

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 equity markets of Singapore, Hong Kong and Thailand in instruments that are Syariah compliant. Effective from 1 June 2001, 60% of the fund is invested in Hegira Global Equity Fund. The allocation in the Hegira Global Equity Fund has been converted to a segregated mandate under the management of Wellington International Management Company Pte Ltd with effect from 15 October 2010. The fund is denominated in Singapore Dollars.

Fund Details as of 31 December 2010

Launch Date	1 September 1995
Fund Size	S\$ 25.54 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	N.A.
CPF Rating	N.A.
Benchmark	Higher risk, Broadly Diversified S&P BMI Global Shari'ah Index in Singapore Dollars (Prior to 17 December 2010, the benchmark was as follow 60% S&P BMI Global Shari'ah Index in Singapore Dollars, 20% FTSE Straits Times Index (FTSE STI), 16% Hang Seng Index in Singapore Dollars and 4% Stock Exchange of Thailand Index in Singapore Dollars; and Prior to 1 July 2010, the benchmark was as follow 60% Dow Jones Islamic Index in Singapore Dollars, 20% FTSE Straits Times Index (FTSE STI), 16% Hang Seng Index in Singapore Dollars and 4% Stock Exchange of Thailand Index in Singapore Dollars)

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 2010	S\$ (mil)	% of Net Asset Value	December 2009	S\$ (mil)	% of Net Asset Value
PFIZER INC	0.6	2.3%	HEGIRA GLOBAL EQUITY FUND	13.0	49.0%
EXXON MOBIL CORP	0.6	2.2%	SINGAPORE TELECOMMUNICATIONS LTD	0.6	2.3%
QUALCOMM INC	0.5	2.1%	SINGAPORE AIRLINES LTD	0.5	1.7%
PEPSICO INC	0.5	2.1%	WILMAR INTERNATIONAL LTD	0.5	1.7%
DANONE	0.4	1.7%	CHINA LIFE INSURANCE	0.4	1.6%
MOSAIC CO/THE	0.4	1.6%	SINGAPORE EXCHANGE LTD	0.4	1.6%
CONSOLIDATED THOMPSON IRON	0.4	1.5%	KEPPEL CORP LTD	0.4	1.6%
MERCK & CO INC	0.4	1.5%	CHINA MOBILE (HK) LTD	0.4	1.4%
HOME DEPOT INC	0.4	1.5%	VENTURE	0.3	1.3%
ORACLE CORP	0.4	1.5%	SEMBCORP MARINE LTD	0.3	1.2%

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

NTUC Income is the Investment Manager of the fund. Incorporated in 1970, NTUC Income is one of the largest insurance companies in Singapore. In its 40 years of operation, NTUC Income has matured into a leading insurer with assets totaled S\$26.4 billion.

Its highly qualified team manages its funds with a long term value approach. With a strong commitment to its cooperative values, NTUC Income also seeks to achieve the best value for its policyholders. It is also the manager of Singapore's longest running investment-linked fund, the Prime Fund, since 1973.

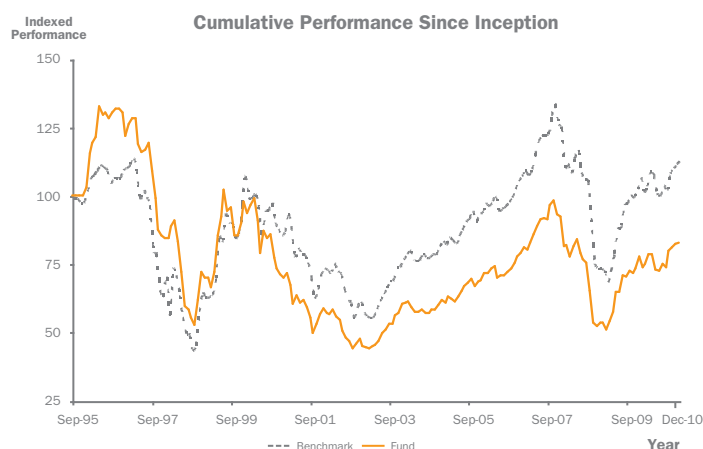
TAKAFUL FUND

Wellington International Management Company Pte Ltd (WIM)

WIM is the Investment Manager of Hegira Global Equity Fund. WIM is an affiliate of Wellington Management Company,LLP (WMC) which was founded in 1928. Funds under management totaled US\$634 billion. WMC is America's oldest and largest independent investment management firm and has invested in the world's fixed income markets for over 70 years. It manages mutual funds, corporate and public retirement plans, insurance entities, endowments, and investment partnerships globally. Headquartered in Boston, Massachusetts, it has a presence in numerous cities including Boston, Radnor, Atlanta, San Francisco, London, Singapore, Sydney, Tokyo and Hong Kong.

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	0.7%	4.0%	14.4%	6.8%	-3.4%	3.7%	1.7%	-1.2%
Benchmark	1.9%	5.1%	13.5%	6.2%	-3.1%	3.9%	2.7%	0.9%



The returns are calculated using bid-to-bid prices, 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

During the period July- December 2010, global equities (MSCI World) rose 23.3%, and up 10.4% for the year. Equities rallied sharply from late August following the announcement of QE2.

Asia Pacific ex-Japan (+25.4%), and Europe (+23.8%) outperformed while USA (+22.6%) and Japan (+17.6%) underperformed. Cyclical sectors dominated performance during the period. Materials (+32.6%), Energy (+24.5%), Industrials (+26.9%) led performance while the defensive Telecom (+16%) and Utilities (+8.9%) sectors underperformed.

We remain positive on equities in this environment of healthy growth, low interest rates and strong investment inflows. With inflation to peak in early Q2 2011, most countries in Asia the tightening process may be put behind us soon. Moreover, the Fed has stated commitment to do more quantitative easing.

Our focus is on finding companies with strong earnings growth, solid balance sheet and quality management. We will continually re-assess the companies' fundamental in the coming months.

Risks

As the fund has investments concentrating in equities, it is subjected to equity risk which includes market risk, company risk, selection risk, currency risk and counter party risk. This is not an exhaustive list of 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.

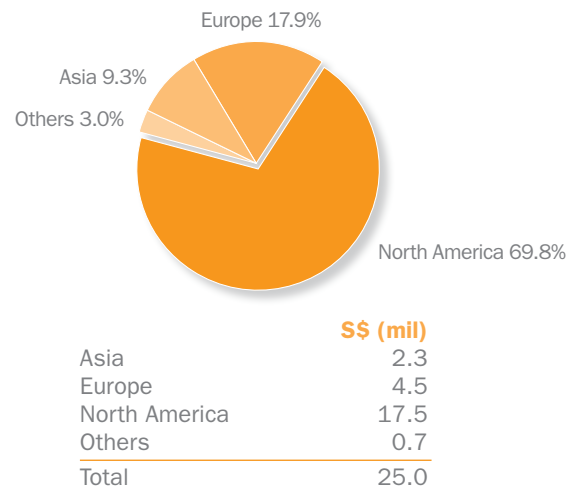
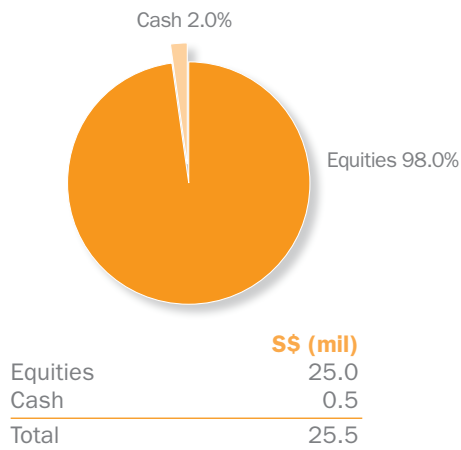
NTUC Income's ILP funds are intended for long term investment. It is not suited for any short term speculation. You should not expect to obtain any short term gains from investing in NTUC Income's ILP funds. It is important that your investment suit your risk appetite. You may wish to consult your financial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

Expense and Turnover Ratio

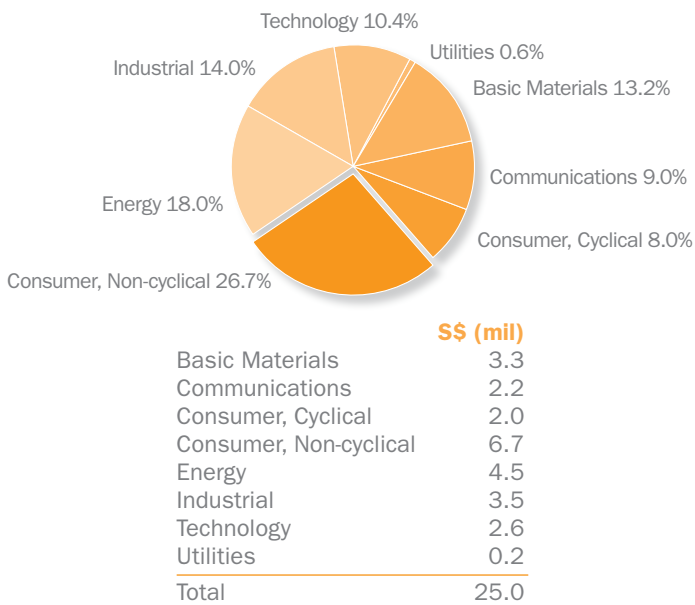
	Expense Ratio	Turnover Ratio
As of 31 December 2010	1.63%	101.87%
As of 31 December 2009	1.85%	26.37%

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 and Country Allocation as of 31 December 2010



Sector Allocation as of 31 December 2010



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

TAKAFUL FUND

Credit Rating of Debt Securities

There are no debt securities under the Takaful Fund.

Summarised Financial Statement as of 31 December 2010

	S\$
Net assets as of 1 January 2010	26,534,279
Purchase of new units	559,757
Redemption of units	(3,234,638)
Gain/(loss) on investments and other income	1,935,109
Management fee and other charges	(255,730)
Net assets as of 31 December 2010	25,538,777

Units in issue	37,779,042
Net asset value per unit	
- at the beginning of the year	0.633
- as of 31 December 2010	0.676

Exposure to Derivatives

Fair value of derivatives contracts as of 31 December 2010 is (S\$760). Net gain/(loss) on derivatives contracts realised during the year is S\$4,073.

Related Party Disclosures

NTUC Income is the Investment Manager of the Fund. During the financial year ended 31 December 2010, management fee paid or payable by the Fund to the Investment Manager is S\$255,730.

Soft Dollar Commission or Arrangement

Soft dollar commission/arrangement has been received/entered into by the Manager in respect of the ILP. The soft dollar commission relates essentially to computer software used in support of the investment process. The Manager will 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 ILP. The Manager confirms that trades were executed at the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned and there was no churning of trades. The said broker has also executed trades for other ILPs managed by the Manager.

Conflict of Interests

NTUC Income has advised that certain inherent conflicts may arise from time-to-time. However, actions are taken to eliminate such conflict of interests.

Other Parties

The auditor of this fund is PricewaterhouseCoopers LLP (PwC). Please note that financial results ending 31 December of each year will be audited.

Material Changes

There are no material changes in the investment objective and orientation of the fund for the financial period ended 31 December 2010.

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.