

**NTUC INCOME INSURANCE
CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS**

FINANCIAL STATEMENTS
For the financial year ended 31 December 2018

**NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS**

FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

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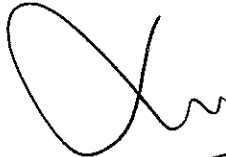
**NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS**

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2018

On behalf of the Board, the financial statements set out on pages 5 to 53 are prepared, in all material respects, in accordance with the accounting policies set out in Note 2.

For and on behalf of directors of NTUC Income Insurance Co-operative Limited



Ng Wai Kin Ken
Chief Executive

Singapore, 28 March 2019



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Independent auditors' report

Board of Directors
NTUC Income Insurance Co-operative Limited

Opinion

We have audited the accompanying financial statements of NTUC Income Funds (as set out in Note 1 to the financial statements) of NTUC Income Insurance Co-operative Limited ('the Co-operative'), which comprise the Balance Sheets as at 31 December 2018, Capital and Income Accounts for the period from 1 January 2018 to 31 December 2018, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 53. The financial statements have been prepared by management based on the accounting policies set out in Note 2 to the financial statements ('the stated accounting policies').

In our opinion, the financial statements of the NTUC Income Funds of the Co-operative for the financial year ended 31 December 2018 are prepared, in all material respects, in accordance with the stated accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Co-operative in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the financial statements which are prepared to assist the Co-operative to comply with paragraph 15(a) of the MAS Notice 307 *Investment-Linked Policies* and for no other purpose. As required by paragraph 36 of the MAS Notice 307, this report shall be sent by the Co-operative to its policyholders for their information. We do not assume responsibility to anyone other than the Co-operative for our work, for our report, or for the conclusions we have reached in our report. This report relates solely to the financial statements of the NTUC Income Funds of the Co-operative and does not extend to the financial statements of the Co-operative taken as a whole. Our opinion is not modified in respect of this matter.



Responsibilities of management for the financial statements

Management is responsible for the preparation of these financial statements in accordance with the stated accounting policies. This includes determining that the stated accounting policies are an acceptable basis for the preparation of the financial statements in the circumstances and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the NTUC Income Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the NTUC Income Funds or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.



- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NTUC Income Funds' internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NTUC Income Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the NTUC Income Funds to cease to continue as a going concern.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

A handwritten signature in black ink, appearing to read 'KPMG LLP'.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
28 March 2019

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Prime Fund	Prime Fund
		2018 S\$	2017 S\$
Value of fund at 1 January		<u>255,079,029</u>	<u>212,473,372</u>
Purchase of units	2(g)	31,973,607	27,092,749
Redemption of units	2(h)	<u>(23,565,009)</u>	<u>(26,160,393)</u>
Net purchase/(redemption)		8,408,598	932,356
Net investment income/(loss)		(12,653,889)	43,563,917
Management fees and other charges	2(j)	<u>(2,076,100)</u>	<u>(1,890,616)</u>
Increase/(Decrease) in value of the fund		<u>(6,321,391)</u>	<u>42,605,657</u>
Value of fund at 31 December		<u>248,757,638</u>	<u>255,079,029</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

		Singapore Managed Fund 2018 S\$	Singapore Managed Fund 2017 S\$
Value of fund at 1 January		90,313,673	79,754,843
Purchase of units	2(g)	7,221,985	9,899,209
Redemption of units	2(h)	(10,047,361)	(11,507,525)
Net purchase/(redemption)		(2,825,376)	(1,608,316)
Net investment income/(loss)		(3,550,770)	12,859,743
Management fees and other charges	2(j)	(701,272)	(692,597)
Increase/(Decrease) in value of the fund		(7,077,418)	10,558,830
Value of fund at 31 December		83,236,255	90,313,673

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Asia Managed Fund		Asia Managed Fund	
	Note	2018 S\$	2017 S\$	
Value of fund at 1 January		143,154,219	97,420,773	
Purchase of units	2(g)	25,128,633	30,022,101	
Redemption of units	2(h)	(18,734,759)	(14,896,539)	
Net purchase/(redemption)		6,393,874	15,125,562	
Net investment income/(loss)		(11,818,878)	31,019,309	
Management fees and other charges	2(j)	(176,535)	(411,425)	
Increase/(Decrease) in value of the fund		(5,601,539)	45,733,446	
Value of fund at 31 December		137,552,680	143,154,219	

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Takaful Fund	Takaful Fund
		2018 S\$	2017 S\$
Value of fund at 1 January		19,516,755	18,581,922
Purchase of units	2(g)	1,087,210	584,575
Redemption of units	2(h)	(2,370,448)	(2,878,902)
Net purchase/(redemption)		(1,283,238)	(2,294,327)
Net investment income/(loss)		(1,017,581)	3,437,421
Management fees and other charges	2(i)	(194,447)	(208,261)
Increase/(Decrease) in value of the fund		(2,495,266)	934,833
Value of fund at 31 December		17,021,489	19,516,755

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Global Equity Fund	Global Equity Fund
		2018 S\$	2017 S\$
Value of fund at 1 January		254,508,619	239,979,341
Purchase of units	2(g)	23,518,038	6,921,272
Redemption of units	2(h)	(30,895,543)	(28,391,545)
Net purchase/(redemption)		(7,377,505)	(21,470,273)
Net investment income/(loss)		(8,351,599)	39,134,440
Management fees and other charges	2(j)	(3,139,930)	(3,134,889)
Increase/(Decrease) in value of the fund		(18,869,034)	14,529,278
Value of fund at 31 December		235,639,585	254,508,619

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

		Singapore Bond Fund 2018 S\$	Singapore Bond Fund 2017 S\$
Value of fund at 1 January		321,427,552	276,509,944
Purchase of units	2(g)	24,375,725	45,310,383
Redemption of units	2(h)	(44,745,631)	(18,367,877)
Net purchase/(redemption)		(20,369,906)	26,942,506
Net investment income/(loss)		6,513,020	19,448,156
Management fees and other charges	2(j)	(1,575,052)	(1,473,054)
Increase/(Decrease) in value of the fund		(15,431,938)	44,917,608
Value of fund at 31 December		305,995,614	321,427,552

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

		Global Technology Fund 2018 S\$	Global Technology Fund 2017 S\$
Value of fund at 1 January		82,969,255	68,388,840
Purchase of units	2(g)	20,249,947	15,905,914
Redemption of units	2(h)	(20,956,893)	(19,350,457)
Net purchase/(redemption)		(706,946)	(3,444,543)
Net investment income/(loss)		(648,206)	19,011,395
Management fees and other charges	2(j)	(1,102,738)	(986,437)
Increase/(Decrease) in value of the fund		(2,457,890)	14,580,415
Value of fund at 31 December		80,511,365	82,969,255

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

		Singapore Equity Fund 2018 S\$	Singapore Equity Fund 2017 S\$
Value of fund at 1 January		162,395,417	155,644,554
Purchase of units	2(g)	18,809,135	14,194,679
Redemption of units	2(h)	(23,874,180)	(39,315,762)
Net purchase/(redemption)		(5,065,045)	(25,121,083)
Net investment income/(loss)		(10,963,538)	32,907,715
Management fees and other charges	2(j)	(1,017,747)	(1,035,769)
Increase/(Decrease) in value of the fund		(17,046,330)	6,750,863
Value of fund at 31 December		145,349,087	162,395,417

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Global Bond Fund	Global Bond Fund
		2018 S\$	2017 S\$
Value of fund at 1 January		124,799,846	118,936,445
Purchase of units	2(g)	6,665,980	11,645,756
Redemption of units	2(h)	(17,069,737)	(8,313,336)
Net purchase/(redemption)		(10,403,757)	3,332,420
Net investment income/(loss)		775,877	3,560,857
Management fees and other charges	2(j)	(1,034,003)	(1,029,876)
Increase/(Decrease) in value of the fund		(10,661,883)	5,863,401
Value of fund at 31 December		114,137,963	124,799,846

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

		Global Managed Fund (Growth) 2018 S\$	Global Managed Fund (Growth) 2017 S\$
Value of fund at 1 January		254,549,135	239,511,733
Purchase of units	2(g)	12,093,141	12,944,434
Redemption of units	2(h)	(23,041,484)	(27,403,752)
Net purchase/(redemption)		(10,948,343)	(14,459,318)
Net investment income/(loss)		(8,302,122)	29,810,820
Management fees and other charges	2(i)	13	(314,100)
Increase/(Decrease) in value of the fund		(19,250,452)	15,037,402
Value of fund at 31 December		235,298,683	254,549,135

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Global Managed Fund (Balanced) 2018	Global Managed Fund (Balanced) 2017
Note	S\$	S\$
Value of fund at 1 January	173,729,150	169,394,790
Purchase of units	2(g) 6,952,199	6,298,036
Redemption of units	2(h) (15,737,633)	(18,171,323)
Net purchase/(redemption)	(8,785,434)	(11,873,287)
Net investment income/(loss)	(3,593,773)	16,410,065
Management fees and other charges	2(j) (513)	(202,418)
Increase/(Decrease) in value of the fund	(12,379,720)	4,334,360
Value of fund at 31 December	161,349,430	173,729,150

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

		Global Managed Fund (Conservative) 2018	Global Managed Fund (Conservative) 2017
	Note	S\$	S\$
Value of fund at 1 January		12,370,357	11,641,467
Purchase of units	2(g)	540,557	1,018,080
Redemption of units	2(h)	(935,147)	(1,090,480)
Net purchase/(redemption)		(394,590)	(72,400)
Net investment income/(loss)		(141,373)	813,301
Management fees and other charges	2(j)	(1,201)	(12,011)
Increase/(Decrease) in value of the fund		(537,164)	728,890
Value of fund at 31 December		11,833,193	12,370,357

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Money Market Fund	Money Market Fund
		2018 S\$	2017 S\$
Value of fund at 1 January		15,075,885	17,982,678
Purchase of units	2(g)	28,435,837	45,434,974
Redemption of units	2(h)	(30,122,547)	(48,543,958)
Net purchase/(redemption)		(1,686,710)	(3,108,984)
Net investment income/(loss)		223,831	244,069
Management fees and other charges	2(j)	(37,445)	(41,878)
Increase/(Decrease) in value of the fund		(1,500,324)	(2,906,793)
Value of fund at 31 December		13,575,561	15,075,885

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Aim Now Fund	Aim Now Fund
		2018 S\$	2017 S\$
Value of fund at 1 January		85,115,743	101,859,760
Purchase of units	2(g)	12,733,175	11,654,516
Redemption of units	2(h)	(25,867,795)	(32,597,695)
Dividend distribution	2(i)	(1,623,506)	(1,863,242)
Net purchase/(redemption)		(14,758,126)	(22,806,421)
Net investment income/(loss)		(872,437)	6,629,421
Management fees and other charges	2(j)	(423,299)	(567,017)
Increase/(Decrease) in value of the fund		(16,053,862)	(16,744,017)
Value of fund at 31 December		69,061,881	85,115,743

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Aim 2025 Fund	Aim 2025 Fund
		2018 S\$	2017 S\$
Value of fund at 1 January		16,743,975	14,262,821
Purchase of units	2(g)	3,263,202	3,190,295
Redemption of units	2(h)	(1,771,777)	(2,509,983)
Net purchase/(redemption)		1,491,425	680,312
Net investment income/(loss)		(709,401)	1,936,900
Management fees and other charges	2(j)	(147,675)	(136,058)
Increase/(Decrease) in value of the fund		634,349	2,481,154
Value of fund at 31 December		17,378,324	16,743,975

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Aim 2035 Fund		Aim 2035 Fund	
	Note	2018 S\$	2017 S\$	
Value of fund at 1 January		22,813,341	18,788,332	
Purchase of units	2(g)	2,479,260	2,689,798	
Redemption of units	2(h)	(1,969,855)	(2,112,620)	
Net purchase/(redemption)		509,405	577,178	
Net investment income/(loss)		(1,584,322)	3,638,617	
Management fees and other charges	2(j)	(206,197)	(190,786)	
Increase/(Decrease) in value of the fund		(1,281,114)	4,025,009	
Value of fund at 31 December		21,532,227	22,813,341	

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Aim 2045 Fund	Aim 2045 Fund
		2018 S\$	2017 S\$
Value of fund at 1 January		<u>26,852,217</u>	<u>20,631,539</u>
Purchase of units	2(g)	4,828,588	5,770,433
Redemption of units	2(h)	<u>(2,075,075)</u>	<u>(3,567,679)</u>
Net purchase/(redemption)		2,753,513	2,202,754
Net investment income/(loss)		(2,251,920)	4,233,857
Management fees and other charges	2(j)	<u>(255,263)</u>	<u>(215,933)</u>
Increase/(Decrease) in value of the fund		<u>246,330</u>	<u>6,220,678</u>
Value of fund at 31 December		<u>27,098,547</u>	<u>26,852,217</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Asian Income Fund	Asian Income Fund
		2018 S\$	2017 S\$
Value of fund at 1 January		606,311,904	380,264,607
Purchase of units	2(g)	203,893,645	251,781,397
Redemption of units	2(h)	(46,020,970)	(40,922,558)
Dividend distribution	2(i)	(32,327,704)	(24,108,105)
Net purchase/(redemption)		125,544,971	186,750,734
Net investment income/(loss)		(29,156,301)	39,296,563
Increase/(Decrease) in value of the fund		96,388,670	226,047,297
Value of fund at 31 December		702,700,574	606,311,904

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Global Income Fund	Global Income Fund
		2018 S\$	2017 S\$
Value of fund at 1 January		91,108,689	69,898,820
Purchase of units	2(g)	28,599,356	46,957,245
Redemption of units	2(h)	(22,551,778)	(25,672,675)
Dividend distribution	2(i)	(4,605,330)	(3,933,980)
Net purchase/(redemption)		1,442,248	17,350,590
Net investment income/(loss)		(5,737,772)	3,859,279
Increase/(Decrease) in value of the fund		(4,295,524)	21,209,869
Value of fund at 31 December		86,813,165	91,108,689

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Asian Bond Fund		Asian Bond Fund	
	Note	2018 S\$	2017 S\$	
Value of fund at 1 January		31,940,764	21,906,541	
Purchase of units	2(g)	12,669,996	18,135,179	
Redemption of units	2(h)	(10,327,157)	(8,349,176)	
Dividend distribution	2(i)	(1,515,173)	(1,171,968)	
Net purchase/(redemption)		827,666	8,614,035	
Net investment income/(loss)		(1,362,327)	1,420,188	
Increase/(Decrease) in value of the fund		(534,661)	10,034,223	
Value of fund at 31 December		31,406,103	31,940,764	

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2018

	Note	Multi-Asset Premium Fund 2018* S\$
Value of fund at 1 January		-
Purchase of units	2(g)	5,968,128
Redemption of units	2(h)	(1,457,860)
Dividend distribution	2(i)	(50,371)
Net purchase/(redemption)		4,459,897
Net investment income/(loss)		(532,097)
Increase/(Decrease) in value of the fund		3,927,800
Value of fund at 31 December		3,927,800

* Multi-Asset Premium Fund was launched on 27 April 2018.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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BALANCE SHEETS

For the financial year ended 31 December 2018

	Prime Fund	Prime Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	246,767,678	252,168,381
Other receivables and assets	417,066	1,479,873
Cash and cash equivalents	2,538,667	3,525,063
Total assets	249,723,411	257,173,317
LIABILITIES		
Financial liabilities		
Other payables and liabilities	965,773	2,094,288
Total liabilities	965,773	2,094,288
Value of fund	248,757,638	255,079,029
Units in Issue	29,345,534	28,415,949
Value per unit	8.477	8.977

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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BALANCE SHEETS

For the financial year ended 31 December 2018

	Singapore Managed Fund 2018 S\$	Singapore Managed Fund 2017 S\$
ASSETS		
Financial assets		
Equities	82,442,852	88,439,486
Other receivables and assets	157,362	2,061,923
Cash and cash equivalents	895,935	275,214
Total assets	83,496,149	90,776,623
LIABILITIES		
Financial liabilities		
Other payables and liabilities	259,894	462,950
Total liabilities	259,894	462,950
Value of fund	83,236,255	90,313,673
Units in Issue	28,608,989	29,513,021
Value per unit	2.909	3.060

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Asia Managed Fund	Asia Managed Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	137,441,209	143,126,429
Other receivables and assets	380,760	2,367,723
Cash and cash equivalents	4,549,853	257,738
Total assets	<u>142,371,822</u>	<u>145,751,890</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	4,819,142	2,597,671
Total liabilities	<u>4,819,142</u>	<u>2,597,671</u>
Value of fund	<u>137,552,680</u>	<u>143,154,219</u>
Units in issue	46,147,048	44,114,607
Value per unit	<u>2.981</u>	<u>3.245</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Takaful Fund	Takaful Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	16,908,422	19,046,927
Financial derivatives	-	307
Other receivables and assets	5,866	81,110
Cash and cash equivalents	246,826	579,650
Total assets	17,161,114	19,707,994
LIABILITIES		
Financial liabilities		
Financial derivatives	9	16
Other payables and liabilities	139,616	191,223
Total liabilities	139,625	191,239
Value of fund	17,021,489	19,516,755
Units in Issue	12,645,492	13,523,572
Value per unit	1.346	1.443

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Global Equity Fund	Global Equity Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	230,440,851	253,581,781
Financial derivatives	-	1,118
Other receivables and assets	431,407	2,344,918
Cash and cash equivalents	17,073,668	2,306,061
Total assets	247,945,926	258,233,878
LIABILITIES		
Financial liabilities		
Financial derivatives	6,799	1,492
Other payables and liabilities	12,299,542	3,723,767
Total liabilities	12,306,341	3,725,259
Value of fund	235,639,585	254,508,619
Units in Issue	73,921,531	75,447,932
Value per unit	3.188	3.373

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Singapore Bond Fund 2018 S\$	Singapore Bond Fund 2017 S\$
ASSETS		
Financial assets		
Debt securities	305,538,143	315,145,738
Financial derivatives	-	60,499
Other receivables and assets	332,798	3,437,673
Cash and cash equivalents	591,807	3,152,953
Total assets	306,462,748	321,796,863
LIABILITIES		
Financial liabilities		
Financial derivatives	12,696	16,401
Other payables and liabilities	454,438	352,910
Total liabilities	467,134	369,311
Value of fund	305,995,614	321,427,552
Units in Issue	162,342,561	173,420,817
Value per unit	1.885	1.853

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Global Technology Fund 2018 S\$	Global Technology Fund 2017 S\$
ASSETS		
Financial assets		
Equities	75,909,614	80,025,732
Financial derivatives	-	79
Other receivables and assets	843,958	1,165,732
Cash and cash equivalents	4,471,673	2,147,983
Total assets	81,225,245	83,339,526
LIABILITIES		
Financial liabilities		
Financial derivatives	159	-
Other payables and liabilities	713,721	370,271
Total liabilities	713,880	370,271
Value of fund	80,511,365	82,969,255
Units in Issue	120,740,363	121,330,061
Value per unit	0.667	0.684

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Singapore Equity Fund 2018 S\$	Singapore Equity Fund 2017 S\$
ASSETS		
Financial assets		
Equities	143,942,789	160,845,173
Financial derivatives	2,144	2,160
Other receivables and assets	368,116	3,124,122
Cash and cash equivalents	1,485,331	1,581,733
Total assets	<u>145,798,380</u>	<u>165,553,188</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	449,293	3,157,771
Total liabilities	<u>449,293</u>	<u>3,157,771</u>
Value of fund	<u>145,349,087</u>	<u>162,395,417</u>
Units in Issue	45,434,620	46,871,324
Value per unit	<u>3.199</u>	<u>3.465</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Global Bond Fund	Global Bond Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Debt securities	108,147,143	116,234,193
Financial derivatives	1,266,008	1,223,724
Other receivables and assets	1,610,470	2,659,210
Cash and cash equivalents	4,989,187	7,322,445
Total assets	<u>116,012,808</u>	<u>127,439,572</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	1,509,589	451,932
Other payables and liabilities	365,256	2,187,794
Total liabilities	<u>1,874,845</u>	<u>2,639,726</u>
Value of fund	<u>114,137,963</u>	<u>124,799,846</u>
Units in Issue	72,021,507	78,590,731
Value per unit	<u>1.585</u>	<u>1.588</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Global Managed Fund (Growth) 2018 S\$	Global Managed Fund (Growth) 2017 S\$
ASSETS		
Financial assets		
Equities	235,123,694	254,622,250
Other receivables and assets	1,088,271	2,588,390
Cash and cash equivalents	207,827	115,419
Total assets	<u>236,419,792</u>	<u>257,326,059</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	1,121,109	2,776,924
Total liabilities	<u>1,121,109</u>	<u>2,776,924</u>
Value of fund	<u>235,298,683</u>	<u>254,549,135</u>
Units in Issue	97,341,528	101,674,696
Value per unit	<u>2.417</u>	<u>2.504</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Global Managed Fund (Balanced) 2018 S\$	Global Managed Fund (Balanced) 2017 S\$
ASSETS		
Financial assets		
Equities	161,215,191	173,970,973
Other receivables and assets	557,841	2,048,442
Cash and cash equivalents	200,757	184,963
Total assets	161,973,789	176,204,378
LIABILITIES		
Financial liabilities		
Other payables and liabilities	624,359	2,475,228
Total liabilities	624,359	2,475,228
Value of fund	161,349,430	173,729,150
Units in Issue	72,968,584	76,836,053
Value per unit	2.211	2.261

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Global Managed Fund (Conservative) 2018 S\$	Global Managed Fund (Conservative) 2017 S\$
ASSETS		
Financial assets		
Equities	11,657,696	12,232,455
Other receivables and assets	47,179	149,229
Cash and cash equivalents	155,625	107,701
Total assets	<u>11,860,500</u>	<u>12,489,385</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	27,307	119,028
Total liabilities	<u>27,307</u>	<u>119,028</u>
Value of fund	<u>11,833,193</u>	<u>12,370,357</u>
Units in Issue	6,073,248	6,273,001
Value per unit	<u>1.948</u>	<u>1.972</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Money Market Fund	Money Market Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Debt securities	14,312,361	14,844,892
Financial derivatives	-	24,991
Other receivables and assets	4,712	768,987
Cash and cash equivalents	548,199	345,540
Total assets	14,865,272	15,984,410
LIABILITIES		
Financial liabilities		
Other payables and liabilities	1,289,711	908,525
Total liabilities	1,289,711	908,525
Value of fund	13,575,561	15,075,885
Units in Issue	11,488,821	12,940,656
Value per unit	1.182	1.165

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Aim Now Fund	Aim Now Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	67,156,047	83,482,689
Debt securities	-	1,099,103
Financial derivatives	210,119	172,909
Other receivables and assets	45,938	36,504
Cash and cash equivalents	2,385,969	803,661
Total assets	69,798,073	85,594,866
LIABILITIES		
Financial liabilities		
Financial derivatives	9,237	14,267
Other payables and liabilities	726,955	464,856
Total liabilities	736,192	479,123
Value of fund	69,061,881	85,115,743
Units in Issue	75,493,320	89,649,228
Value per unit	0.915	0.949

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Aim 2025 Fund	Aim 2025 Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	16,657,814	16,175,711
Debt securities	167,650	-
Financial derivatives	58,435	41,757
Other receivables and assets	4,250	6,696
Cash and cash equivalents	727,868	563,048
Total assets	17,616,017	16,787,212
LIABILITIES		
Financial liabilities		
Financial derivatives	2,675	2,866
Other payables and liabilities	235,018	40,371
Total liabilities	237,693	43,237
Value of fund	17,378,324	16,743,975
Units in Issue	12,301,938	11,280,985
Value per unit	1.413	1.484

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Aim 2035 Fund	Aim 2035 Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	20,768,061	22,516,242
Debt securities	265,445	-
Financial derivatives	60,211	35,402
Other receivables and assets	18,658	174,190
Cash and cash equivalents	827,332	781,085
Total assets	<u>21,939,707</u>	<u>23,506,919</u>
LIABILITIES		
Financial liabilities		
Financial derivatives	12,270	3,013
Other payables and liabilities	395,210	690,565
Total liabilities	<u>407,480</u>	<u>693,578</u>
Value of fund	<u>21,532,227</u>	<u>22,813,341</u>
Units in Issue	14,081,834	13,764,814
Value per unit	<u>1.529</u>	<u>1.657</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Aim 2045 Fund	Aim 2045 Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	25,635,686	26,198,276
Debt securities	836,252	-
Financial derivatives	61,898	36,997
Other receivables and assets	31,161	452,565
Cash and cash equivalents	1,252,356	1,463,353
Total assets	27,817,353	28,151,191
LIABILITIES		
Financial liabilities		
Financial derivatives	13,956	2,990
Other payables and liabilities	704,850	1,295,984
Total liabilities	718,806	1,298,974
Value of fund	27,098,547	26,852,217
Units in Issue	17,656,522	15,980,668
Value per unit	1.535	1.680

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Asian Income Fund	Asian Income Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	701,433,509	608,614,271
Other receivables and assets	6,422,170	6,714,027
Cash and cash equivalents	3,271,575	3,169,119
Total assets	<u>711,127,254</u>	<u>618,497,417</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	8,426,680	12,185,513
Total liabilities	<u>8,426,680</u>	<u>12,185,513</u>
Value of fund	<u>702,700,574</u>	<u>606,311,904</u>
Units in Issue	784,078,610	616,169,158
Value per unit	<u>0.896</u>	<u>0.984</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Global Income Fund	Global Income Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	87,121,016	91,797,893
Other receivables and assets	1,683,423	929,259
Cash and cash equivalents	213,038	1,043,945
Total assets	<u>89,017,477</u>	<u>93,771,097</u>
LIABILITIES		
Financial liabilities		
Other payables and liabilities	2,204,312	2,662,408
Total liabilities	<u>2,204,312</u>	<u>2,662,408</u>
Value of fund	<u>86,813,165</u>	<u>91,108,689</u>
Units in Issue	110,872,196	103,860,183
Value per unit	<u>0.783</u>	<u>0.877</u>

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Asian Bond Fund	Asian Bond Fund
	2018	2017
	S\$	S\$
ASSETS		
Financial assets		
Equities	31,566,362	32,886,549
Other receivables and assets	1,322,105	501,913
Cash and cash equivalents	135,787	257,814
Total assets	33,024,254	33,646,276
LIABILITIES		
Financial liabilities		
Other payables and liabilities	1,618,151	1,705,512
Total liabilities	1,618,151	1,705,512
Value of fund	31,406,103	31,940,764
Units in Issue	35,992,593	33,489,622
Value per unit	0.873	0.954

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

BALANCE SHEETS

For the financial year ended 31 December 2018

	Multi-Asset Premium Fund 2018* S\$
ASSETS	
Financial assets	
Equities	3,929,928
Other receivables and assets	80,053
Cash and cash equivalents	36,779
Total assets	<u>4,046,760</u>
LIABILITIES	
Financial liabilities	
Other payables and liabilities	<u>118,960</u>
Total liabilities	<u>118,960</u>
Value of fund	<u>3,927,800</u>
Units in Issue	<u>4,627,495</u>
Value per unit	<u>0.849</u>

* Multi-Asset Premium Fund was launched on 27 April 2018.

**NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2018

These notes form an integral part of the financial statements.

1. General

The NTUC Income Funds of NTUC Income Insurance Co-operative Limited ("Income") comprise:

Fund Name	Launch Date	Fund Type
Prime Fund	2 August 1973	Thematic Fund
Singapore Managed Fund	1 May 1994	Managed Fund
Asia Managed Fund	1 September 1995	Managed Fund
Takaful Fund	1 September 1995	Thematic Fund
Global Equity Fund	1 April 1998	Core Fund
Singapore Bond Fund	1 March 2000	Core Fund
Global Technology Fund	1 August 2000	Thematic Fund
Singapore Equity Fund	2 January 2003	Core Fund
Global Bond Fund	2 January 2003	Core Fund
Global Managed Fund (Growth)	2 January 2003	Managed Fund
Global Managed Fund (Balanced)	2 January 2003	Managed Fund
Global Managed Fund (Conservative)	2 January 2003	Managed Fund
Money Market Fund	1 May 2006	Specialised Fund
Aim Now Fund	25 September 2009	Target Maturity Fund
Aim 2025 Fund	25 September 2009	Target Maturity Fund
Aim 2035 Fund	25 September 2009	Target Maturity Fund
Aim 2045 Fund	25 September 2009	Target Maturity Fund
Asian Income Fund	12 May 2014	Thematic Fund
Global Income Fund	26 March 2015	Thematic Fund
Asian Bond Fund	3 May 2016	Thematic Fund
Multi-Asset Premium Fund	27 April 2018	Thematic Fund

A policyholder may invest directly in any of the above Funds. The Global Managed Funds only invest in units issued by the Core Funds.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2018

1. General (continued)

Prime Fund

The Prime Fund is an open ended investment linked policy sub-fund that invests in Asian equities, mainly in Singapore, Hong Kong and Thailand as well as into the Singapore Bond Fund. Income is the investment manager of the sub-fund. Fullerton Fund Management Company Ltd. is the sub-investment manager of the sub-fund.

Singapore Managed Fund

The Singapore Managed Fund is an open ended investment linked policy sub-fund that invests primarily in Singapore equities and Singapore Bond Fund. Income is the investment manager of the sub-fund. Fullerton Fund Management Company Ltd. is the sub-investment manager of the sub-fund.

Asia Managed Fund

The Asia Managed Fund is an open ended investment linked policy sub-fund that invests all or substantially all of its assets in the Singapore-domiciled Schroder Asian Growth Fund (managed by Schroder Investment Management (Singapore) Ltd.) in relation to the equity portion (70%) and Singapore Bond Fund (managed by Income and sub-managed by Fullerton Fund Management Company Ltd.) in relation to the fixed income portion (30%). Income is the investment manager of the sub-fund.

Takaful Fund

The Takaful Fund is an open ended investment linked policy sub-fund that invests in a diversified global portfolio of equities of companies whose businesses are in compliance with Islamic guidelines. Income is the investment manager of the sub-fund. Wellington Management Singapore Pte. Ltd. is the sub-investment manager of the sub-fund.

Global Equity Fund

The Global Equity Fund is an open ended investment linked policy sub-fund that invests in global equities. Income is the investment manager of the sub-fund. Morgan Stanley Investment Management Company, MFS International Singapore Pte. Ltd. and Wellington Management Singapore Pte. Ltd. are sub-investment managers of the sub-fund.

Singapore Bond Fund

The Singapore Bond Fund is an open ended investment linked policy sub-fund that invests mainly in investment grade government/quasi-sovereign bonds, corporate bonds and money market securities. Income is the investment manager of the sub-fund. Fullerton Fund Management Company Ltd. is the sub-investment manager of the sub-fund.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

1. General (continued)

Global Technology Fund

The Global Technology Fund is an open ended investment linked policy sub-fund that invests in technology-related equities globally. Income is the investment manager of the sub-fund. Wellington Management Singapore Pte. Ltd. is the sub-investment manager of the sub-fund.

Singapore Equity Fund

The Singapore Equity Fund is an open ended investment linked policy sub-fund that invests in a portfolio of Singapore equities. Income is the investment manager of the sub-fund. Fullerton Fund Management Company Ltd. and State Street Global Advisors Singapore Limited are sub-investment managers of the sub-fund.

Global Bond Fund

The Global Bond Fund is an open ended investment linked policy sub-fund that invests mainly in global government bonds, corporate bonds, mortgage-backed securities and asset-backed securities. Income is the investment manager of the sub-fund. Amundi Singapore Limited is the sub-investment manager of the sub-fund.

Global Managed Fund (Growth)

The Global Managed Fund (Growth) is an open ended investment linked policy sub-fund that invests in Income's Core Funds in the following proportions: Singapore Equity Fund (15%), Global Equity Fund (55%), Singapore Bond Fund (10%) and Global Bond Fund (20%). Income is the investment manager of the sub-fund.

Global Managed Fund (Balanced)

The Global Managed Fund (Balanced) is an open ended investment linked policy sub-fund that invests in Income's Core Funds in the following proportions: Singapore Equity Fund (10%), Global Equity Fund (40%), Singapore Bond Fund (15%) and Global Bond Fund (35%). Income is the investment manager of the sub-fund.

Global Managed Fund (Conservative)

The Global Managed Fund (Conservative) is an open ended investment linked policy sub-fund that invests in Income's Core funds in the following proportions: Singapore Equity Fund (5%), Global Equity Fund (25%), Singapore Bond Fund (20%) and Global Bond Fund (50%). Income is the investment manager of the sub-fund.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2018

1. General (continued)

Money Market Fund

The Money Market Fund is an open ended investment linked policy sub-fund that invests mainly in good quality money market instruments and short-term bonds to achieve a return that is better than short-term deposits while maintaining liquidity and security of capital. Income is the investment manager of the sub-fund. Fullerton Fund Management Company Ltd. is the sub-investment manager of the sub-fund.

Aim Now Fund

The Aim Now Fund is an open ended investment linked policy sub-fund that invests in a diversified portfolio of asset classes including fixed income, equities and alternatives. The sub-fund provides investors with a supplemental source of income that is of low risk profile and volatility. The sub-fund offers a semi-annual payout feature. Income is the investment manager of the sub-fund. Schroder Investment Management (Singapore) Ltd. is the sub-investment manager of the sub-fund.

Aim 2025 Fund

The Aim 2025 Fund is an open ended investment linked policy sub-fund that invests in a diversified portfolio of asset classes including fixed income, equities and alternatives. 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. Income is the investment manager of the sub-fund. Schroder Investment Management (Singapore) Ltd. is the sub-investment manager of the sub-fund.

Aim 2035 Fund

The Aim 2035 Fund is an open ended investment linked policy sub-fund that invests in a diversified portfolio of asset classes including fixed income, equities and alternatives. 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. Income is the investment manager of the sub-fund. Schroder Investment Management (Singapore) Ltd. is the sub-investment manager of the sub-fund.

Aim 2045 Fund

The Aim 2045 Fund is an open ended investment linked policy sub-fund that invests in a diversified portfolio of asset classes including fixed income, equities and alternatives. 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. Income is the investment manager of the sub-fund. Schroder Investment Management (Singapore) Ltd. is the sub-investment manager of the sub-fund.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2018

1. General (continued)

Asian Income Fund

The Asian Income Fund is an open ended investment linked policy sub-fund that invests all or substantially all of its assets in Schroder Asian Income Fund (managed by Schroder Investment Management (Singapore) Ltd.). The sub-fund offers a monthly payout feature.

Global Income Fund

The Global Income Fund is an open ended investment linked policy sub-fund that invests all or substantially all of its assets in the Schroder International Selection Fund Global Multi-Asset Income (managed by Schroder Investment Management Limited). The sub-fund offers a monthly payout feature.

Asian Bond Fund

The Asian Bond Fund is an open ended investment linked policy sub-fund that invests all or substantially all of its assets in the BlackRock Global Funds - Asian Tiger Bond Fund (managed by BlackRock (Luxembourg) S.A.). The sub-fund offers a monthly payout feature.

Multi-Asset Premium Fund

The Multi-Asset Premium Fund is an open ended investment linked policy sub-fund that invests all or substantially all of its assets in the Fullerton Premium Fund (managed by Fullerton Fund Management Company Ltd.). The sub-fund offers a monthly payout feature.

2. 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 derivative financial instruments which are stated at fair value.

The financial statements of the NTUC Income Funds are expressed in Singapore Dollars ("S\$").

(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 using the effective interest method.

Expenses are recognised on an accrual basis.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2. Significant accounting policies (continued)

(c) Investments

All purchases of investments are recognised on their trade dates, which are the dates 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 debt securities. Unquoted debt securities are valued at bid prices quoted by banks, inclusive of accrued interest.

(d) Derivative financial instruments

Derivative financial instruments are measured at initial recognition, and subsequently, at fair value and changes in fair value are recognised in the Capital and Income Account. Transaction costs incurred in buying and selling derivative instruments are recognised in the Capital and Income Account when incurred. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The fair value of a derivative financial instrument is determined by reference to its quoted price if quoted prices are regularly available from an exchange, dealer, or broker and there are regularly recurring market transactions in the instrument.

(e) Realised gains/losses from sale of investments

All sales of investments are recognised on their trade dates, which are the dates 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 Singapore Dollars at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at the reporting date.

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

(g) Purchase of units

Purchase of units represents the net amount received from the policyholder less initial charges (including the bid-offer spread) for the purchase of units in the NTUC Income Funds.

(h) Redemption of units

Redemption of units represents the net asset values (bid price) of the units paid to policyholders when they surrender their unit-linked policies.

Policy fees and other benefit charges are charged to the Capital and Income Accounts by way of unit deductions.

(i) Dividend distribution

Dividend distribution represents payments made to policyholders when the funds make distribution.

(j) Management fees

The annual management charges for each Fund are accrued on a daily basis.

(k) Taxation

No provision for taxation is made in the financial statements as Income is exempted from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Cap. 134.