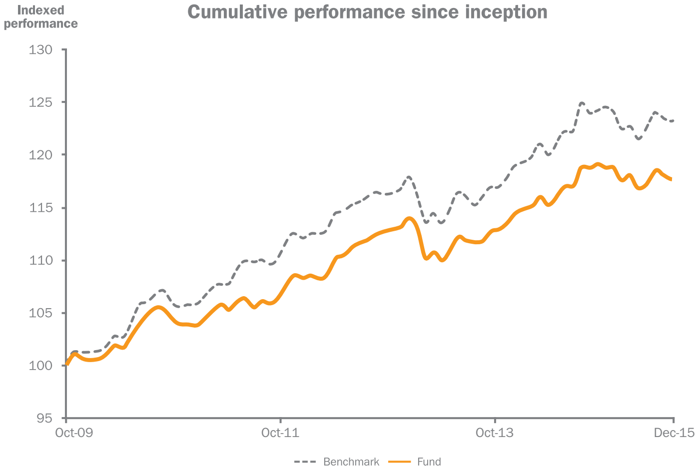
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$462.1 billion (as of 31 December 2015).

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	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM Now	-0.2%	0.5%	0.2%	0.7%	1.6%	2.6%	N.A.	2.7%
Benchmark	-0.1%	0.6%	0.7%	0.9%	2.0%	3.0%	N.A.	3.5%

Changes to benchmarks during the life of the 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

Global equities finished the 2nd half of 2015 in negative territory as market volatility rose significantly during August and September on uncertainty over China's growth. Risk assets sold off sharply across the board but managed to claw back some losses during the 4th quarter as speculation over the prospect of looser monetary policy from several central banks helped to support risk appetite. Over the 6-month period, Europe and Japan equities lost ground while US equities were more resilient. Asian countries were hit particularly hard, led by Chinese equities. Emerging Markets (EM) was the worst performing equity region given an array of China concerns, commodity collapses and political uncertainty.

Not surprisingly global government bonds were up as commodity price weakness and fears over global economic growth led investors to seek out perceived 'safe-havens'. Global sovereign yields were almost universally lower. Over the quarter, the 10-year US Treasury yield fell by 8 basis points (bps). Similar moves were seen in the 10-year yield of UK Gilt and German Bund, which fell by 6bps and 13bps respectively. In credit markets, investment grade corporate bonds inched into positive territory while Asian bonds gained value thanks to robust investor demand for yield assets. High yield bonds suffered given collapsing oil prices and the asset class's large exposure to the energy sector.

Commodities had another tough period losing over 20.0%, largely driven by falls in energy prices as an oversupply and a lack of reaction from producers to falling prices pushed oil prices lower. Gold ended the year down around 9.0%, with rising interest rates putting gold under pressure.

Market Outlook

Global growth remains sluggish, lacking an immediate catalysts for growth to improve. With short-term interest rates going higher, increasing debt servicing /refinancing costs could put pressure on earnings of companies who have taken advantage of the low yield environment of the last few years to re-leverage. Current earnings expectations may potentially surprise on the downside. While the current forecast is not recessionary, the overall environment is less favourable for equities and hence warrants a more cautious stance.

Within equities, we remain cautious in US. Despite being the healthier economy, the equity market lacks valuation support. Profit margins look to have peaked given the strong dollar and rising employment cost. On the other hand, European equities are still supported by accommodative monetary policy and the region remains early in the expansionary cycle, which should help earnings growth. Within EM, Asian equities are likely to be heavily influenced by China, which is a source of volatility given the slowdown of its economy and the depreciation of Renminbi. While the recent panic selling has seen an improvement in valuations to an attractive level, short-term volatility is likely to remain elevated.

On the fixed income side, muted inflation pressure and mild economic growth outlook means the long-end of the government bond yield curve is anchored. While more volatility is expected on the short-end, it is likely that the recent adjustments have priced in the terminal interest rate. Therefore, duration is viewed more favourably now, especially when it provides diversification to the portfolio should growth surprise on the downside.

The fund maintains an underweight position in gold and commodities on the view that over the long-term it should remain on a down trend given rising real bond yields, the poor supply / demand dynamics and the strengthening US Dollar.

Risks

The risk in the 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 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 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

NTUC Income's ILP 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 NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP fund.

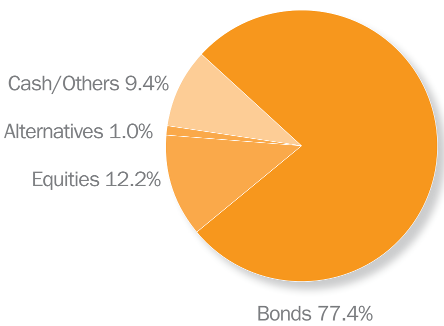
Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	0.99%	23.63%
As of 31 December 2014	1.00%	7.62%

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 2015



	S$ (mil)
Bonds	90.3
Equities	14.2
Alternatives	1.2
Cash/Others	11.0
Total	116.7

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

AIM NOW

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	148,142,058
Purchase of units	17,844,365
Redemption of units	(46,654,031)
Dividend distribution	(3,834,058)
Gain/(loss) on investments and other income	2,031,994
Management fee and other charges	(861,356)
Value of fund as of 31 December 2015	116,668,972

Units in issue	128,669,173
Net asset value per unit	
- at the beginning of the year	0.928
- as of 31 December 2015	0.907

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/(Losses) S$
Forwards	(96,973)	0.08	(890,276)	371,217

Investment in collective investment schemes

December 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	39.7	34.1
Schroder Asian Investment Grade Credit	19.1	16.3
Schroder ISF Global Bond	9.3	8.0
Schroder ISF Global Corporate Bond	9.0	7.7
Schroder ISF Global Inflation Linked Bond	7.0	6.0
Schroder ISF Global Equity	6.6	5.7
Schroder ISF Asian Opportunities	4.2	3.6
Schroder ISF Asian Bond Absolute Return	3.9	3.3
Singapore Equity Fund	3.4	2.9
SPDR Gold Trust	1.2	1.0

Borrowings

Nil.

Related party disclosure

NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$861,356.

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.

Conflict of interests

As the Manager of various NTUC 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.

Schroders has in place policies and procedures to mitigate conflicts of interests which may arise in the management of clients' accounts. Schroders 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 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 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.

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 2015

Launch Date	25 September 2009
Fund Size	S$13.85 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	1.00% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Broadly Diversified
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 Charge is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	2.9	20.7
Schroder ISF Asian Opportunities	2.0	14.8
Schroder ISF Global Bond	1.4	9.8
Singapore Bond Fund	1.3	9.6
Schroder ISF Global Corporate Bond	1.3	9.1
Schroder Asian Investment Grade Credit	1.2	8.4
Singapore Equity Fund	0.9	6.7
Schroder ISF Global Inflation Linked Bond	0.5	3.8
Schroder ISF Asia Pacific Property Securities	0.5	3.5
Schroder ISF Asian Bond Absolute Return	0.4	3.0

December 2014	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	2.2	19.2
Schroder ISF Asian Opportunities	2.0	16.9
Schroder Asian Investment Grade Credit	1.1	9.2
Schroder ISF Global Corporate Bond	1.0	8.8
Schroder ISF Global Bond	1.0	8.6
Singapore Bond Fund	0.9	7.9
Singapore Equity Fund	0.8	7.1
Schroder ISF Asia Pacific Property Securities	0.5	4.6
Schroder ISF Asian Bond Absolute Return	0.4	3.8
Schroder ISF Global Inflation Linked Bond	0.4	3.6

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 fund. Schroder Investment Management (Singapore) Limited is the Sub-Investment Manager of the fund.

NTUC Income Insurance Co-operative Limited

NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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.

AIM 2025

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$462.1 billion (as of 31 December 2015).

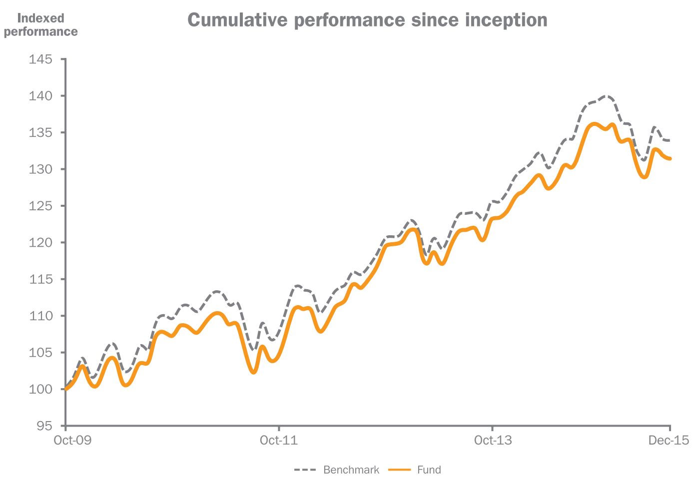
Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company, and over 430 investment professionals covering the world's investment markets, they offer their clients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

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
AIM 2025	-0.4%	2.0%	-1.6%	1.0%
Benchmark	-0.1%	1.9%	-1.9%	0.0%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2025	4.1%	3.9%	N.A.	4.6%
Benchmark	4.3%	3.9%	N.A.	4.9%

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

Global equities finished the 2nd half of 2015 in negative territory as market volatility rose significantly during August and September on uncertainty over China's growth. Risk assets sold off sharply across the board but managed to claw back some losses during the 4th quarter as speculation over the prospect of looser monetary policy from several central banks helped to support risk appetite. Over the 6-month period, Europe and Japan equities lost ground while US equities were more resilient. Asian countries were hit particularly hard, led by Chinese equities. Emerging Markets (EM) was the worst performing equity region given an array of China concerns, commodity collapses and political uncertainty.

Not surprisingly global government bonds were up as commodity price weakness and fears over global economic growth led investors to seek out perceived 'safe-havens'. Global sovereign yields were almost universally lower. Over the quarter, the 10-year US Treasury yield fell by 8 basis points (bps). Similar moves were seen in the 10-year yield of UK Gilt and German Bund, which fell by 6bps and 13bps respectively. In credit markets, investment grade corporate bonds inched into positive territory while Asian bonds gained value thanks to robust investor demand for yield assets. High yield bonds suffered given collapsing oil prices and the asset class's large exposure to the energy sector.

Commodities had another tough period losing over 20.0%, largely driven by falls in energy prices as an oversupply and a lack of reaction from producers to falling prices pushed oil prices lower. Gold ended the year down around 9.0%, with rising interest rates putting gold under pressure.

Market Outlook
Global growth remains sluggish, lacking an immediate catalysts for growth to improve. With short-term interest rates going higher, increasing debt servicing / refinancing costs could put pressure on earnings of companies who have taken advantage of the low yield environment of the last few years to re-leverage. Current earnings expectations may potentially surprise on the downside. While the current forecast is not recessionary, the overall environment is less favourable for equities and hence warrants a more cautious stance.

Within equities, we remain cautious in US. Despite being the healthier economy, the equity market lacks valuation support. Profit margins look to have peaked given the strong dollar and rising employment cost. On the other hand, European equities are still supported by accommodative monetary policy and the region remains early in the expansionary cycle, which should help earnings growth. Within EM, Asian equities are likely to be heavily influenced by China, which is a source of volatility given the slowdown of its economy and the depreciation of Renminbi. While the recent panic selling has seen an improvement in valuations to an attractive level, short-term volatility is likely to remain elevated.

On the fixed income side, muted inflation pressure and mild economic growth outlook means the long-end of the government bond yield curve is anchored. While more volatility is expected on the short-end, it is likely that the recent adjustments have priced in the terminal interest rate. Therefore, duration is viewed more favourably now, especially when it provides diversification to the portfolio should growth surprise on the downside.

The fund maintains an underweight position in gold and commodities on the view that over the long-term it should remain on a down trend given rising real bond yields, the poor supply / demand dynamics and the strengthening US Dollar.

Risks

The risk in the 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 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 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

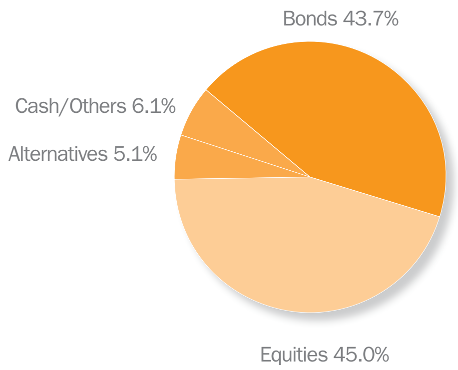
NTUC Income's ILP funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	1.15%	18.90%
As of 31 December 2014	1.16%	21.06%

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 2015



	S$ (mil)
Bonds	6.1
Equities	6.2
Alternatives	0.7
Cash/Others	0.9
Total	13.9

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

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	11,680,232
Purchase of units	3,261,843
Redemption of units	(1,205,179)
Gain/(loss) on investments and other income	231,278
Management fee and other charges	(115,838)
Value of fund as of 31 December 2015	13,852,336

Units in issue	10,889,472
Net asset value per unit	
- at the beginning of the year	1.259
- as of 31 December 2015	1.272

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	(5,082)	0.04	(114,317)	29,679

Investment in collective investment schemes

December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	2.9	20.7
Schroder ISF Asian Opportunities	2.0	14.8
Schroder ISF Global Bond	1.4	9.8
Singapore Bond Fund	1.3	9.6
Schroder ISF Global Corporate Bond	1.3	9.1
Schroder Asian Investment Grade Credit	1.2	8.4
Singapore Equity Fund	0.9	6.7
Schroder ISF Global Inflation Linked Bond	0.5	3.8
Schroder ISF Asia Pacific Property Securities	0.5	3.5
Schroder ISF Asian Bond Absolute Return	0.4	3.0
Schroder ISF Global Smaller Companies	0.4	2.9
SPDR Gold Trust	0.1	0.9
Schroder Alt Solutions Commodity	0.1	0.7

Borrowings
Nil.

Related party disclosure
NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$115,838.

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.

Conflict of interests
As the Manager of various NTUC 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.

Schroders has in place policies and procedures to mitigate conflicts of interests which may arise in the management of clients' accounts. Schroders 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 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 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.

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 2015

Launch Date	25 September 2009
Fund Size	S$17.32 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	1.00% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars 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 Charge is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.0	28.8
Schroder ISF Asian Opportunities	3.4	19.5
Schroder ISF Global Bond	1.7	10.1
Singapore Equity Fund	1.5	8.8
Schroder ISF Global Corporate Bond	1.3	7.3
Schroder Asian Investment Grade Credit	1.1	6.6
Schroder ISF Global Smaller Companies	0.9	5.0
Schroder ISF Asia Pacific Property Securities	0.8	4.5
Schroder ISF Global Inflation Linked Bond	0.5	2.9
Schroder ISF Asian Bond Absolute Return	0.4	2.2

December 2014	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	4.1	26.1
Schroder ISF Asian Opportunities	3.1	20.1
Singapore Equity Fund	1.4	9.1
Schroder ISF Global Bond	1.4	8.7
Schroder ISF Global Corporate Bond	1.0	6.6
Schroder Asian Investment Grade Credit	0.9	5.7
Schroder ISF Asia Pacific Property Securities	0.8	5.4
Schroder ISF Emerging Markets	0.7	4.5
Schroder ISF Asian Bond Absolute Return	0.6	4.1
Schroder ISF Global Smaller Companies	0.6	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 fund. Schroder Investment Management (Singapore) Limited is the Sub-Investment Manager of the fund.

NTUC Income Insurance Co-operative Limited

NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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.

AIM 2035

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.

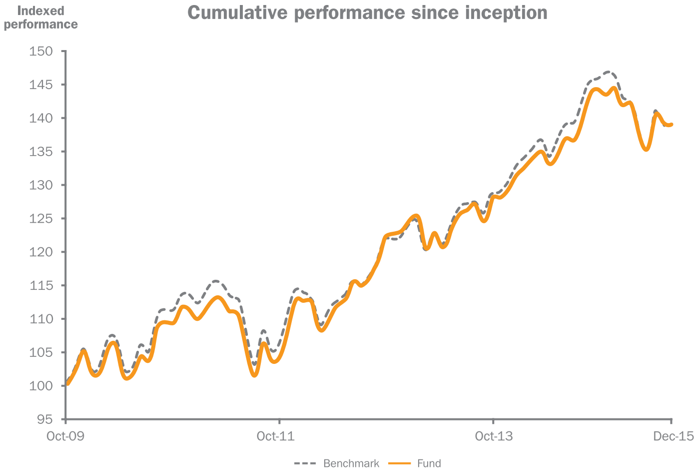
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$462.1 billion (as of 31 December 2015).

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	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
AIM 2035	-0.3%	2.9%	-1.8%	1.8%	5.5%	4.5%	N.A.	5.5%
Benchmark	-0.1%	2.5%	-2.7%	-0.1%	5.5%	4.1%	N.A.	5.5%

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

Global equities finished the 2nd half of 2015 in negative territory as market volatility rose significantly during August and September on uncertainty over China's growth. Risk assets sold off sharply across the board but managed to claw back some losses during the 4th quarter as speculation over the prospect of looser monetary policy from several central banks helped to support risk appetite. Over the 6-month period, Europe and Japan equities lost ground while US equities were more resilient. Asian countries were hit particularly hard, led by Chinese equities. Emerging Markets (EM) was the worst performing equity region given an array of China concerns, commodity collapses and political uncertainty.

Not surprisingly global government bonds were up as commodity price weakness and fears over global economic growth led investors to seek out perceived 'safe-havens'. Global sovereign yields were almost universally lower. Over the quarter, the 10-year US Treasury yield fell by 8 basis points (bps). Similar moves were seen in the 10-year yield of UK Gilt and German Bund, which fell by 6bps and 13bps respectively. In credit markets, investment grade corporate bonds inched into positive territory while Asian bonds gained value thanks to robust investor demand for yield assets. High yield bonds suffered given collapsing oil prices and the asset class's large exposure to the energy sector.

Commodities had another tough period losing over 20.0%, largely driven by falls in energy prices as an oversupply and a lack of reaction from producers to falling prices pushed oil prices lower. Gold ended the year down around 9.0%, with rising interest rates putting gold under pressure.

Market Outlook
Global growth remains sluggish, lacking an immediate catalysts for growth to improve. With short-term interest rates going higher, increasing debt servicing / refinancing costs could put pressure on earnings of companies who have taken advantage of the low yield environment of the last few years to re-leverage. Current earnings expectations may potentially surprise on the downside. While the current forecast is not recessionary, the overall environment is less favourable for equities and hence warrants a more cautious stance.

Within equities, we remain cautious in US. Despite being the healthier economy, the equity market lacks valuation support. Profit margins look to have peaked given the strong dollar and rising employment cost. On the other hand, European equities are still supported by accommodative monetary policy and the region remains early in the expansionary cycle, which should help earnings growth. Within EM, Asian equities are likely to be heavily influenced by China, which is a source of volatility given the slowdown of its economy and the depreciation of Renminbi. While the recent panic selling has seen an improvement in valuations to an attractive level, short-term volatility is likely to remain elevated.

On the fixed income side, muted inflation pressure and mild economic growth outlook means the long-end of the government bond yield curve is anchored. While more volatility is expected on the short-end, it is likely that the recent adjustments have priced in the terminal interest rate. Therefore, duration is viewed more favourably now, especially when it provides diversification to the portfolio should growth surprise on the downside.

The fund maintains an underweight position in gold and commodities on the view that over the long-term it should remain on a down trend given rising real bond yields, the poor supply / demand dynamics and the strengthening US Dollar.

Risks
The risk in the 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 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 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

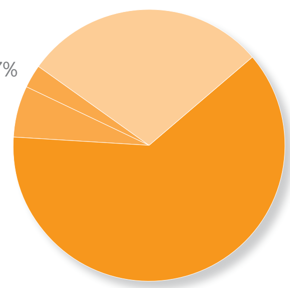
NTUC Income's ILP funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	1.16%	22.61%
As of 31 December 2014	1.17%	20.93%

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 2015



	S$ (mil)
Bonds	5.0
Equities	10.8
Alternatives	1.1
Cash/Others	0.5
Total	17.3

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

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	15,639,013
Purchase of units	3,151,491
Redemption of units	(1,725,714)
Gain/(loss) on investments and other income	409,521
Management fee and other charges	(159,151)
Value of fund as of 31 December 2015	17,315,160

Units in issue	12,907,151
Net asset value per unit	
- at the beginning of the year	1.318
- as of 31 December 2015	1.342

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	(8,939)	0.05	(150,135)	29,362

Investment in collective investment schemes

December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.0	28.8
Schroder ISF Asian Opportunities	3.4	19.5
Schroder ISF Global Bond	1.7	10.1
Singapore Equity Fund	1.5	8.8
Schroder ISF Global Corporate Bond	1.3	7.3
Schroder Asian Investment Grade Credit	1.1	6.6
Schroder ISF Global Smaller Companies	0.9	5.0
Schroder ISF Asia Pacific Property Securities	0.8	4.5
Schroder ISF Global Inflation Linked Bond	0.5	2.9
Schroder ISF Asian Bond Absolute Return	0.4	2.2
SPDR Gold Trust	0.2	0.9
Schroder Alt Solutions Commodity	0.1	0.8

Borrowings

Nil.

Related party disclosure

NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$159,151.

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.

Conflict of interests

As the Manager of various NTUC 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.

Schroders has in place policies and procedures to mitigate conflicts of interests which may arise in the management of clients' accounts. Schroders 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 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 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.

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 2015

Launch Date	25 September 2009
Fund Size	S$17.88 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	1.00% p.a.
Inclusion in CPFIS	Yes (CPF OA)
CPFIS Risk Classification	Higher Risk, Broadly Diversified
Benchmark	Barclays Global Aggregate hedged to Singapore Dollars 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 Charge is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.3	29.6
Schroder ISF Asian Opportunities	4.0	22.4
Singapore Equity Fund	1.7	9.6
Schroder ISF Global Smaller Companies	1.2	6.9
Schroder ISF Global Bond	1.1	6.2
Schroder ISF Global Corporate Bond	1.1	6.1
Schroder Asian Investment Grade Credit	1.1	6.0
Schroder ISF Asia Pacific Property Securities	1.0	5.5
Schroder ISF Asian Bond Absolute Return	0.3	1.8
SPDR Gold Trust	0.2	0.8

December 2014	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	4.3	25.6
Schroder ISF Asian Opportunities	3.7	22.0
Singapore Equity Fund	1.7	10.0
Schroder ISF Emerging Markets	1.1	6.8
Schroder ISF Asia Pacific Property Securities	1.0	6.3
Schroder Asian Investment Grade Credit	1.0	5.8
Schroder ISF Global Smaller Companies	1.0	5.7
Schroder ISF Global Corporate Bond	0.9	5.6
Schroder ISF Global Bond	0.7	3.9
Schroder ISF Asian Bond Absolute Return	0.6	3.8

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 fund. Schroder Investment Management (Singapore) Limited is the Sub-Investment Manager of the fund.

NTUC Income Insurance Co-operative Limited

NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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.

AIM 2045

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$462.1 billion (as of 31 December 2015).

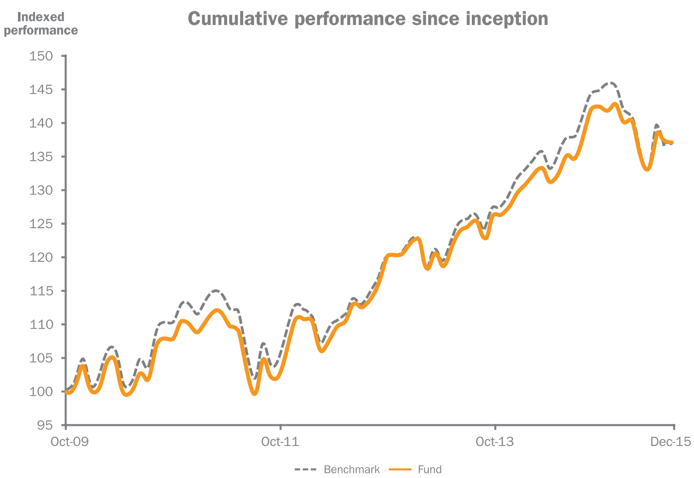
Schroders' aim is to apply their specialist asset management skills in serving the needs of their clients worldwide. With one of the largest networks of offices of any dedicated asset management company, and over 430 investment professionals covering the world's investment markets, they offer their clients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

Fund performance vs benchmark

	1-month	3-month	6-month	1-year
Aim 2045	-0.2%	3.3%	-2.2%	1.8%
Benchmark	0.0%	2.8%	-3.3%	-0.4%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Aim 2045	5.9%	4.6%	N.A.	5.6%
Benchmark	5.8%	4.1%	N.A.	5.6%

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

Global equities finished the 2nd half of 2015 in negative territory as market volatility rose significantly during August and September on uncertainty over China's growth. Risk assets sold off sharply across the board but managed to claw back some losses during the 4th quarter as speculation over the prospect of looser monetary policy from several central banks helped to support risk appetite. Over the 6-month period, Europe and Japan equities lost ground while US equities were more resilient. Asian countries were hit particularly hard, led by Chinese equities. Emerging Markets (EM) was the worst performing equity region given an array of China concerns, commodity collapses and political uncertainty.

Not surprisingly global government bonds were up as commodity price weakness and fears over global economic growth led investors to seek out perceived 'safe-havens'. Global sovereign yields were almost universally lower. Over the quarter, the 10-year US Treasury yield fell by 8 basis points (bps). Similar moves were seen in the 10-year yield of UK Gilt and German Bund, which fell by 6bps and 13bps respectively. In credit markets, investment grade corporate bonds inched into positive territory while Asian bonds gained value thanks to robust investor demand for yield assets. High yield bonds suffered given collapsing oil prices and the asset class's large exposure to the energy sector.

Commodities had another tough period losing over 20.0%, largely driven by falls in energy prices as an oversupply and a lack of reaction from producers to falling prices pushed oil prices lower. Gold ended the year down around 9.0%, with rising interest rates putting gold under pressure.

Market Outlook
Global growth remains sluggish, lacking an immediate catalysts for growth to improve. With short-term interest rates going higher, increasing debt servicing / refinancing costs could put pressure on earnings of companies who have taken advantage of the low yield environment of the last few years to re-leverage. Current earnings expectations may potentially surprise on the downside. While the current forecast is not recessionary, the overall environment is less favourable for equities and hence warrants a more cautious stance.

Within equities, we remain cautious in US. Despite being the healthier economy, the equity market lacks valuation support. Profit margins look to have peaked given the strong dollar and rising employment cost. On the other hand, European equities are still supported by accommodative monetary policy and the region remains early in the expansionary cycle, which should help earnings growth. Within EM, Asian equities are likely to be heavily influenced by China, which is a source of volatility given the slowdown of its economy and the depreciation of Renminbi. While the recent panic selling has seen an improvement in valuations to an attractive level, short-term volatility is likely to remain elevated.

On the fixed income side, muted inflation pressure and mild economic growth outlook means the long-end of the government bond yield curve is anchored. While more volatility is expected on the short-end, it is likely that the recent adjustments have priced in the terminal interest rate. Therefore, duration is viewed more favourably now, especially when it provides diversification to the portfolio should growth surprise on the downside.

The fund maintains an underweight position in gold and commodities on the view that over the long-term it should remain on a down trend given rising real bond yields, the poor supply / demand dynamics and the strengthening US Dollar.

Risks

The risk in the 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 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 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

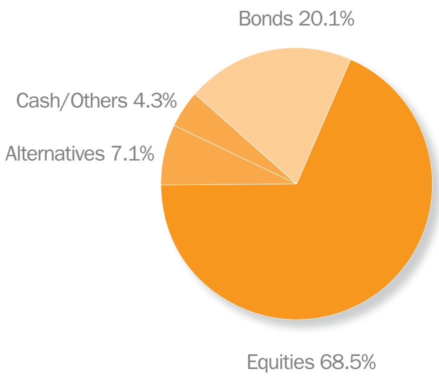
NTUC Income's ILP funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	1.16%	28.17%
As of 31 December 2014	1.17%	17.66%

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 2015



	S$ (mil)
Bonds	3.6
Equities	12.2
Alternatives	1.3
Cash/Others	0.8
Total	17.9

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

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	16,672,463
Purchase of units	4,158,524
Redemption of units	(3,282,927)
Gain/(loss) on investments and other income	490,382
Management fee and other charges	(159,914)
Value of fund as of 31 December 2015	17,878,528

Units in issue	13,247,666
Net asset value per unit	
- at the beginning of the year	1.326
- as of 31 December 2015	1.350

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	(3,583)	0.02	(123,401)	26,836

Investment in collective investment schemes

December 2015	S$ (mil)	% of Net Asset Value
Schroder ISF Global Equity	5.3	29.6
Schroder ISF Asian Opportunities	4.0	22.4
Singapore Equity Fund	1.7	9.6
Schroder ISF Global Smaller Companies	1.2	6.9
Schroder ISF Global Bond	1.1	6.2
Schroder ISF Global Corporate Bond	1.1	6.1
Schroder Asian Investment Grade Credit	1.1	6.0
Schroder ISF Asia Pacific Property Securities	1.0	5.5
Schroder ISF Asian Bond Absolute Return	0.3	1.8
SPDR Gold Trust	0.2	0.8
Schroder Alt Solutions Commodity	0.1	0.8

Borrowings
Nil.

Related party disclosure
NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$159,914.

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.

Conflict of interests
As the Manager of various NTUC 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.

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Other parties
The auditor of this 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 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.

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 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 fund is denominated in Singapore Dollars (SGD). Non-SGD denominated investments, if any, will be hedged to SGD.

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

We advise all investors to consider the 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 2015

Launch Date	1 May 2006
Fund Size	S$18.52 million
Annual Management Charge	0.25% p.a.
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Benchmark	Singapore 3-month Interbank Bid Rate
Structure	Single Fund

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

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Ooredoo International 3.375% 141016	1.4	7.8
Public Utilities Board 2.42% 151216	1.3	6.8
Sun Hung Kai Properties 3.5% 021116	1.1	5.9
Housing & Development Board 2.0225% 220216	1.0	5.4
Singapore Government Bonds 1.125% 010416	1.0	5.4
Bk of Communications HK 2.1% 240717	1.0	5.4
Singapore Bus Services 1.8% 120917	1.0	5.4
CNOOC FIN 2013 1.125% 090516	0.9	4.6
Monetary Authority of Singapore Bills 220116	0.7	4.0
Swire Pac MTN FI 5.625% 300316	0.7	3.9

December 2014	S$ (mil)	% of Net Asset Value
Monetary Authority of Singapore Bills 310315	2.0	9.6
Monetary Authority of Singapore Bills 130315	1.5	7.2
PSA Corp Ltd 2.83% 060715	1.3	6.2
Land Transport Authority 1.675% 270515	1.3	6.0
SP PowerAssets 4.19% 180815	1.0	5.0
ANZ NATL INTL 2.95% 270715	1.0	4.9
Housing & Development Board 2.0225% 220216	1.0	4.9
Housing & Development Board 1.87% 250315	1.0	4.8
Monetary Authority of Singapore Bills 090115	1.0	4.8
Monetary Authority of Singapore Bills 160115	1.0	4.8

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
NTUC 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.

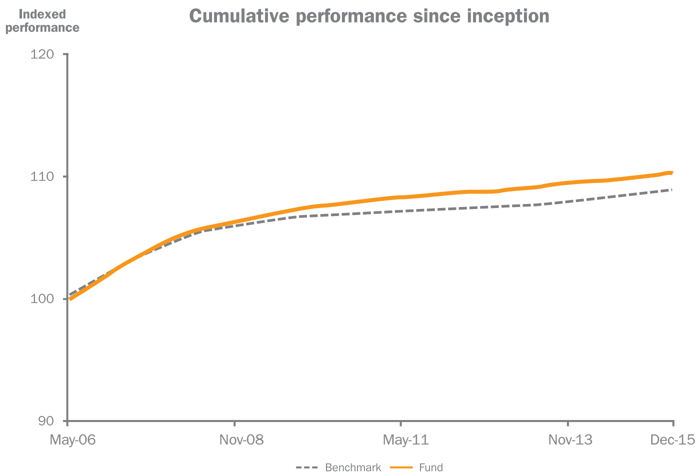
As a social enterprise, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Money Market Fund	0.0%	0.2%	0.3%	0.6%	0.5%	0.4%	N.A.	1.0%
Benchmark	0.1%	0.2%	0.5%	0.8%	0.5%	0.4%	N.A.	0.9%

MONEY MARKET FUND



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 continued to rise during for the 2nd half of 2015. The rise was due in part to weaker Singapore Dollar and on the expectation of US Federal Reserve's (Fed) interest rate hike. The benchmark Singapore 3-month Interbank Bid Rate (SIBID) rose 75 basis points (bps) to close at 1.0625% from 0.3125% at the start of the year. The 1-month SIBID posted a similar climb of 56 bps to end at 0.88%.

Singapore has been in a benign inflation environment since late 2014 and the consumer price index (CPI) posted a -0.5% reading for the whole of 2015, down from 1.0% in 2014. Core CPI which excludes accommodation and private road transport was 0.5% in 2015, lower than the 1.9% increase in 2014. Meanwhile gross domestic product growth for the year 2015 is likely to be around 2.0%, the lowest since the recession in early 2009. The aforementioned are associated with moderated economic growth in China as it transitions to a consumption led economy, as well as low global commodity prices.

As we enter into 2016, markets are beginning to feel uneasy with the diverging policies of central banks. Fed has embarked on its path of monetary policy tightening – the December 2015 rate hike was the first since June 2006 – amid improvements in the labour and housing markets, but all other major central banks continue to run accommodative monetary policies. Market volatility is likely to escalate in 2016.

Money market rates in Singapore are expected to drift higher as Fed exercise its plan towards a gradual tightening path. The environment for quality credits remains constructive as moderate growth and accommodative policy stance of central banks continue to underpin investors' search for yield. We continue to favour short-term 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 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 fund is invested mainly in the interbank market, i.e. the money is lent to banks. A small portion of the fund is invested with well rated corporations. The 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 fund are used for hedging purposes. The global exposure of the ILP 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.

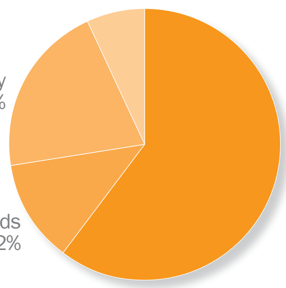
NTUC Income's ILP funds are not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	0.28%	8.93%
As of 31 December 2014	0.31%	11.54%

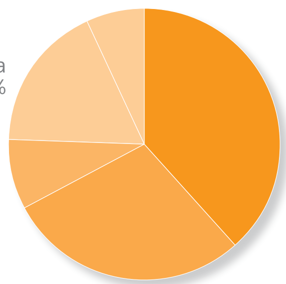
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 31 December 2015



	S$ (mil)
Corporate Bonds	11.2
Government Bonds	2.3
Government Agency Bonds	3.8
Cash/Others	1.2
Total	18.5

Country allocation as of 31 December 2015



	S$ (mil)
Singapore	7.1
Asia	5.4
Europe	1.6
North America	3.3
Cash/Others	1.2
Total	18.5

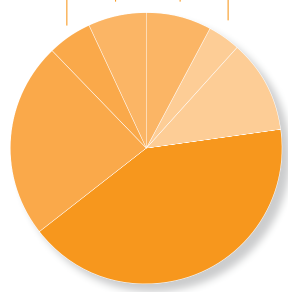
Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	1.0	5.4
AA-	2.4	12.8
A+	1.2	6.6
A	3.5	18.8
A-	3.4	18.3
Not rated	5.8	31.5
Total	17.3	93.3

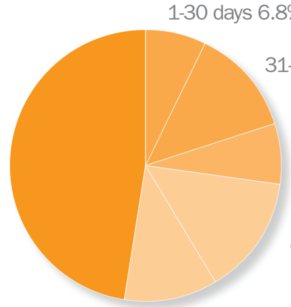
'Not rated' refers to debt securities which are not rated by S&P or other equivalent rating agencies, including but not limited to treasury bills, bonds issued by government, government agency, statutory board or corporate.

Sector allocation as of 31 December 2015



	S$ (mil)
Communications	1.4
Diversified	0.7
Energy	2.1
Financial	7.7
Government	4.3
Industrial	1.0
Cash/Others	1.2
Total	18.5

Term to maturity of investments



Term to Maturity	S$ (mil)
1-30 days	1.3
31-60 days	2.2
61-90 days	1.2
91-120 days	2.5
121-180 days	1.9
>180 days	8.2
Total	17.3

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

MONEY MARKET FUND

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	20,760,051
Purchase of units	11,451,360
Redemption of units	(13,824,405)
Gain/(loss) on investments and other income	177,157
Management fee and other charges	(49,030)
Value of fund as of 31 December 2015	18,515,133

Units in issue	16,308,262
Net asset value per unit	
- at the beginning of the year	1.128
- as of 31 December 2015	1.135

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	(184,962)	1.00	1,662	(184,962)

Investment in collective investment schemes

Nil.

Borrowings

Nil.

Related party disclosures

NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$49,030.

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.

Conflict of interests

As the Manager of various NTUC 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 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 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.

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 potential distribution of 5% to 6% per annum. 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 2015

Launch Date	12 May 2014
Fund Size	S$236.17 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	1.25% per annum, which includes management fee charged by the investment manager of Schroder Asian Income Fund. This is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
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 Charge is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.

Top 10 holdings

Asian Income Fund

December 2015	S$ (mil)	% of Net Asset Value	December 2014	S$ (mil)	% of Net Asset Value
Schroder International Opportunities Portfolio – Schroder Asian Income	237.2	100.4	Schroder International Opportunities Portfolio – Schroder Asian Income	129.3	97.7

Schroder International Opportunities Portfolio - Schroder Asian Income^

December 2015	S$ (mil)	% of Net Asset Value	December 2014	S$ (mil)	% of Net Asset Value
SISF - Global Multi-Asset Income I Accumulation Share Class	141.5	7.4	Schroder ISF Global Multi Asset Income Fund	101.6	8.4
HK Electric Investments and HK Electric Investments Ltd Stapled Shares	44.2	2.3	SK Telecom	27.8	2.3
Telstra Corp Ltd	37.1	1.9	HKT Trust and HKT Limited HKD0.0005 (Stapled)	25.2	2.1
Link REIT	35.9	1.9	Fortune REIT NPV (HK Listing)	24.4	2.0
National Australia Bank Ltd	35.8	1.9	Telstra Corp Limited	23.8	2.0
Ascendas Real Estate Investment Trust	33.2	1.7	Mapletree Commercial Trust REIT	21.6	1.8
HKT Trust and HKT Ltd Stapled Shares	32.6	1.7	Suntec REIT	18.3	1.5
Spark New Zealand Ltd	30.3	1.6	National Australia Bank Ltd	17.3	1.4
Singapore Telecommunications Ltd	29.1	1.5	Spark Infrastructure Group	16.5	1.4
HSBC Holdings PLC	28.1	1.5	CapitaMall Trust REIT	15.2	1.3

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.

ASIAN INCOME FUND

Fund manager

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

NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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.

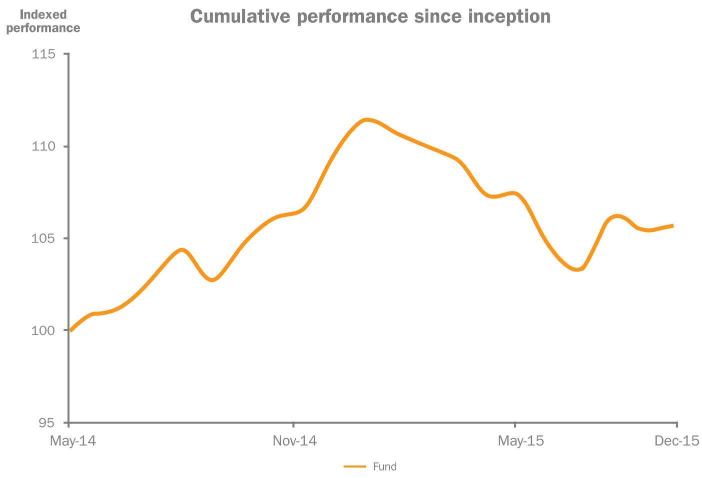
Schroder is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959. Assets under management totalled US$462.1 billion (as of 31 December 2015).

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

	1-month	3-month	6-month	1-year
Asian Income Fund	0.2%	2.2%	-1.6%	-1.0%

	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Asian Income Fund	N.A.	N.A.	N.A.	3.4%



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

Throughout 2015, the fund maintained a preference for equities over bonds and cash as it believed that the cyclical environment of modest growth and lack of inflation pressure presented a sweet spot for equities, while sentiment for fixed income was dented by the expectation of a rate-hike in the US. However, contrary to expectations, Asian equities underperformed as global growth failed to spill-over into Asian markets, and domestic demands continued to be weak despite the large windfall from lower oil price. Therefore, the fund's overweight position in equities detracted value. The allocation to global assets also underperformed despite the benefit from appreciating USD, as they underperformed Asian assets in general.

In the global sleeve, the bias towards high dividend stocks performed worse than the broad market, while the credit allocation and duration strategy also detracted value. While the diversification benefits from the global allocation remain, this position may require some reconsideration as global assets are becoming less attractive relative to Asia from a valuation perspective.

In spite of the actual interest rate lift-off in the US, the long-end of the US Treasury curve remained anchored given muted inflation pressure and uncertainty in economic growth. In the 2^{nd} half of last year, the 10-year US Treasury Bond actually tightened by 8 basis points with the widening movement mainly concentrated in the short-end of the yield curve.

Market outlook

In retrospect, 2015 was a challenging year for both Asia as a region and income investing as a style, with the former being plagued by slowing growth in China and the latter suffering from investors' pursuit of momentum and growth as a theme.

With regards to the first aspect, it appears that the challenges facing Asian Equities remain. Economic growth is likely to slow further in China, while domestic consumptions remain subdued in the absence of triggers for the expected spill-over effect from Developed Markets. Therefore, economic growth has the potential to surprise on the downside, and earnings growth could suffer. Having said that, given the large underperformance of Asian assets, the current valuation presents a good entry for long-term investors, as indicated by the fund's proprietary bottom-up valuation indicators.

In terms of Asian credit, the asset class is not particularly cheap from a valuation perspective and 2016 is likely to have more defaults. Therefore, the environment is likely to remain challenging with higher volatility, especially in the current environment of rising US interest rates. However, from a supply / demand perspective, issuance is likely to moderate as the appreciation of US Dollar means high debt servicing cost in local currency terms. Meanwhile, demands are likely to pick up from Chinese banks and onshore investors to search for better yields given declining onshore rates in China, while the need for diversification away from Japanese Government Bonds also created demand for Asian credit. After all, Asia remains the higher yielding region in both investment-grade and high yield.

With regards to the aspect of income investing, it appears to remain relevant given the long-term trend of aging demographics and deleveraging. Over shorter-term, Asian high dividend yield equities are likely to do better in 2016. Firstly, from a valuation perspective, Asian high dividend yield equities are the cheapest since 2011 based on price-to-book. In addition, the quality of Asian high dividend equities is better than their global counterparts across different dimensions as shown below.

Overall, the investment environment is going to be challenging, if not more so than 2015 for Asia yielding assets. Therefore, active risk management along the dimensions of currency, equity beta, credit and duration will continue to play an important role. Meanwhile, with less certainty for growth and higher expected default rates, security selection to avoid yield traps will be increasingly important for income seeking investors. The fund's diversified and defensive allocation as well as active hedging strategies should allow the fund to ride out this difficult environment more smoothly.

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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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.

NTUC Income's ILP 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 NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP fund.

Expense and turnover ratio

Asian Income Fund

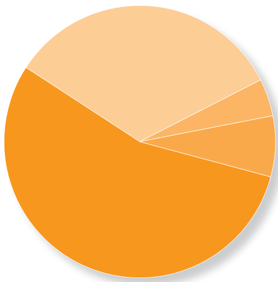
	Expense ratio	Turnover ratio
As of 31 December 2015	1.53%	9.68%
As of 31 December 2014	1.52%	6.22%

Schroder International Opportunities Portfolio - Schroder Asian Income

	Expense ratio	Turnover ratio
As of 31 December 2015	1.46%	23.11%
As of 31 December 2014	1.46%	36.45%

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.

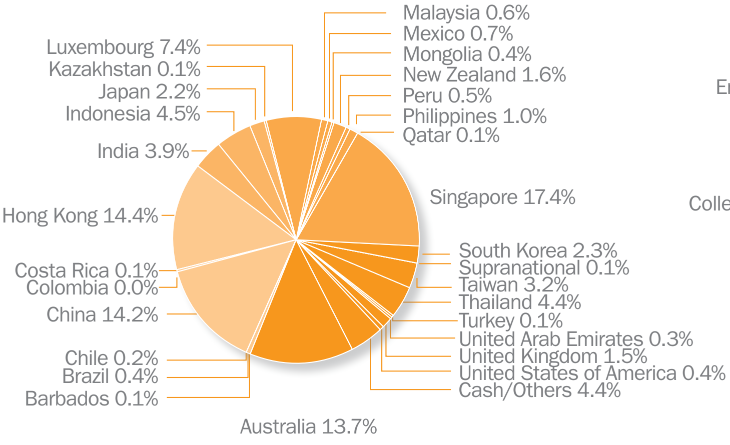
Asset allocation^ as of 31 December 2015



	S$ (mil)
Collective Investment Schemes	141.5
Equities	1,052.5
Fixed Income	634.5
Cash/Others	84.9
Total	1,913.4

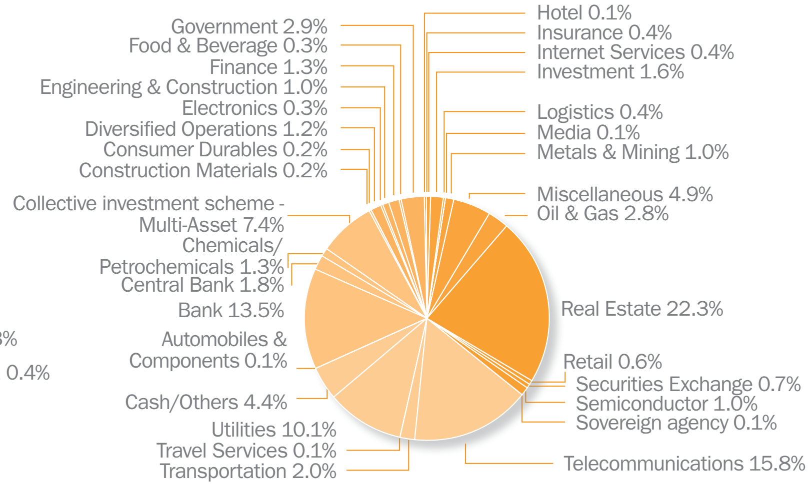
ASIAN INCOME FUND

Country allocation^ as of 31 December 2015



	S$ (mil)
Australia	262.8
Barbados	1.4
Brazil	7.1
Chile	3.7
China	272.2
Colombia	0.7
Costa Rica	1.5
Hong Kong	274.7
India	74.3
Indonesia	86.3
Japan	41.8
Kazakhstan	1.1
Luxembourg	141.5
Malaysia	10.5
Mexico	13.2
Mongolia	7.4
New Zealand	30.3
Peru	9.3
Philippines	18.3
Qatar	2.3
Singapore	333.2
South Korea	43.5
Supranational	1.7
Taiwan	61.7
Thailand	84.9
Turkey	1.5
United Arab Emirates	6.5
United Kingdom	28.1
United States of America	7.1
Cash/Others	84.9
Total	1,913.4

Sector allocation^ as of 31 December 2015



	S$ (mil)
Automobiles & Components	1.1
Bank	259.1
Central Bank	33.6
Chemicals/Petrochemicals	24.7
Collective investment scheme - Multi-Asset	141.5
Construction Materials	3.6
Consumer Durables	4.4
Diversified Operations	22.5
Electronics	5.0
Engineering & Construction	19.2
Finance	24.6
Food & Beverage	5.6
Government	56.2
Hotel	1.7
Insurance	6.7
Internet Services	6.7
Investment	31.4
Logistics	7.3
Media	1.4
Metals & Mining	19.7
Miscellaneous	93.1
Oil & Gas	53.4
Real Estate	426.2
Retail	10.6
Securities Exchange	12.9
Semiconductor	18.9
Sovereign agency	2.7
Telecommunications	301.9
Transportation	37.4
Travel Services	2.1
Utilities	193.4
Cash/Others	84.9
Total	1,913.4

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 Opportunities Portfolio - Schroder Asian Income.
Source: Schroder Investment Manager (Singapore) Ltd.

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	132,371,145
Purchase of units	134,871,503
Redemption of units	(17,319,878)
Dividend distribution	(10,179,278)
Gain/(loss) on investments and other income	(3,564,076)
Management fee and other charges	(5,146)
Value of fund as of 31 December 2015	236,174,270

Units in issue	252,726,957
Net asset value per unit	
- at the beginning of the year	0.994
- as of 31 December 2015	0.935

Exposure to derivatives
Nil.

Investment in collective investment schemes

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

Borrowings
Nil.

Related party disclosures
NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$5,146.

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. The Manager also did not receive soft dollars for the sub-fund.

Conflict of interests
As the Manager of various NTUC 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 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 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.

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 potential distribution of 4%-5% of the net asset value per annum. 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 2015

Launch Date	26 March 2015
Fund Size	S$65.14 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. The annual management fee is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
Reference 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 fund balance at any point of time.

Top 10 holdings

Global Income Fund

December 2015	S$ (mil)	% of Net Asset Value	December 2014	S$ (mil)	% of Net Asset Value
Schroder International Selection Fund – Global Multi Asset Income	65.1	99.9	N.A.	N.A.	N.A.

Schroder International Selection Fund Global Multi-Asset Income^

December 2015	S$ (mil)	% of Net Asset Value	December 2014	S$ (mil)	% of Net Asset Value
Telecom Italia Spa 144A 5.303% 300524	43.1	0.6	N.A.	N.A.	N.A.
Schroder Real Estate Investment Trust	35.9	0.5	N.A.	N.A.	N.A.
GCP Infrastructure Investments	35.9	0.5	N.A.	N.A.	N.A.
International Public Partnerships Limited	28.7	0.4	N.A.	N.A.	N.A.
iShares Mortgage Real Estate Capped	28.7	0.4	N.A.	N.A.	N.A.
Starwood European Real Estate Finance	28.7	0.4	N.A.	N.A.	N.A.
Bway Holding Co 144A 9.125% 150821	28.7	0.4	N.A.	N.A.	N.A.
US Treasury Note 1% 150917	28.7	0.4	N.A.	N.A.	N.A.
Schroder European Real Estate Investment Trust	28.7	0.4	N.A.	N.A.	N.A.
US Treasury Note 0.875% 311017	28.7	0.4	N.A.	N.A.	N.A.

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 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 will be 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

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

At the end of 2015, NTUC Income had S$30.70 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

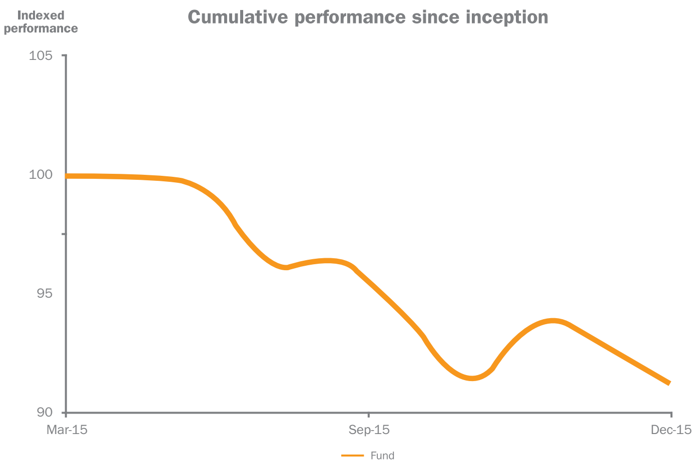
Schroder Investment Management (Singapore) Ltd was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992.

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$462.1 billion (as of 31 December 2015).

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

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Income Fund	-1.8%	0.0%	-4.9%	N.A.	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.

GLOBAL INCOME FUND

Market review

The 3rd quarter saw a further increase in market volatility as Greek euro exit concerns abated in July, only to be followed by slowing global growth and a Chinese devaluation. China's currency devaluation in August brought about the greatest volatility over the quarter. As a result, risky assets corrected, inflation expectations dropped, but nominal bond yields failed to decline as Chinese authorities sold their US Treasury holdings to stabilise their currency.

September was also volatile as markets recovered from oversold levels prior to the US Federal Reserve's (Fed) decision on interest rates. After the Fed meeting, concerns about global growth re-emerged as the Fed indicated its willingness to tighten monetary policy before year end, pushing risky assets to new lows. The fund's exposure to US high yield and investment grade detracted as spreads widened through September on the back of investors becoming concerned that growth momentum in the US economy was beginning to slow.

Having adopted a cautious stance prior to the sharp market fall in late August, this posture was maintained throughout the 4th quarter. In particular, fears over a slowdown in the Chinese economy and the risks emanating from competitive currency devaluation had not abated. A key driver of market sentiment over the period was changing expectations around Fed's policy. The Fed's decision to delay raising rates in September due to weaker data from China and Emerging Markets (EM) helped increase risk appetite at the beginning of the quarter and saw a rally in October. This started to slow in November and subsequently reversed as better than expected economic data shifted the balance of probabilities in favour of a rate hike in December.

The implied default rate in US high yield is estimated to be circa 10.0%, equivalent to that witnessed during the European sovereign crisis in 2011, and is now pricing a far more pessimistic outlook than equity markets.

Market Outlook

2016 sees a number of headwinds facing the global economy and financial markets. The outlook for growth remains modest and the industrial and manufacturing sectors, particularly in the US, have continued to weaken. Central bank policy announcements through December indicated that further volatility in asset prices may lie ahead, with the European Central Bank failing to meet investor expectations for further easing while the Fed embarked on its hiking cycle, withdrawing USD liquidity for the first time since the financial crisis.

China's currency reserves are also continuing to contract, indicating capital outflows and tighter liquidity conditions within the economy. This is placing downward pressure on the yuan, which is exerting deflationary pressures on the global economy. Energy prices have also continued to decline as a function of slowing growth and supply imbalances, which will likely further weaken growth in oil producing nations.

As a result of these factors and the general trend of slowing growth and tighter liquidity conditions, the fund is positioned defensively going into 2016 but the same time, acknowledging that compelling opportunities are emerging across asset classes and waiting for a turn in the trends described above to take advantage of them. This is due to the expectation that growth asset volatility will likely increase, while income assets will likely fare better given their valuation support.

Following the progressive widening of credit spreads over the past year and weakness in equity markets, many income sources are emerging as compelling investment opportunities. In credit markets, US high yield valuations are becoming particularly attractive with the asset class now yielding close to 10.0%, while implied defaults have returned to levels last seen during the corporate recession of the early 2000s and the European financial crisis in 2011. As a result of this value, the fund maintains its existing allocation and will increase exposure when signs of a stabilisation in energy prices and an improvement in growth and liquidity conditions become apparent. Elsewhere in credit, EM debt – USD spreads are the widest they have been since 2009, while investment grade spreads in the US are also close to levels seen in 2011.

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.

NTUC Income's ILP 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 NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP fund.

Expense and turnover ratio

Global Income Fund

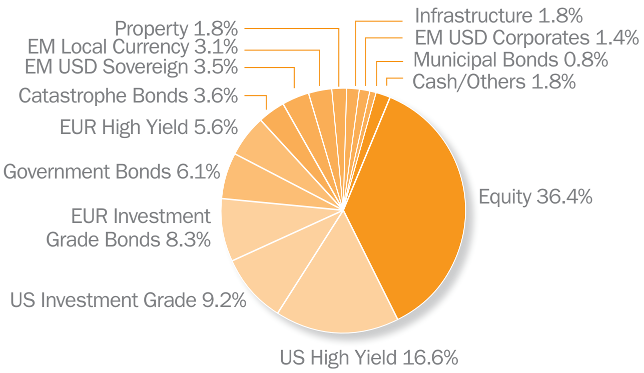
	Expense Ratio	Turnover Ratio
As of 31 December 2015	1.59%	20.25%

Schroder International Selection Fund Global Multi-Asset Income

	Expense Ratio	Turnover Ratio
As of 31 December 2015	1.55%	128.15%

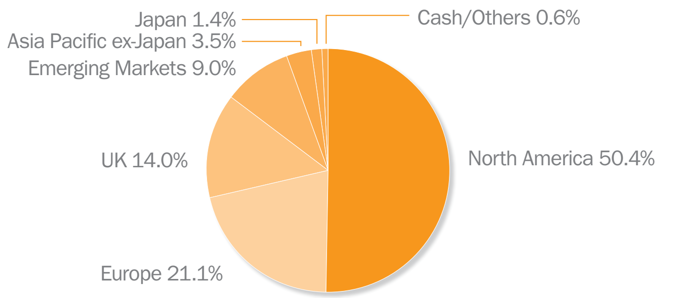
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation^ as of 31 December 2015



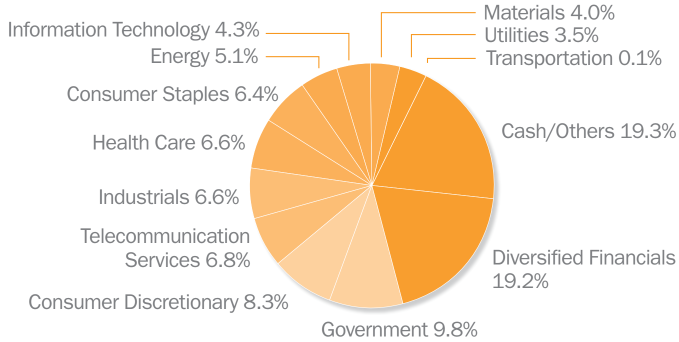
	S$ (mil)
Equity	2,614.6
US High Yield	1,192.4
US Investment Grade	660.8
EUR Investment Grade Bonds	596.2
Government Bonds	438.2
EUR High Yield	402.2
Catastrophe Bonds	258.6
EM USD Sovereign	251.4
EM Local Currency	222.7
Property	129.3
Infrastructure	129.3
EM USD Corporates	100.6
Municipal Bonds	57.5
Cash/Others	129.3
Total	7,182.9

Country allocation^ as of 31 December 2015



	S$ (mil)
North America	3,620.2
Europe	1,515.6
UK	1,005.6
Emerging Markets	646.5
Asia Pacific ex-Japan	251.4
Japan	100.6
Cash/Others	43.1
Total	7,182.9

Sector allocation^ as of 31 December 2015



	S$ (mil)
Diversified Financials	1,379.1
Government	703.9
Consumer Discretionary	596.2
Telecommunication Services	488.4
Industrials	474.1
Health Care	474.1
Consumer Staples	459.7
Energy	366.3
Information Technology	308.9
Materials	287.3
Utilities	251.4
Transportation	7.2
Cash/Others	1,386.3
Total	7,182.9

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

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

GLOBAL INCOME FUND

Summarised financial statement as of 31 December 2015

	S$
Purchase of units	80,598,542
Redemption of units	(8,077,583)
Dividend distribution	(2,214,118)
Gain/(loss) on investments and other income	(5,169,761)
Value of fund as of 31 December 2015	65,137,080

Units in issue	76,200,076
Net asset value per unit - as of 31 December 2015	0.855

Exposure to derivatives
Nil.

Investment in collective investment schemes

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

Borrowings
Nil.

Related party disclosure
NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, there is no management fee paid or payable by the fund to the Investment Manager.

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. The Manager also did not receive soft dollars for the sub-fund.

Conflict of interests
As the Manager of various NTUC 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 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 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.

GLOBAL TECHNOLOGY FUND

Investment objective

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

Investment scope

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

Fund details as of 31 December 2015

Launch Date	1 August 2000
Fund Size	S$73.11 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Fee	1.25% p.a.
Inclusion in CPFIS	Yes(CPF OA)
CPFIS Risk Classification	Higher Risk, Narrowly Focused – Sector – Technology
Benchmark	Merrill Lynch 100 Technology 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 fund balance at any point of time.

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Amazon.com Inc	3.1	4.2
Workday Inc	2.9	4.0
Cornerstone OnDemand Inc	2.4	3.3
FireEye Inc	2.4	3.3
Splunk Inc	2.4	3.2
NVIDIA Corp	2.3	3.2
ServiceNow Inc	2.3	3.1
Alliance Data Systems	2.1	2.8
Athenahealth Inc	1.8	2.4
Cognizant Technology	1.8	2.4

December 2014	S$ (mil)	% of Net Asset Value
ServiceNow Inc	3.8	5.2
Splunk Inc	3.6	5.0
LinkedIn Corp	3.4	4.7
Workday Inc	3.3	4.6
Alliance Data Systems	3.2	4.5
Qualys Inc	3.1	4.3
Amazon.com Inc	2.8	3.8
Intuitive Surgical Inc	2.6	3.6
Tyler Technologies Inc	2.5	3.5
ANSYS Inc	2.4	3.3

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 fund. The Fund is sub-managed by Trust Company of the West (TCW) Asset Management Company.

NTUC Income Insurance Co-operative Limited

NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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.

Trust Company of the West (TCW) Asset Management Company

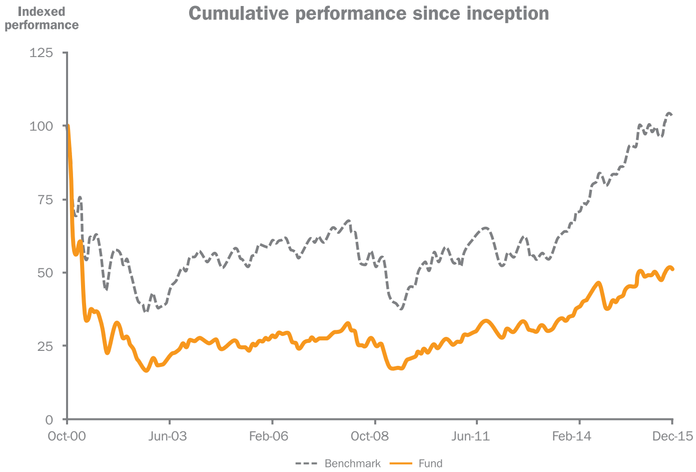
TCW was established in 1971 in Los Angeles, California. It has US$180.7 billion in assets under management or committed to management (as of 31 December 2015). TCW is staffed with 585 individuals. The 164-person professional investment staff includes 19 portfolio managers, 89 analysts, 25 traders and 7 portfolio specialists as of 31 December 2015. In addition, there are 24 professionals in Alternative investments. TCW offers strategies that invest in major world equity, fixed income and alternative markets, with offices in Los Angeles, New York, Boston, Chicago, London, Hong Kong, and Tokyo. In equities, TCW's ability to add value resides in the firm's adherence to well-articulated investment philosophies and processes, supported by a rigorous fundamental research effort that allows the firm to develop differentiated investment insights relative to the market consensus. In fixed income, TCW emphasises fundamental, bottom-up research and issue selection, used in combination with top-down investment strategies, to generate strong absolute risk-adjusted returns.

GLOBAL TECHNOLOGY FUND

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Global Technology Fund	-1.0%	9.1%	5.3%	14.9%	20.8%	12.8%	7.0%	-4.5%
Benchmark	-1.9%	7.6%	6.5%	11.0%	23.2%	11.4%	5.9%	0.2%

Changes to benchmarks during the life of the fund: Since inception to Mar 2009 - 100% NASDAQ Composite 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

The macroeconomic backdrop was generally bleak, led by concerns regarding China's slowing growth, plunging commodity prices and uncertainty surrounding the raise in US Federal Reserve (Fed) rates. This precipitated the reduction in investors' risk appetite and market confidence following a short-lived period of positive momentum in the 1st half of 2015.

In the US, the economy continues to chug along at a slow but positive pace as unemployment is at a seven-year low of just 5.0% and wages remain strong. Consumer confidence leapt thanks to falling gas prices and solid job growth contributing to rising consumer income. On the other side of the world, China's slowdown in growth weighed heavily on Emerging Markets (EM) who export high levels of oil and commodities to China, such as Brazil and Russia. EMs experienced the most sluggish growth in over a decade, while the decline in commodity prices continued to spread trouble to corporate bonds. In the Eurozone, a modest recovery is underway, aided by two European Central Bank stimulus programmes and Greece and the EU's bailout agreement. The latest Eurozone data shows the composite Purchasing Managers Index for December was a solid 54.0%, and Eurozone confidence is strong for both industry and consumers.

The portfolio underperformed the BofA Merrill Lynch Technology 100 benchmark in the 2nd half of the year. Notable detractors were names such as FireEye and Splunk in software, Stratasys in technology hardware and peripherals, FARO Technologies and Cognex Corporation in electronic equipment and instruments, and Twitter in internet software and services. Contributors were names such as Amazon.com in internet retail, Tyler Technologies in software, NVIDIA in semiconductors, Keurig Green Mountain in food products and Athenahealth in healthcare technology.

There were several noteworthy Mergers and Acquisitions (M&A) during the 2nd half of the year. In October, Google officially incorporated its new parent company called Alphabet, whose shares began trading during the month. Dell acquired EMC for $67 billion, while plans are underway for Western Digital to acquire SanDisk for $19 billion and Altice to acquire Cablevision for $17.7 billion. Prominent product launches during the period included the two latest Apple iPhones and Samsung's Galaxy Note 5 and Galaxy S6 Edge+ smartphones. Microsoft also released two new smartphones, the Surface Book laptop and Surface Pro 4 tablet.

Market Outlook

Our manager's long-term outlook for the technology sector remains optimistic. Disruption and innovation continue to be hallmarks of the sector and technology presents several compelling themes such as next generation security, enterprise software-as-a-service, cloud services, data centre and cloud infrastructure and big data and analytics. In the US, the Fed's forecast of 2.0% gross domestic product growth and a low inflation environment support the optimism for the US. History shows a strong correlation between dollar strength and both earnings multiples and a rise in M&A activity. This M&A trend should continue as large companies to look to deploy capital and accelerate growth. Over the long run, they believe high quality growth names will outperform as the economic recovery continues.

Risks

As the 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

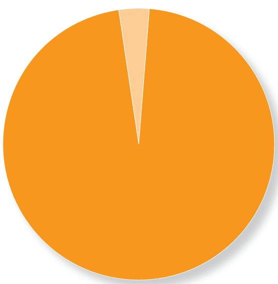
NTUC Income's ILP funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	1.30%	38.33%
As of 31 December 2014	1.31%	18.91%

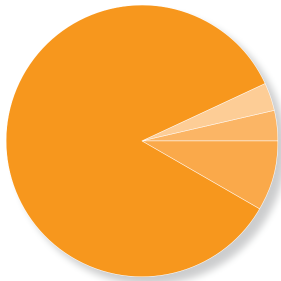
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 31 December 2015



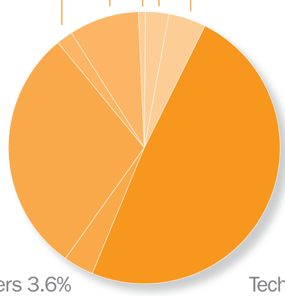
	S$ (mil)
Equities	70.5
Cash/Others	2.6
Total	73.1

Country allocation as of 31 December 2015



	S$ (mil)
Europe	6.3
North America	61.8
Other Countries	2.4
Cash/Others	2.6
Total	73.1

Sector allocation as of 31 December 2015



	S$ (mil)
Communications	21.4
Consumer, Cyclical	1.4
Consumer, Non-cyclical	6.0
Energy	0.7
Financial	2.1
Industrial	3.2
Technology	35.7
Cash/Others	2.6
Total	73.1

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

Credit rating of debt securities

There are no debt securities under the Technology Fund.

GLOBAL TECHNOLOGY FUND

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	72,310,036
Purchase of units	8,112,552
Redemption of units	(17,870,932)
Gain/(loss) on investments and other income	11,463,522
Management fee and other charges	(908,988)
Value of fund as of 31 December 2015	73,106,190

Units in issue	148,161,744
Net asset value per unit	
- at the beginning of the year	0.429
- as of 31 December 2015	0.493

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	-	-	(25,432)	1,362

Investment in collective investment schemes
Nil.

Borrowings
Nil.

Related party disclosure
NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$908,988.

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 has 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, 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 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 of 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.

Conflict of interests
As the Manager of various NTUC 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.

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

Other parties
The auditor of this 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 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.

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 fund is denominated in Singapore Dollars.

Fund details as of 31 December 2015

Launch Date	2 August 1973
Fund Size	S$ 207.27 million
Initial Sales Charge	3.5% (an extra 0.5% bonus unit will be given for all single premium and top-ups)
Annual Management Charge	1.0% p.a.
Inclusion in CPFIS	Yes (CPF OA and CPF SA)
CPFIS Risk Classification	Medium to High Risk, Narrowly Focused – Regional – Asia
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 Charge is not guaranteed and may be reviewed from time to time. However, it shall not exceed 2.0% of the fund balance at any point of time.

Top 10 holdings

December 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	87.5	42.2
DBS Group Holdings Ltd	7.2	3.5
Singapore Telecommunications Ltd	6.3	3.0
Oversea-Chinese Banking Corp	6.1	3.0
United Overseas Bank Ltd	5.0	2.4
HSBC Holdings Plc	4.7	2.3
Tencent Holdings Ltd	4.3	2.1
AIA Group Ltd	3.7	1.8
CapitaLand Ltd	3.1	1.5
China Mobile Ltd	3.0	1.4

December 2014	S$ (mil)	% of Net Asset Value
Singapore Bond Fund^	76.6	35.1
DBS Group Holdings Ltd	8.9	4.1
HSBC Holdings Plc	6.4	2.9
Oversea-Chinese Banking Corp	6.2	2.8
Singapore Telecommunications Ltd	5.7	2.6
United Overseas Bank Ltd	5.5	2.5
AIA Group Ltd	4.3	2.0
Tencent Holdings Ltd	4.2	1.9
Industrial & Commercial Bank of China	4.2	1.9
China Mobile Ltd	3.9	1.8

^ 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
NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

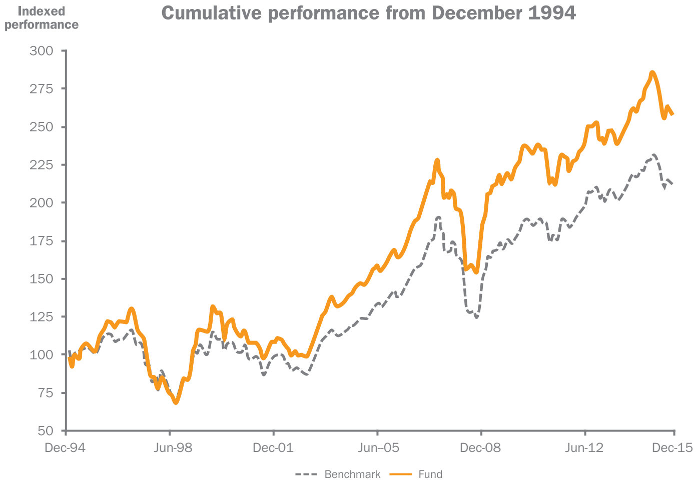
At the end of 2015, NTUC Income had S$30.70 billion in assets under management. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings and predicated on our core investment philosophy of value, prudence and discipline.

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Prime Fund	-0.3%	1.8%	-7.6%	-2.9%	2.3%	2.0%	5.1%	8.4%
Benchmark	0.0%	2.0%	-6.8%	-3.6%	2.1%	2.5%	4.9%	N.A.

Changes to benchmarks during the life of the fund: Since inception to 31 Dec 94 to 31 Mar 98 - 33.33% DBS50, 33.33% KLCI, 33.33% Singapore 3-Month Deposit rate

PRIME FUND



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 had a bruising 2015 with most stocks seeing red. Concerns of a stuttering China, depressed oil price, and the first tightening by the US Federal Reserve (Fed) in almost a decade, sent investors seeking for cover in all 3 countries. Singapore which is primarily an export driven country, was severely sold off by investors on concerns of the impact of a slowing Chinese economy and weak global trade. The large correction in the China A share market coupled with People's Bank of China depreciating the yuan raised investor concerns of a slowing Chinese economy and sent the Hang Seng Index lower. Thailand's SET Index fared no better burdened by rising non-performing loans and a military run government.

Singapore's STI was down 14.3% for the year underperforming the Asia ex-Japan by 9.2%. 25 of the 30 stocks saw declines. The best performing sector was transportation with SATS (+25.9%) and ComfortDelgro (+17.3%) shrugging off competition and raising cost issues to end the year in positive territory. The worst performing sector was capital goods with names linked with declining commodity prices such as Noble, Keppel and Sembcorp Marine suffering.

Singapore gross domestic product (GDP) expanded by 2.1% in 2015 which was the slowest in six years. The manufacturing sector declined by 6.0% in the 4th quarter, extending the 5.9% decline in the previous quarter. The sector was dragged down by weak output in the electronics, transport engineering and precision engineering clusters. Non-oil domestic exports in Singapore also continued to weaken, falling 7.2% in December, after registering a 3.4% drop the previous month primarily caused by weakness in the Chinese economy.

The Hang Seng Index had a good start to the year but fell 16.5% in the 2nd half of 2015, the worst half yearly loss in 2011, to end the year down 7.2%. 11 of the 50 stocks in the index ended the year positive. Hong Kong shares outperformed, whereas China shares declined sharply from the peak in April 2015. In terms of sector performance, Financials did the worst in the HSI with Bank of Communications (-24.6%) and Bank of China (-20.8%) being the worst performers. Property was the best performing sector last year with the sector being helped by China Overseas Land & Investment (+19.4%) and China Resources Land (+10.5%).

On the economic front, both China and Hong Kong's economies continued to weaken in 2015. In China, most industrial activity indicators such as commercial vehicle sales, railway freight volumes and commodity demand contracted in 2015. Consumption activity slowed in 1st half of 2015 but recovered in 2nd half as incentives announced in September helped to lift auto sales in the later part of the year. In Hong Kong, total exports contracted by 1.8% on a year-on-year (yoy) basis and retail sales fell by 3.7% in 2015. Overall visitors to Hong Kong also contracted, largely driven by the dearth of visitors from China. Inflation remains benign for both China and Hong Kong, with consumer price index rising by 1.6% and 2.5% in December 2015 respectively.

The SET index peaked in 2015 and declined throughout the year ending with a negative 14.0% return. Foreign investors continued to be net sellers leading to an outflow of US$4.4 billion for the year 2015. As for sector performance, Telecommunications posted the worst return with Total Access Communication (-68.7%) and Jasmine International (-56.0%) leading the decliners. Fears of overbidding for spectrum license as well as new competition were at the epicentre of investor concerns. The top performing sector was Healthcare with Bangkok Dusit Medical Services (+29.7%) as well as Bumrungrad Hospital (+49.6%).

On the economic front, sluggish global economic growth affected Thailand's export numbers which peaked in September. Early 2015 saw the Bank of Thailand lowering rates to 1.5% just slightly above the historical low of 1.25%. The bomb blast in September in Bangkok affected visitor arrivals in the following month which recovered very quickly and had no lasting impact on the economy. Core inflation in Thailand saw a yoy growth of 0.7% down from 1.7% growth the year before.

In terms of market outlook, the weak start to 2016 has pushed market valuations to attractive levels. However, a weak China coupled with jittery investor sentiment continue to weigh on the markets. Singapore is operating in a particularly challenging environment. Being an open economy, the country is especially susceptible to the risk of the current uncertain macro headwinds. The country is also undergoing a transformation of its economy through deflating the asset market, such as the housing, and restructuring the labour market by restricting foreign labour growth and improving productivity.

We also expect the Hong Kong economy to slow further in 2016 on the back of weaker demand from China. We expect Hong Kong's GDP to grow only 2.3% in 2016, down from 2.4% in 2015. The strong HKD, which is pegged to USD, is expected to dampen tourist arrivals. Falling property prices will also continue to strain household balance sheets and negatively impact consumer spending.

Outlook for Thailand remains weak in 2016, with no clear signs of a turnaround in consumer spending and its external trade balance. Expectations are for GDP to come in at about 3.2% versus 2.7% in 2015, driven primarily by government spending. Baht1.8 trillion worth of infrastructure projects are slated to be announced and implemented, which could drive the construction sector and corporate loan growth.

In the backdrop of a slowing global growth climate, and teething pains as China transforms to a consumption led economy, we believe that markets will be volatile. Uncertainty over the pace and extent of Fed tightening, would also keep investors on the side-lines. We believe that stock selection is key in 2016. Hence, we believe in a barbell strategy of buying defensive stocks that pays dividends as well as attractively valued blue chip cyclical names.

Risks

The risk in the Prime Fund is diversified by investing in a mixture of Asian equities & bonds. As the 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

NTUC Income's ILP 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 NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial adviser before investing in any ILP fund.

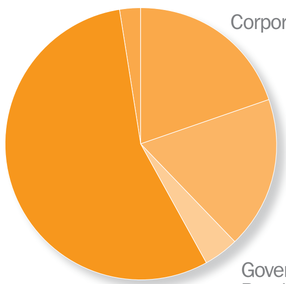
Expense and turnover ratio

	Expense ratio	Turnover ratio
As of 31 December 2015	0.88%	17.56%
As of 31 December 2014	0.90%	11.83%

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.

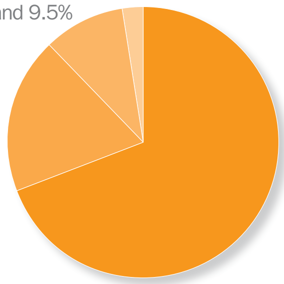
Asset allocation as of 31 December 2015



Asset allocation as of 31 December 2015

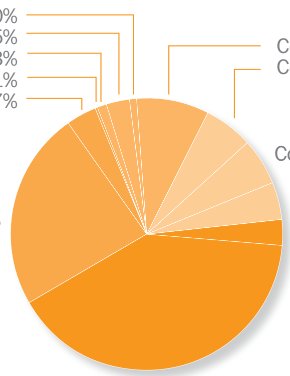
	S$ (mil)
Corporate Bonds	41.2
Government Bonds	37.5
Government Agency Bonds	8.6
Equities	114.9
Cash/Others	5.1
Total	207.3

Country allocation as of 31 December 2015



	S$ (mil)
Singapore	143.6
Hong Kong	38.9
Thailand	19.7
Cash/Others	5.1
Total	207.3

Sector allocation as of 31 December 2015



	S$ (mil)
Basic Materials	2.0
Communications	17.9
Consumer, Cyclical	12.0
Consumer, Non-cyclical	11.7
Diversified	9.1
Energy	6.0
Financial	83.8
Government	48.8
Industrial	7.8
Technology	0.3
Utilities	2.7
Cash/Others	5.1
Total	207.3

PRIME FUND

Credit rating of debt securities

S&P's rating or its equivalent

	S$ (mil)	% of NAV
AAA	42.1	20.3
AA	1.2	0.6
AA-	1.8	0.9
A+	7.3	3.5
A	3.0	1.5
A-	0.8	0.4
BBB+	5.6	2.7
BBB	2.8	1.3
BBB-	2.9	1.4
BB+	0.8	0.4
Not rated	19.1	9.2
Total	87.3	42.1

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

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

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	218,229,022
Purchase of units	13,166,251
Redemption of units	(18,293,575)
Gain/(loss) on investments and other income	(4,494,443)
Management fee and other charges	(1,337,698)
Value of fund as of 31 December 2015	207,269,557

Units in issue	29,419,264
Net asset value per unit	
- at the beginning of the year	7.258
- as of 31 December 2015	7.045

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/(Losses) S$
Forwards	-	-	(5,481)	-

Investment in collective investment schemes

December 2015	S$ (mil)	% of Net Asset Value
Singapore Bond Fund	87.5	42.2
Hutchison Port Holdings Trust	0.9	0.4
CapitaLand Mall Trust (REIT)	0.9	0.4
CapitaLand Retail China Trust (REIT)	0.6	0.3
Ascendas REIT	0.4	0.2
Keppel REIT	0.3	0.1

Borrowings

Nil.

Related party disclosures

NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$1,337,698.

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.

Conflict of interests

As the Manager of various NTUC 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 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 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.

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 fund is designed based on Islamic principles.

Investment scope

The fund invests in the global equity markets in instruments that are Syariah compliant. The fund is denominated in Singapore Dollars.

Fund details as of 31 December 2015

Launch Date	1 September 1995
Fund Size	S$19.47 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.
Inclusion in CPFIS	N.A.
CPFIS Risk Classification	N.A.
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 fund balance at any point of time.

Top 10 holdings

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

December 2014	S$ (mil)	% of Net Asset Value
Apple Inc	0.8	4.2
Bristol-Myers Squibb Co	0.4	2.2
Microsoft Corp	0.4	2.1
Lowe's Cos Inc	0.4	1.9
Intel Corp	0.4	1.8
Coca Cola Co/The	0.3	1.7
Procter & Gamble Co/The	0.3	1.5
Merck & Co Inc	0.3	1.4
Home Depot Inc	0.3	1.4
Mondelez International Inc	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 fund. Wellington International Management Company Pte Ltd is the Sub-Investment Manager of the fund.

NTUC Income Insurance Co-operative Limited

NTUC 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, NTUC Income is committed to making insurance accessible, affordable and sustainable for all.

At the end of 2015, NTUC Income had S$30.70 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$927 billion in assets under management, WMC serves as an investment adviser to over 2,100 clients located in more than 55 countries, as of 31 December 2015. 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.

TAKAFUL FUND

Fund performance vs benchmark

	1-month	3-month	6-month	1-year	3-year (annualised)	5-year (annualised)	10-year (annualised)	Since inception (annualised)
Takaful Fund	-1.0%	6.4%	3.5%	10.2%	17.9%	11.1%	7.3%	1.7%
Benchmark[1]	-1.1%	5.9%	2.5%	7.4%	15.4%	9.9%	6.9%	3.0%

Changes to benchmarks during the life of the 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 Fund 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

Markets were volatile during the 2nd half of 2015. Headwinds from slowing Chinese growth sent ripple effects across the Developed and Emerging Markets (EM). Heavy selling of Chinese shares early in the summer was compounded during August when an unexpected yuan devaluation spawned fears that China was the latest entrant into the so-called currency wars. China's trial-and-error policy response to market events late in 2015 severely undermined market faith in China's ability to manage an increasingly complex market and economic landscape. Developed Market central banks were busy late in 2015. The US Federal Reserve (Fed) raised rates at the December Federal Open Market Committee meeting while the European Central Bank (ECB) and the Bank of Japan both modestly added to their asset purchase programmes with inflation remaining stubbornly low. Global growth remained modest while deflationary forces continue to build. Tumbling prices for oil and other raw materials was pervasive during the 2nd half of 2015.

The US S&P 500 index returned 5.5% in Singapore Dollar terms for the 2nd half of 2015. Upbeat US labour data helped set the stage for the first rate hike in the post-financial crisis era late in mid-December. The hike was initially viewed as a vote of confidence in the US economy, but by year-end, many were concerned that the Fed had jumped the gun by hiking amid modest growth and still very low inflation. Slowing Chinese growth and a steady decline in the prices of oil and other commodities were headwinds for firms in the energy, materials and industrial sectors while solid US employment and housing markets were supportive factors.

European stocks, as measured by the STOXX 50 index, returned -2.1% in Singapore Dollar terms during the 2nd half of 2015. Only modest additional stimulus from the ECB in December, despite very low inflation, caught markets off-guard, causing the market to shed earlier gains. A more aggressive policy response had been priced in by the markets. Europe experienced an uptick in political risk during late 2015 with the Greek government maintaining only a bare majority while Spain and Portugal had difficulty forming governing coalitions after inconclusive election results. Additionally, the refugee crisis intensified during the 2nd half.

In Japan, the Nikkei Composite Index returned 0.8% in Singapore Dollar terms during the 2nd half of 2015. Markets have grown concerned that Abenomics — fiscal stimulus, monetary easing and structural reforms — have run out of steam. A significantly stronger yen weighed on sentiment, as has slowing growth in China, Japan's largest trading partner.

Market Outlook

Volatility is expected to remain high during 2016, making for challenging markets. Sub-par growth and low inflation will likely endure for much of the developed and emerging world.

United States: US multinational companies are expected to face some earnings headwinds from the strong US Dollar and a below-trend economic recovery — although many of them continue to deliver positive organic growth. Margins have also begun to peak across sectors, and top-line growth has been very company-specific. Examining recent earnings results, we see significant discrepancies in performance between companies that are able to deliver growth and those that cannot. In other words, active stock-picking matters. Until more data is available to indicate whether the slowdown in manufacturing, the weakness in exports and the stutter step in earnings will persist, fear could rule the markets for riskier assets.

Europe: A continued economic recovery may be seen, although the strength of the rebound will be extremely moderate and some European stocks have already priced in these expectations. Looking further out, we believe global multinationals based in Europe, currently hurt by their exposure to EM, will continue to provide long-term value.

Japan: While overall valuations appear low on a relative basis, we are very selective in identifying compelling opportunities. While there are some world-class niche businesses in Japan, and the focus on shareholders is marginally improving, fundamentals remain challenged because of weaker demand from overseas, particularly from China, and pro-growth reforms to bolster the Japanese economy are proceeding slowly.

Emerging Markets: Consumption areas are favourable as compared to infrastructure or commodity-based industries or state-owned enterprises. Broadly speaking, the fund also continues to be underweight sectors such as energy, commodities and basic materials. Reduced Chinese demand has compounded EM countries' structural issues by adding cyclical challenges like low commodity prices and slowing global trade. EM debt levels have been building — rapidly in some countries. Higher rates from the Fed and wider risk premia make servicing that debt more difficult.

Risks

As the 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) fund are used for hedging and/or efficient portfolio management purposes. The global exposure of the ILP 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 fund changes.

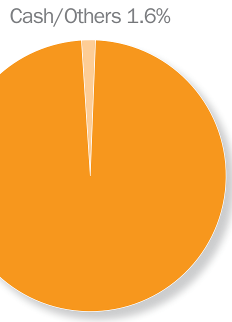
NTUC Income's ILP funds are intended for long-term investment. It is not suited for any short-term speculation. You should not expect to obtain any short-term gains from investing in NTUC Income's ILP funds. It is important that your investment suits your risk appetite. You may wish to consult your financial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

Expense and turnover ratio

	Expense Ratio	Turnover Ratio
As of 31 December 2015	1.15%	46.62%
As of 31 December 2014	1.16%	56.65%

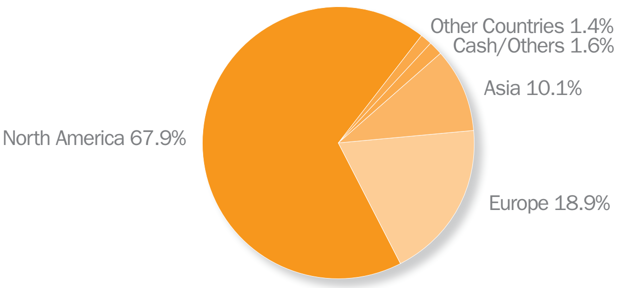
Expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising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

Asset allocation as of 31 December 2015



	S$ (mil)
Equities	19.2
Cash/Others	0.3
Total	19.5

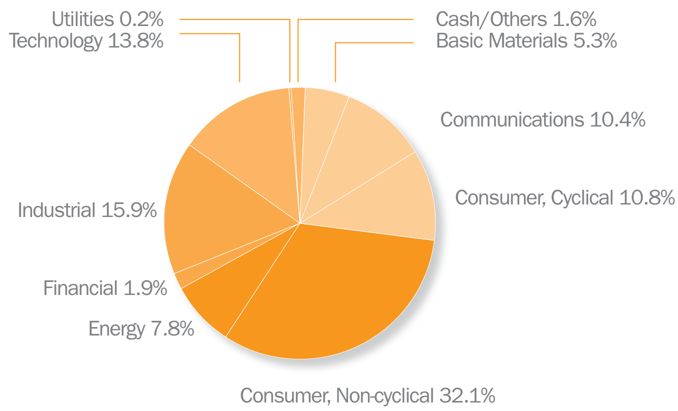
Country allocation as of 31 December 2015



	S$ (mil)
Asia	2.0
Europe	3.7
North America	13.2
Other Countries	0.3
Cash/Others	0.3
Total	19.5

TAKAFUL FUND

Sector allocation as of 31 December 2015



	S$ (mil)
Basic Materials	1.0
Communications	2.0
Consumer, Cyclical	2.1
Consumer, Non-cyclical	6.3
Energy	1.5
Financial	0.4
Industrial	3.1
Technology	2.7
Utilities	0.0
Cash/Others	0.3
Total	19.5

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

Credit rating of debt securities
There are no debt securities under the Takaful Fund.

Summarised financial statement as of 31 December 2015

	S$
Value of fund as of 1 January 2015	19,934,604
Purchase of units	499,673
Redemption of units	(2,921,229)
Gain/(loss) on investments and other income	2,160,330
Management fee and other charges	(200,044)
Value of fund as of 31 December 2015	19,473,334

Units in issue	17,034,560
Net asset value per unit	
- at the beginning of the year	1.037
- as of 31 December 2015	1.143

Exposure to derivatives

	Market Value S$	% of Net Asset Value	Realised Gains/ (Losses) S$	Unrealised Gains/ (Losses) S$
Forwards	(136)	-	(919)	360

Investment in collective investment schemes
Nil.

Borrowings
Nil.

Related party disclosure
NTUC Income is the Investment Manager of the fund. During the financial year ended 31 December 2015, management fee paid or payable by the fund to the Investment Manager is S$200,044.

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.

Conflict of interests
As the Manager of various NTUC 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 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 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 2015	128,845,409	255,561,161	265,985,711	169,294,395
Purchase of units	6,611,615	6,144,765	22,750,606	20,601,178
Redemption of units	(11,214,809)	(33,178,924)	(14,573,833)	(27,848,795)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	1,218,098	18,857,522	3,198,818	(16,952,444)
Management fees and other charges	(1,090,472)	(2,754,112)	(1,362,901)	(1,033,252)
Value of fund as of 31 December 2015	124,369,841	244,630,412	275,998,401	144,061,082

	Aim Now S$	Aim 2025 S$	Aim 2035 S$	Aim 2045 S$
Value of fund as of 1 January 2015	148,142,058	11,680,232	15,639,013	16,672,463
Purchase of units	17,844,365	3,261,843	3,151,491	4,158,524
Redemption of units	(46,654,031)	(1,205,179)	(1,725,714)	(3,282,927)
Dividend distribution	(3,834,058)	-	-	-
Gain/(loss) on investments and other income	2,031,994	231,278	409,521	490,382
Management fees and other charges	(861,356)	(115,838)	(159,151)	(159,914)
Value of fund as of 31 December 2015	116,668,972	13,852,336	17,315,160	17,878,528

	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 2015	99,390,942	181,706,716	12,453,671	251,395,314
Purchase of units	6,604,971	5,532,965	593,925	12,545,335
Redemption of units	(10,520,560)	(18,460,130)	(1,363,010)	(28,158,185)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	926,279	3,011,828	157,368	5,019,463
Management fees and other charges	(193,724)	-	-	-
Value of fund as of 31 December 2015	96,207,908	171,791,379	11,841,954	240,801,927

CAPITAL AND INCOME ACCOUNT

	Prime Fund S$	Singapore Managed Fund S$	Takaful Fund S$	Global Technology Fund S$
Value of fund as of 1 January 2015	218,229,022	88,827,512	19,934,604	72,310,036
Purchase of units	13,166,251	4,243,092	499,673	8,112,552
Redemption of units	(18,293,575)	(8,210,583)	(2,921,229)	(17,870,932)
Dividend distribution	-	-	-	-
Gain/(loss) on investments and other income	(4,494,443)	(5,411,735)	2,160,330	11,463,522
Management fees and other charges	(1,337,698)	(524,369)	(200,044)	(908,988)
Value of fund as of 31 December 2015	207,269,557	78,923,917	19,473,334	73,106,190

	Money Market Fund S$	Asian Income Fund S$	Global Income Fund S$
Value of fund as of 1 January 2015	20,760,051	132,371,145	-
Purchase of units	11,451,360	134,871,503	80,598,542
Redemption of units	(13,824,405)	(17,319,878)	(8,077,583)
Dividend distribution	-	(10,179,278)	(2,214,118)
Gain/(loss) on investments and other income	177,157	(3,564,076)	(5,169,761)
Management fees and other charges	(49,030)	(5,146)	-
Value of fund as of 31 December 2015	18,515,133	236,174,270	65,137,080

FINANCIAL STATEMENTS

BALANCE SHEET

	Global Bond Fund S$	Global Equity Fund S$	Singapore Bond Fund S$	Singapore Equity Fund S$	Aim Now S$
ASSETS					
Financial assets					
Equities	-	243,708,999	-	139,887,071	103,373,978
Debt securities	124,600,734	-	275,466,807	-	2,323,582
Financial derivatives	1,485,098	-	-	5,113	43,160
Other receivables and assets	1,152,704	421,212	212,291	1,432,772	330,284
Cash and cash equivalents	740,635	1,159,491	765,129	2,955,942	12,917,064
Total assets	**127,979,171**	**245,289,702**	**276,444,227**	**144,280,898**	**118,988,068**
LIABILITIES					
Financial liabilities					
Financial derivatives	2,553,643	-	207,157	-	140,133
Other payables and liabilities	882,494	659,290	238,669	219,816	2,178,963
Margin account	173,193	-	-	-	-
Total liabilities	**3,609,330**	**659,290**	**445,826**	**219,816**	**2,319,096**
Value of fund	**124,369,841**	**244,630,412**	**275,998,401**	**144,061,082**	**116,668,972**
Units in issue	**81,331,419**	**89,457,559**	**164,573,179**	**52,533,079**	**128,669,173**
Net asset value per unit					
- at the beginning of the year	**1.527**	**2.572**	**1.666**	**3.107**	**0.928**
- as of 31 December 2015	**1.529**	**2.735**	**1.677**	**2.742**	**0.907**

	Aim 2025 S$	Aim 2035 S$	Aim 2045 S$	Asia Managed Fund S$	Global Managed Fund (Balanced) S$
ASSETS					
Financial assets					
Equities	13,001,138	16,839,364	17,103,752	95,636,301	171,747,361
Debt securities	-	-	-	-	-
Financial derivatives	8,268	9,499	7,116	-	-
Other receivables and assets	281,778	62,906	91,771	382,139	256,355
Cash and cash equivalents	605,823	531,333	714,036	350,701	199,968
Total assets	**13,897,007**	**17,443,102**	**17,916,675**	**96,369,141**	**172,203,684**
LIABILITIES					
Financial liabilities					
Financial derivatives	13,350	18,438	10,699	-	-
Other payables and liabilities	31,321	109,504	27,448	161,233	412,305
Margin account	-	-	-	-	-
Total liabilities	**44,671**	**127,942**	**38,147**	**161,233**	**412,305**
Value of fund	**13,852,336**	**17,315,160**	**17,878,528**	**96,207,908**	**171,791,379**
Units in issue	**10,889,472**	**12,907,151**	**13,247,666**	**41,447,905**	**87,223,242**
Net asset value per unit					
- at the beginning of the year	**1.259**	**1.318**	**1.326**	**2.306**	**1.938**
- as of 31 December 2015	**1.272**	**1.342**	**1.350**	**2.321**	**1.970**

FINANCIAL STATEMENTS

BALANCE SHEET

	Global Managed Fund (Conservative) S$	Global Managed Fund (Growth) S$	Prime Fund S$	Singapore Managed Fund S$	Takaful Fund S$
ASSETS					
Financial assets					
Equities	11,683,914	240,747,394	202,329,119	77,790,294	19,157,449
Debt securities	-	-	-	-	-
Financial derivatives	-	-	-	-	-
Other receivables and assets	57,714	375,054	851,929	412,674	74,898
Cash and cash equivalents	101,146	199,952	4,300,296	800,168	358,227
Total assets	**11,842,774**	**241,322,400**	**207,481,344**	**79,003,136**	**19,590,574**
LIABILITIES					
Financial liabilities					
Financial derivatives	-	-	-	-	136
Other payables and liabilities	820	520,473	211,787	79,219	117,104
Margin account	-	-	-	-	-
Total liabilities	**820**	**520,473**	**211,787**	**79,219**	**117,240**
Value of fund	**11,841,954**	**240,801,927**	**207,269,557**	**78,923,917**	**19,473,334**
Units in issue	**6,658,528**	**114,034,309**	**29,419,264**	**31,162,487**	**17,034,560**
Net asset value per unit					
- at the beginning of the year	**1.756**	**2.072**	**7.258**	**2.725**	**1.037**
- as of 31 December 2015	**1.778**	**2.112**	**7.045**	**2.533**	**1.143**

	Global Technology Fund S$	Money Market Fund S$	Asian Income Fund S$	Global Income Fund S$
ASSETS				
Financial assets				
Equities	70,499,165	-	237,213,709	65,055,994
Debt securities	-	17,275,400	-	-
Financial derivatives	-	2,128	-	-
Other receivables and assets	535,611	1,018,545	2,444,265	641,121
Cash and cash equivalents	2,296,049	973,732	1,728,790	104,086
Total assets	**73,330,825**	**19,269,805**	**241,386,764**	**65,801,201**
LIABILITIES				
Financial liabilities				
Financial derivatives	-	187,090	-	-
Other payables and liabilities	224,635	567,582	5,212,494	664,121
Margin account	-	-	-	-
Total liabilities	**224,635**	**754,672**	**5,212,494**	**664,121**
Value of fund	**73,106,190**	**18,515,133**	**236,174,270**	**65,137,080**
Units in issue	**148,161,744**	**16,308,262**	**252,726,957**	**76,200,076**
Net asset value per unit				
- at the beginning of the year	**0.429**	**1.128**	**0.994**	**-**
- as of 31 December 2015	**0.493**	**1.135**	**0.935**	**0.855**

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

1 Significant Accounting Policies

(a) Basis of preparation

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

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

(b) Recognition of income and expenses

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

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

Expenses are recognised on an accrual basis.

(c) Investments

All purchases of investments are recognised on their trade dates, 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 NTUC Income's website at www.income.com.sg/fund/coopprices.asp. They are also published in major Singapore newspapers.

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

A2 The financial year end of NTUC 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 NTUC Income's website at www.income.com.sg/fund/coopprices.asp. Alternatively, you can contact us at our General Enquires Hotline 63 INCOME (6788 1777) 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.