



## Manulife Investment-Linked Policy Sub-Funds (for Capital Fusion / Fusion Plans)



Report and Financial Statements 1 January 2017 to 31 December 2017



# Welcome Message

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29 March 2018

Dear Customer

This booklet contains the Annual Report for our Investment-Linked Policy Sub-Funds, which includes an overview of each fund's investment objectives and performance.

To ensure that you are best positioned to meet your financial goals, we encourage you to review your investments regularly and maintain a well-diversified portfolio. We will continue to be vigilant in our choice of investments by looking out for the best opportunities available to help you grow your wealth.

If you have any questions about your policy or investments, please speak to your Manulife Representative or contact our Client Services Executives at 6833-8188. Thank you for trusting Manulife with your investment needs, and we look forward to continue supporting you in the years ahead.

Yours faithfully



Dr Khoo Kah Siang  
President & Chief Executive Officer  
Manulife Singapore

Register of Representatives - You may logon to the Monetary Authority of Singapore (“MAS”) website ([www.mas.gov.sg](http://www.mas.gov.sg)) to conduct a background check of your Manulife Financial Consultant.

The information relating to the Investment-Linked Policy (“ILP”) sub-funds is compiled by Manulife (Singapore) Pte. Ltd., solely for general information purposes. It does not constitute an offer, invitation, solicitation or recommendation by or on behalf of Manulife (Singapore) Pte. Ltd. to any person to buy or sell any ILP sub-fund.

All overviews and commentaries, if provided, are intended to be general in nature and for current interest. While helpful, these overviews and commentaries are no substitute for professional tax, investment or legal advice. Investors are advised to seek professional advice for their particular situation. The information provided herein does not take into account the suitability, investment objectives, financial situation or particular needs of any specific person. Investors should consider the suitability of any ILP sub-fund based on his or her investment objectives, financial situation and particular needs before making a commitment to subscribe for units, shares or any other interests in any ILP sub-funds.

Investments in ILP sub-funds are not deposits in, guaranteed or insured by Manulife (Singapore) Pte. Ltd., its partners or distributors. The value of units in any ILP sub-fund and any income accruing to it may rise as well as fall, which may result in the possible loss of principal amount invested. Past performance of any ILP sub-funds or fund managers and any prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the ILP sub-funds or the fund managers.

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# Singapore Bond Fund

## Fund Facts

Launch Date / Price : February 2004 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.4341 (Bid) / ^S\$1.5096 / ^^S\$1.4785

Net Asset Value (NAV) : S\$73,916,693.63  
 Fund Manager : Legg Mason Asset Management Singapore Pte. Limited

CPFIS Risk : Low to Medium Risk – Narrowly  
 Classification : Focused – Country - Singapore  
 Subscription : CPFIS-OA/SA/SRS/Cash

\*Based on NAV as at 31 December 2017

^Offer Price @ 5% sales charge – Regular Premium Plans

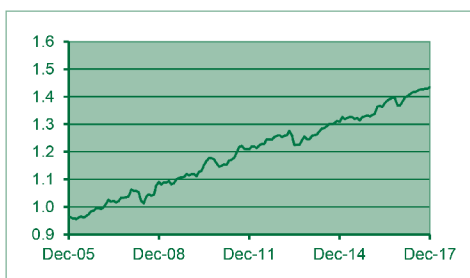
^^Offer Price @ 3% sales charge – Single Premium Plans

Note: The Fund Manager was changed from Western Asset Management Company Pte. Ltd. to Legg Mason Asset Management Singapore Pte. Limited with effect from 3 April 2017.

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into Legg Mason Western Asset Singapore Bond Fund Class B (“Underlying Fund”), which is a unit trust constituted in Singapore. The investment objective of the Underlying Fund is to achieve yield enhancement by aiming to outperform the benchmark in Singapore dollar terms via active but prudent management of a portfolio comprising primarily of Singapore bonds, cash and cash equivalent instruments.

## Fund Performance



Fund Performance/ Benchmark returns	Singapore Bond Fund	Benchmark*
3 months	+0.52%	+0.69%
6 months	+1.20%	+0.60%
1 year	+4.76%	+4.14%
3 years	+3.09%	+2.71%
5 years	+2.62%	+1.63%
10 years	+3.28%	+2.87%
Since Inception	+3.02%	+3.00%

Inception date: 18 February 2004

\*JP Morgan Singapore Government Bond Index (S\$).

The benchmark has been changed from UOB Singapore Government Bond Index (S\$) to J.P Morgan Singapore Government Bond Index (S\$) on 3rd April 2017, as the benchmark data for the UOB Singapore Government Bond Index (S\$) has been discontinued by the index provider.

Source of Information on ILP sub-fund's performance: Manulife (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Legg Mason Asset Management Singapore Pte. Ltd.

- Performance is in SGD as at 31 December 2017 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

In December, the Singapore government bond market saw mixed performance across the curve. On the whole, the curve bear-flattened, underperforming moves seen in the US Treasury (UST) curve as a result of liquidity pressure on the front end of the curve. The 3-month SIBOR rate rose to 1.50% from 1.20% and we saw the front end to the belly of the curve rise by 16 basis points (bps) to 42 bps over the course of the month. The long end of the curve continued to be well supported by domestic investors which drove yields lower.

The Singapore economy saw growth at its fastest pace since 2014 with 2017 growth coming in at 3.5% year-over-year (YoY), from 2.0% in 2016. Headline inflation accelerated to 0.6% YoY in November (October: 0.4%), in line with expectations, driven by higher costs for services and private road transport. Core inflation, which excludes accommodation and private road transport costs, remained steady at 1.5% YoY for the third consecutive month.

## Market Outlook and Investment Strategy\*\*\*

We expect global growth momentum in 2018 to be supported by still accommodative monetary policy, lower fiscal drag, trade recovery and supportive consumer sentiment. Asia looks set for a strong cyclical uplift in 2018, with major economies delivering stronger growth supported by positive regional trade outlook, domestic political stability and endogenous growth. A broad-based synchronous global economic recovery continues to benefit Singapore, traditionally a high beta economy. The cyclical uptick provided a much-needed boost to consumer confidence as well as corporate bullishness, evidenced in property developers' aggressive bidding for en-bloc residential sale sites. A more-hawkish Fed monetary policy stance provides little room for monetary policy easing by the Monetary Authority of Singapore (MAS).

We remain highly selective and will place a strong emphasis on sound credit fundamentals as a key premise. We believe our long-term approach will allow us to ride out any volatility in the next few months and we will seek to minimize our risk exposure. In terms of strategy, we continue to adopt a tactical approach to positioning across the SGS curve in view of global growth headwinds and monetary policy divergence among central banks.

## Schedule of Investments

### A) Distribution of Investments as at 31 December 2017\*\*\*

	Market Value (\$S)	% of NAV
i) <u>Country</u>		
China	2,004,520.00	1.93
Japan	1,250,250.00	1.20
Netherlands	7,132,185.00	6.87
Singapore	91,161,182.87	87.81
Cash	2,253,234.93	2.19
ii) <u>Industry</u>		
Government	38,015,947.87	36.61
Bank	23,089,257.50	22.24
Real Estate	13,669,585.00	13.16
Miscellaneous	11,964,230.00	11.53
Transport & Shipping	6,700,167.50	6.46
Finance	4,829,250.00	4.65

Hotel	2,517,700.00	2.43
Telecommunication	762,000.00	0.73
Cash	2,253,234.93	2.19
iii) <u>Asset</u>		
Fixed Income	101,548,137.87	97.81
Cash	2,253,234.93	2.19
iv) <u>Credit Rating</u>		
Aaa	38,015,947.87	36.61
A+	530,600.00	0.51
A1	1,250,250.00	1.20
A3	2,059,800.00	1.98
BBB+	1,789,245.00	1.73
BBB	16,178,322.50	15.59
Baa1	5,066,035.00	4.88
Baa2	8,195,985.00	7.89
BBB-	1,297,950.00	1.25
NR	27,164,002.50	26.17
Cash	2,253,234.93	2.19

### B) Top 10 Holdings as at 31 December 2017\*\*\*

	Market Value (\$S)	% of NAV
<u>Securities</u>		
Singapore (Govt of) 3% 01/09/2024	11,747,560.00	11.32
Singapore (Govt of) 3.5% 01/03/2027	8,346,327.60	8.04
DBS Group Holdings Ltd (Reg S) Var Perp	7,480,985.00	7.21
ABN Amro Bank NV Ser EMTN (Reg S) Var 01/04/2026	7,132,185.00	6.87
Singapore (Govt of) 2.125% 01/06/2026	5,058,150.00	4.87
OCBC Capital Corp Preference	4,829,250.00	4.65
Singapore (Govt of) 2.75% 01/03/2046	4,258,560.00	4.10
United Overseas Bank Ltd (Reg) (Reg S) 4% 29/12/2049	3,868,087.50	3.73

# Singapore Bond Fund

AACI Reit MTN Pte Ltd Ser MTN (Reg S) 3.6% 22/03/2022	3,459,785.00	3.33
Mapletree Treasury Svcs EMTN Var Perp	3,103,500.00	2.99

## Top 10 Holdings as at 31 December 2016\*\*\*

Securities	Market Value (\$)	% of NAV
Singapore (Govt of) 3% 01/09/2024	11,474,100.00	11.74
Singapore (Govt of) 3.5% 01/03/2027	8,047,334.10	8.24
DBS Group Holdings Ltd (Reg S) Var Perp	7,447,562.50	7.63
Mapletree Treasury Svcs EMTN Var Perp	7,091,000.00	7.26
ABN Amro Bank (Reg S) Var 25/10/2022	6,956,654.50	7.11
OCBC Capital Corp Preference	5,345,600.00	5.47
Singapore (Govt of) 2.75% 01/03/2046	4,042,960.00	4.13
United Overseas Bank Ltd (Reg) (Reg S) 4% 29/12/2049	3,793,762.50	3.88
Bank of East Asia Ltd Ser EMTN Var 13/09/2022	3,787,200.00	3.87
Global Logistic Properti EMTN VAR Perp	3,503,605.00	3.58

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

D) Amount and percentage of NAV invested in collective investment schemes  
100% invested in Legg Mason Western Asset Singapore Bond Fund

E) Amount and percentage of debt to NAV  
Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	\$S28,357,402.30
Total Redemptions	\$S25,545,856.04

G) Amount and terms of related-party transactions\*\*\*  
Not Applicable

## H) Expense Ratio

31 December 2017 : 0.92%

31 December 2016 : 0.95%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/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.

## I) Turnover Ratio\*\*\*

31 December 2017 : 47.95%

31 December 2016 : 19.61%

J) Any material information that will adversely impact the valuation of the ILP Sub-Fund\*\*\*  
Not Applicable

## K) Soft dollar commissions/ arrangements\*\*\*

The Managers and Sub-Manager currently do not but shall be entitled to receive and enter into soft-dollar commissions/arrangements in respect of the Fund.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Fund Manager.



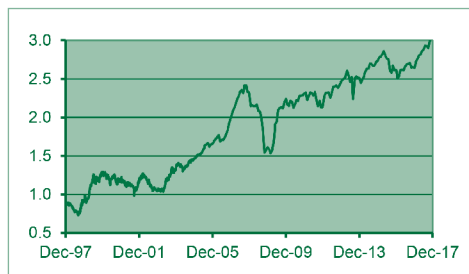
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# Golden Balanced Growth Fund

## Fund Facts

Launch Date / Price : February 1997 / S\$1.00 (Offer)  
 Unit Price\* : S\$3.0304 (Bid) / ^S\$3.1899 / ^^S\$3.1241  
 Net Asset Value (NAV) : S\$243,182,698.88  
 Fund Manager : Legg Mason Asset Management Singapore Pte. Limited  
 CPFIS Risk Classification : Medium - High Risk - Narrowly Focused – Country - Singapore  
 Subscription : CPFIS-OA/SA/SRS/Cash  
 \*Based on NAV as at 31 December 2017  
 ^Offer Price @ 5% sales charge – Regular Premium Plans  
 ^^Offer Price @ 3% sales charge – Single Premium Plans

## Fund Performance



## Fund Objective

The investment objective of the ILP Sub-Fund is to achieve medium to long term capital growth by investing in a portfolio consisting of 60% equities and 40% fixed income securities primarily through investing in other ILP Sub-Funds.

The ILP Sub-Fund will invest 60% of its assets into Golden Singapore Growth Fund and 40% of its assets into Golden International Bond Fund. The Golden Singapore Growth Fund and Golden International Bond Fund are ILP Sub-Funds established by Manulife (Singapore) Pte. Ltd.

**For equities:** Golden Singapore Growth Fund aims to achieve long-term capital growth primarily through investment in securities of companies listed on the Singapore Exchange Securities Trading Limited, by investing substantially into Schroder Singapore Trust. This portfolio will be broadly diversified with no specific industry or sectoral emphasis.

**For bonds:** Golden International Bond Fund seeks to maximise total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries, Australia and New Zealand. The ILP Sub-Fund invests all or substantially all its assets into Legg Mason Western Asset Global Bond Trust.

Fund Performance/ Benchmark returns	Golden Balanced Growth Fund	Benchmark*
3 months	+4.56%	+5.23%
6 months	+5.29%	+6.52%
1 year	+14.70%	+15.59%
3 years	+3.45%	+3.99%
5 years	+4.25%	+4.71%
10 years	+2.70%	+3.31%
Since Inception	+5.73%	+5.43%

Inception date: 18 February 1997

\*60% of MSCI Singapore Free Index + 40% of FTSE World Government Bond Index ex Japan (hedged to S\$).

Prior to 1 April 2011, the benchmark was 60% MSCI Singapore Free Index + 40% Citigroup World Government Bond Index ex-Japan (unhedged in S\$). The change was made to reduce the impact of currency fluctuations on the performance of the benchmark.

Prior to 3 January 2005, the benchmark was 60% MSCI AC World + 40% Citigroup World Government Bond Index (S\$). The reason for the change to Citigroup World Government Bond Index ex Japan (unhedged in S\$) is because it better reflects the investment focus and strategy of the Underlying Fund of the Golden International Bond Fund.

With effect from 1 January 2005 because of the changes in the Underlying Funds, the benchmark was changed from the 60% MSCI Straits Times Index + 40% Citigroup World Government Bond Index to 60% MSCI Singapore Total Index + 40% Citigroup World Government Bond Index ex Japan (unhedged in S\$).

Source of Information on ILP sub-fund's performance: Manulife (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Legg Mason Asset Management Singapore Pte. Ltd.

- Performance is in SGD as at 31 December 2017 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review

Please refer to respective ILP sub-funds.

## Market Outlook and Investment Strategy

Please refer to respective ILP sub-funds.

## Schedule of Investments

### A) Distribution of Investments as at 31 December 2017

Please refer to respective ILP sub-funds.

### B) Top 10 Holdings as at 31 December 2017 & 31 December 2016

Please refer to respective ILP sub-funds.

### C) Exposure to Derivatives

Please refer to respective ILP sub-funds.

### D) Amount and percentage of NAV invested in collective investment schemes

Golden Singapore Growth Fund	S\$151,641,461.37	62.36%
Golden International Bond Fund	S\$91,541,237.51	37.64%

### E) Amount and percentage of debt to NAV

Please refer to respective ILP sub-funds.

### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$29,388,706.43
Total Redemptions	S\$43,036,308.55

### G) Amount and terms of related-party transactions

Please refer to respective ILP sub-funds.

### H) Expense Ratio

31 December 2017 : 1.36%

31 December 2016 : 1.38%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/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.

### I) Turnover Ratio

Please refer to respective ILP sub-funds.

### J) Any material information that will adversely impact the valuation of the ILP Sub-Fund

Please refer to respective ILP sub-funds.

### K) Soft dollar commissions/ arrangements

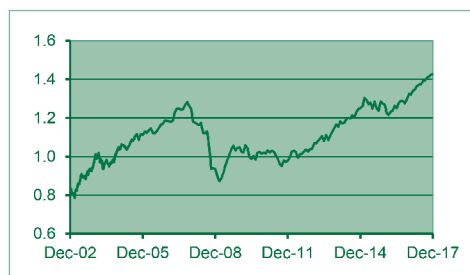
Please refer to respective ILP sub-funds.

# Golden Global Balanced Fund

## Fund Facts

Launch Date / Price : October 2001 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.4257 (Bid) / ^S\$1.5007 /  
 ^^S\$1.4698  
 Net Asset Value (NAV) : S\$36,383,195.58  
 Fund Manager : Legg Mason Asset Management  
 Singapore Pte. Limited  
 CPFIS Risk Classification : Medium - High Risk - Broadly  
 Diversified  
 Subscription : CPFIS-OA/SA/SRS/Cash  
 \*Based on NAV as at 31 December 2017  
 ^Offer Price @ 5% sales charge – Regular Premium Plans  
 ^^Offer Price @ 3% sales charge – Single Premium Plans

## Fund Performance



## Fund Objective

The investment objective of the ILP Sub-Fund is to achieve medium to long term capital growth by investing in a portfolio consisting of 60% equities and 40% fixed income securities primarily through investing in other ILP Sub-Funds.

The ILP Sub-Fund will invest 60% of its assets into Golden Worldwide Equity Fund and 40% of its assets into Golden International Bond Fund. The Golden Worldwide Equity Fund and Golden International Bond Fund are ILP Sub-Funds established by Manulife (Singapore) Pte. Ltd.

**For equities:** Golden Worldwide Equity Fund invests all or substantially all its assets into Manulife Global Fund – Global Equity Fund (“Underlying Fund”), which is a sub-fund of Manulife Global Fund (“MGF”). MGF is constituted in Luxembourg. The investment objective of the Underlying Fund is to achieve capital growth from a balanced portfolio of international securities. The Underlying Fund is designed as a relatively lower risk way of participating in world stock markets and offers an alternative to the other, more aggressive, regional investments.

**For bonds:** Golden International Bond Fund seeks to maximise total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries, Australia and New Zealand. The ILP Sub-Fund invests all or substantially all its assets into Legg Mason Western Asset Global Bond Trust.

Fund Performance/ Benchmark returns	Golden Global Balanced Fund	Benchmark*
3 months	+1.19%	+2.54%
6 months	+3.64%	+5.11%
1 year	+7.62%	+9.57%
3 years	+4.45%	+7.16%
5 years	+6.52%	+9.32%
10 years	+1.34%	+4.00%
Since Inception	+2.55%	+5.16%

Inception date: 30 October 2001

\*60% MSCI World Index + 40% FTSE World Government Bond Index ex Japan (hedged to S\$). The full track record of the previous index has been kept and chain-linked to the new one.

Prior to 2 October 2017, the benchmark was 60% MSCI AC World Index + 40% Citigroup World Government Bond Index ex Japan (hedged to S\$).

Prior to 1 April 2011, the benchmark was 60% MSCI AC World Index + 40% Citigroup World Government Bond Index ex Japan (unhedged in S\$). The change was made to reduce the impact of currency fluctuations on the performance of the benchmark.

Prior to 3 January 2005, the benchmark was 60% MSCI AC World Index + 40% Citigroup World Government Bond Index (S\$). The reason for the change to Citigroup World Government Bond Index ex Japan (unhedged in S\$) is because it better reflects the investment focus and strategy of the Underlying Fund of the Golden International Bond Fund.

Source of Information on ILP sub-fund's performance: Manulife (Singapore) Pte. Ltd. Source of Information on benchmark returns: Legg Mason Asset Management Singapore Pte. Ltd.

- Performance is in SGD as at 31 December 2017 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review

Please refer to respective ILP sub-funds.

## Market Outlook and Investment Strategy

Please refer to respective ILP sub-funds.

## Schedule of Investments

### A) Distribution of Investments as at 31 December 2017

Please refer to respective ILP sub-funds.

### B) Top 10 Holdings as at 31 December 2017 & 31 December 2016

Please refer to respective ILP sub-funds.

### C) Exposure to Derivatives

Please refer to respective ILP sub-funds.

### D) Amount and percentage of NAV invested in collective investment schemes

Golden Worldwide Equity Fund	S\$22,939,076.86	63.05%
Golden International Bond Fund	S\$13,444,118.72	36.95%

### E) Amount and percentage of debt to NAV

Please refer to respective ILP sub-funds.

### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$4,360,718.79
Total Redemptions	S\$7,397,789.34

### G) Amount and terms of related-party transactions

Please refer to respective ILP sub-funds.

### H) Expense Ratio

31 December 2017 : 1.53%

31 December 2016 : 1.49%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/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.

### I) Turnover Ratio

Please refer to respective ILP sub-funds.

### J) Any material information that will adversely impact the valuation of the ILP Sub-Fund

Please refer to respective ILP sub-funds.

### K) Soft dollar commissions/ arrangements

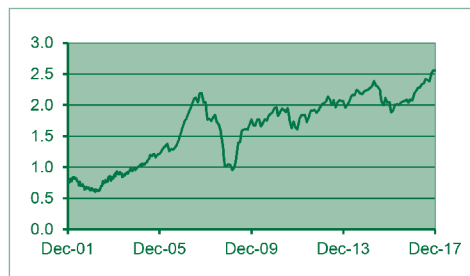
Please refer to respective ILP sub-funds.

# Golden Singapore Growth Fund

## Fund Facts

Launch Date / Price : September 2000 / S\$1.00 (Offer)  
 Unit Price\* : S\$2.5580 (Bid) / ^S\$2.6926 / ^^S\$2.6371  
 Net Asset Value (NAV) : S\$250,187,378.05  
 Fund Manager : Schroder Investment Management (Singapore) Ltd.  
 CPFIS Risk Classification : Higher Risk - Narrowly Focused – Country - Singapore  
 Subscription : CPFIS-OA/SRS/Cash  
 \*Based on NAV as at 31 December 2017  
 ^Offer Price @ 5% sales charge – Regular Premium Plans  
 ^^Offer Price @ 3% sales charge – Single Premium Plans

## Fund Performance



## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the Schroder Singapore Trust (the “Underlying Trust”) which is a unit trust constituted in Singapore.

The investment objective of the Underlying Trust is to achieve long-term capital growth primarily through investment in securities of companies listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The portfolio of the Underlying Trust will be broadly diversified with no specific industry or sectoral emphasis.

The Fund Manager’s investment approach is based on the belief that fundamental analysis of companies using its local research resources gives it a competitive advantage and that companies with consistent above average growth produce superior stock market returns.

The CPFIS Guidelines issued by the CPF Board, which guidelines may be amended from time to time, shall apply to the Underlying Trust.

The Underlying Trust currently does not intend to carry out securities lending or repurchase transactions but may do so in the future, in accordance with the applicable provisions of the Code on Collective Investment Schemes.

Fund Performance/ Benchmark returns	Golden Singapore Growth Fund	MSCI S'pore Free Index
3 months	+7.49%	+8.34%
6 months	+8.76%	+10.18%
1 year	+23.29%	+25.40%
3 years	+4.55%	+4.50%
5 years	+5.36%	+5.34%
10 years	+2.26%	+2.84%
Since Inception	+5.90%	+5.36%

Inception date: 7 September 2000

Source of information on ILP sub-fund’s performance: Manulife (Singapore) Pte. Ltd.

Source of information on benchmark returns: Schroder Investment Management (Singapore) Ltd.

- Performance is in SGD as at 31 December 2017 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

January 2018 has seen a fierce spike up in oil prices and long-dated US bond yields. At this juncture, Singapore bond yields have remained within the 1.95-2.15% range despite the rise in US bond yields to nearly 2.60%. How will Singapore bond yields trade if US yields continue to climb? This has implications for valuing REITs and other stocks that are priced off bond yield spreads. Higher oil prices, if sustained at US\$60-70, would provide the backdrop for potential positive surprises in orders for Singapore’s offshore and marine sector. Likewise, banks’ exposure to this sector

could see lower impairment charges. However, if oil prices rise materially, inflation and cost-push pressures could begin to surface. For now, the recovery in the oil and gas sector would also be positive for segments of the Singapore economy, especially since previous unemployment pressure was due to layoffs in this sector.

## Market Outlook and Investment Strategy\*\*\*

How expensive is the market? On market valuations, while index price-to-book valuations are closer to the levels of 2011-2014 median levels post the Global Financial Crisis, these averages mask the substantial divergence across sectors. If we look at dividend yield as another indicator, the chart also shows that index yields are now at the slightly lower end of the 2012-2015 range. In other words, the market as a whole is no longer cheap. If bond yields and short term interest rates continue to rise, the valuation hurdle will become more of a headwind.

The earnings recovery in Singapore has been narrow and concentrated mostly in banks, technology and property sectors. We believe this recovery has the potential to broaden, and we see more opportunities in mid-to-smaller cap companies, as well as consumer cyclicals.

## Schedule of Investments

### A) Distribution of Investments as at 31 December 2017\*\*\*

	Market Value (\$)	% of NAV
i) <u>Country</u>		
Singapore	821,591,609	98.22
Other net assets/(liabilities)	14,920,331	1.78
ii) <u>Industry</u>		
Finance	394,675,658	47.18
Real Estate	187,861,117	22.46
Telecommunications	86,877,156	10.39
Industrial and Transportation	56,444,836	6.75
Diversified Operations	51,494,636	6.15
Agriculture	21,274,932	2.54
Consumer	15,942,724	1.91
Health Care	7,020,550	0.84
Other net assets/(liabilities)	14,920,331	1.78

iii) <u>Asset</u>		
Equities	821,591,609	98.22
Other net assets/(liabilities)	14,920,331	1.78

### (iv) Credit Rating

Not Applicable

### B) Top 10 Holdings as at 31 December 2017\*\*\*

Securities	Market Value (\$)	% of NAV
DBS Group Hldg Ltd	140,981,803	16.85
Oversea-Chinese Banking Corp Ltd	128,152,223	15.32
United Overseas Bank Ltd	109,655,405	13.11
Singapore Telecommunications Ltd	79,376,237	9.49
CapitaLand Ltd	43,713,755	5.23
Keppel Corp Ltd	41,606,145	4.97
UOL Group Ltd	27,644,233	3.30
City Developments Ltd	24,560,761	2.94
Mapletree Industrial Trust	21,763,762	2.60
Hongkong Land Hldg Ltd	20,301,135	2.43

### Top 10 Holdings as at 31 December 2016\*\*\*

Securities	Market Value (\$)	% of NAV
DBS Group Hldg Ltd	93,233,920	13.55
Singapore Telecommunications Ltd	90,510,291	13.15
United Overseas Bank Ltd	77,886,425	11.32
Oversea-Chinese Banking Corp Ltd	75,273,186	10.94
CapitaLand Ltd	40,351,126	5.86
ComfortDelGro Corp Ltd	35,674,951	5.18
Keppel Corp Ltd	29,911,140	4.35
UOL Group Ltd	24,278,063	3.53
Hongkong Land Hldg Ltd	19,732,975	2.87
Mapletree Industrial Trust	17,636,152	2.56

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

# Golden Singapore Growth Fund

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## C) Exposure to Derivatives

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Schroder Singapore Trust Class M

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$13,789,775.36
Total Redemptions	S\$18,216,467.71

## G) Amount and terms of related-party transactions\*\*\*

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Registrar for the Fund is Schroder Investment Management (Luxembourg) S.A., a related party of the Manager. The Trustee is HSBC Institutional Trust Services (Singapore) Limited, a subsidiary of the HSBC Group. The management fees paid to the Manager and registration fees paid to the Registrar; trustee fees, valuation fees and custodian fees charged by the HSBC Group are shown in the Statement of Total Return of the financial statements for the financial period ended 31 December 2017.

## H) Expense Ratio

31 December 2017 : 1.72%

31 December 2016 : 1.75%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/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.

## I) Turnover Ratio\*\*\*

31 December 2017 : 12.91%

31 December 2016 : 12.84%

## J) Any material information that will adversely impact the valuation of the ILP Sub-Fund

Not Applicable

## K) Soft dollar commissions/ arrangements\*\*\*

In the management of the Fund, the Manager may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received are restricted to the following kinds of services:

- (i) research, analysis or price information;
- (ii) performance measurement;
- (iii) portfolio valuations; and
- (iv) administration services.

The Manager may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist the Manager in their management of the Fund, (b) best execution is carried out for the transactions, and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. The Manager shall not receive goods and services such as travel, accommodation and entertainment.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Fund Manager.



# Golden Worldwide Equity Fund

## Fund Facts

Launch Date / Price : January 2001 / S\$1.00 (Offer)  
 Unit Price\* : S\$0.9930 (Bid) / ^S\$1.0453 /  
 ^^S\$1.0237

Net Asset Value (NAV) : S\$68,387,080.79  
 Fund Manager : Manulife Asset Management  
 (Singapore) Pte. Ltd

CPFIS Risk Classification : Higher Risk / Broadly Diversified  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2017

^Offer Price @ 5% sales charge – Regular Premium Plans & Easti Investor Plans

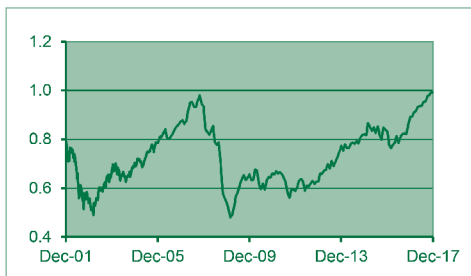
^^Offer Price @ 3% sales charge – Single Premium Plans

Note: The Fund Manager was changed from UOB Asset Management Ltd to Manulife Asset Management (Singapore) Pte. Ltd. with effect from 2 October 2017.

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into Manulife Global Fund – Global Equity Fund (“Underlying Fund”), which is a sub-fund of Manulife Global Fund (“MGF”). MGF is constituted in Luxembourg. The investment objective of the Underlying Fund is to achieve capital growth from a balanced portfolio of international securities. The Underlying Fund is designed as a relatively lower risk way of participating in world stock markets and offers an alternative to the other, more aggressive, regional investments. The benchmark against which the ILP Sub-Fund’s performance will be measured is the MSCI World Index.

## Fund Performance



Fund Performance/ Benchmark returns	Golden Worldwide Equity Fund	MSCI World Index
3 months	+1.81%	+3.83%
6 months	+5.94%	+7.36%
1 year	+11.40%	+13.22%
3 years	+6.59%	+9.57%
5 years	+9.62%	+13.66%
10 years	+0.62%	+4.26%
Since Inception	+0.26%	+3.74%

Inception date: 2 January 2001

On 2 October 2017, MSCI World index replaced the MSCI AC World Index. The full track record of the previous index has been kept and chain-linked to the new one.

Source of Information on ILP sub-fund’s performance: Manulife (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Manulife Asset Management (Hong Kong) Limited.

- Performance is in SGD as at 31 December 2017 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review

During the year, the U.S. economy steadily improved as consumer confidence rose to a near 17-year high, unemployment reached a 17-year low and wage growth accelerated. Global earnings growth expanded, with Europe in particular showing strength. While growth improved, inflation remained low, allowing global monetary policy to remain accommodative. Tax reform optimism and the late-quarter passing of the U.S. administration’s tax reform bill further fueled the global equity market rally. The emerging markets was the best-performing region as a result of improving company earnings and a weakening U.S. dollar. U.S. equities also performed well, posting strong returns with low volatility. For the first time in its history, the S&P 500 Index delivered 12 consecutive positive returns during a calendar year. Information Technology was the best-performing sector, while the Energy and Telecommunication Services sectors lagged. After a rough start to the year, oil prices rebounded in the second half, ending 2017 at their highest level in nearly two years as a result of production cuts by the Organization of the Petroleum Exporting Countries and increased global demand.

# Golden Worldwide Equity Fund

## Market Outlook and Investment Strategy

Global markets continue to fare well, with most key indices rising in December. The U.S. had a tremendous year, up over 20%, but struggled on a relative basis versus its international peers, with European markets up 26%, Japan up 24% and emerging markets up 38% (all in U.S.-dollar terms). Emerging markets in particular benefited from weakness in the U.S. dollar. The implication of this performance is that most equity price/earnings ratios are higher than historical averages, and one would need to head back to the early 2000s to see comparable price/earnings multiples.

In addition, debt levels have risen, even as profit margins appear to be near peak levels. This is cause for concern, as current valuations have priced-in strong earnings growth – a perspective that we believe might be somewhat optimistic. Valuation concerns aside, we believe there are additional macroeconomic issues that should be in focus for investors. Although the U.S. Federal Reserve Board appears committed to interest rate increases, we believe its commitment to data dependency is questionable. We expect little material inflation in the U.S. and remain concerned about a declining Consumer Price Index. U.S. political uncertainty contrasts with that of the eurozone where, aside from ongoing Brexit negotiations, France's initiation of structural reforms has added to political stability. It is against this background of renewed stability that we removed the Fund's currency hedges earlier in the year. Meanwhile, a sense of unease remains over North Korea's nuclear situation.

We believe markets are currently in a "valuation-rich environment." Against this backdrop, we continue to focus on companies that have enduring businesses, strong management teams with solid track records of effective capital allocation, strong balance sheets and sustainable free cash flow. We continue to view the U.S. Financials sector positively, although we remain cautious of European firms within the sector. We also continue to favor sustainable, quality franchises within the Consumer Staples sector.

We believe the biggest potential market risks stem from high global valuations and high debt levels. In addition, with central banks generally signaling the end of unconventional monetary policy, we are concerned that the transition, if not executed well, could have a negative impact on capital markets. We maintain a negative view of the Utilities sector amid high valuations, which are a result of low interest rates.

## Schedule of Investments

### A) Distribution of Investments as at 31 December 2017\*\*\*

	Market Value (US\$)	% of NAV
i) <u>Country</u>		
Australia	6,436,072	3.08
Cayman Islands	2,650,864	1.27
France	11,852,521	5.67
Germany	7,314,840	3.50
Hong Kong	4,355,895	2.08
Ireland	8,125,959	3.89
Japan	13,856,419	6.62
Jersey - Channel Islands	3,168,976	1.51
Netherlands	21,444,592	10.25
Republic of Korea (South)	2,100,094	1.00
Switzerland	25,336,089	12.10
Taiwan	1,832,916	0.88
United Kingdom	7,266,241	3.47
United States	87,470,327	41.79
ii) <u>Industry</u>		
Basic materials		1.00
Communications		6.99
Consumer, cyclical		6.52
Consumer, non-cyclical		16.55
Energy		4.43
Financials		21.30
Healthcare		12.74
Industrials		15.51
Technology		12.07
iii) <u>Asset Class</u>		
Equities	203,211,805	97.11
Other Net Assets	6,037,222	2.89

iv) Credit Rating

Not Applicable

B) Top 10 Holdings as at 31 December 2017\*\*\*

Securities	Market Value (US\$)	% of NAV
Wells Fargo & Company	10,269,109	4.91
Roche Holding AG	8,505,152	4.05
Nestle SA - Reg	8,338,625	3.98
Amcor Limited	6,436,072	3.08
Philips NV	6,246,228	2.99
Affiliated Managers Group	5,923,188	2.83
Johnson Controls International plc	5,850,002	2.80
Heineken NV	5,569,152	2.66
Oracle Corp.	5,469,229	2.61
United Technologies Corp.	5,459,880	2.60

Top 10 Holdings as at 31 December 2016^^^

Securities	Market Value (S\$)	% of NAV
Microsoft	8,851,683	4.77
Alphabet Inc-CI A	6,869,115	3.70
Merck	5,953,464	3.21
Celgene Corporation	5,618,727	3.03
Samsung Electronics	5,388,618	2.90
Dollar General Corporation	5,243,438	2.82
Wells Fargo & Company	5,095,515	2.74
NXP Semiconductors Nv	4,998,305	2.69
PNC Financial Services	4,984,677	2.68
US Bancorp	4,920,404	2.65

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

C) Exposure to Derivatives

i) Market value of derivative contracts

Not Applicable

ii) Net gains/losses on derivative contracts realised

Not Applicable

iii) Net gains/losses on outstanding derivative contracts

Not Applicable

D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Manulife Global Fund – Global Equity Fund

E) Amount and percentage of debt to NAV

Not Applicable

F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$2,651,267.62
Total Redemptions	S\$3,782,477.99

G) Amount and terms of related-party transactions\*\*\*

All transactions with related parties were entered into in the ordinary course of business and under normal commercial terms.

The main related parties of the Underlying Fund are the following:

- Manulife Asset Management International Holdings Limited in its capacities as the General Adviser and Distributor; and
- The investment manager

The General Adviser and Distributor and the investment managers may be members of the Manulife Group. The transactions with Manulife Group are the management fee charged by the General Adviser.

H) Expense Ratio

31 December 2017: 1.75%

31 December 2016: 1.71%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage & other transaction costs, performance fee, foreign exchange gains/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.

I) Turnover Ratio

31 December 2017 : 52.22%\*\*\*

31 December 2016 : 137.99%^^^

Turnover ratio is calculated for the period 1 January 2017 to 31 December 2017

# Golden Worldwide Equity Fund

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J) Any material information that will adversely impact the valuation of the ILP Sub-Fund  
Not Applicable

K) Soft dollar commissions/ arrangements  
The Fund Manager of the ILP Fund is currently not receiving or in soft dollar commissions/arrangements in respect of the ILP Sub-Fund.

The manager of the Underlying Fund, Manulife Asset Management (US) LLC, may enter into soft commission arrangements in respect of the Underlying Fund's transactions with brokers.

Note:

\*\*\*Information given relates to the Manulife Global Fund – Global Equity Fund and is provided by Manulife Asset Management (Hong Kong) Limited for the period 1 July 2017 to 31 December 2017 unless otherwise stated. The information and figures relate to the Underlying Fund may be subject to change as the audited annual report of the Underlying Fund has not been finalized as at the date of this ILP Annual Fund Report.

^^^ Information given relates to the United International Growth Fund and is provided by UOB Asset Management for the period 1 January 2016 to 31 December 2016 unless otherwise stated.

# Appendix

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- Golden International Bond Fund

# Golden International Bond Fund

## Fund Facts

Launch Date / Price : January 1997 / S\$1.00 (Offer)  
 Unit Price\* : S\$2.2077 (Bid) / ^S\$2.3239 / ^^S\$2.2760

Net Asset Value (NAV) : S\$184,927,284.69  
 Fund Manager : Western Asset Management Company Pte. Ltd

CPFIS Risk Classification : Low - Medium Risk - Broadly Diversified  
 Subscription : CPFIS-OA/SA/SRS/Cash

\*Based on NAV as at 31 December 2017

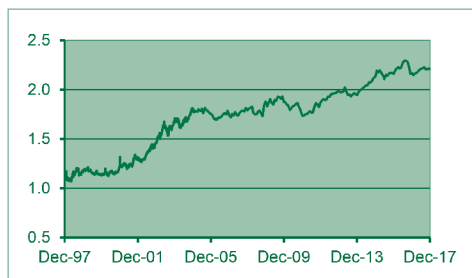
^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into Legg Mason Western Asset Global Bond Trust ("Underlying Fund"), which is a unit trust constituted in Singapore and inception on 2 November 1998. The investment objective of the Underlying Fund is to maximize total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries and Australia and New Zealand. The Underlying Fund aims to outperform the benchmark.

## Fund Performance



Fund Performance/ Benchmark returns	Golden International Bond Fund	Benchmark*
3 months	-0.01%	+0.63%
6 months	-0.09%	+1.09%
1 year	+1.98%	+1.94%
3 years	+1.19%	+2.58%
5 years	+2.13%	+3.26%
10 years	+2.12%	+2.71%
Since Inception	+4.11%	+5.29%

Inception date: 10 January 1997

\*FTSE World Government Bond Index ex Japan (hedged to S\$).

Prior to 3 January 2005, the benchmark against which the performance of the ILP Sub-Fund was measured was the Citigroup World Government Bond Index (S\$). The reason for the change is because the Citigroup World Government Bond Index ex Japan better reflects the investment focus and strategy of the Underlying Fund.

Source of Information on ILP sub-fund's performance: Manulife (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Legg Mason Asset Management Singapore Pte. Ltd.

- Performance is in SGD as at 31 December on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Global bonds posted mixed returns in December. The US Federal Reserve (Fed) raised rates as expected and kept its outlook for three rate hikes in 2018 unchanged. The US tax reform bill was finally signed into law on December 22. With inflation data remaining subdued, the US yield curve flattened as short rates rose and intermediate- to long-term rates declined. European yields rose on continued eurozone growth optimism and increasing expectations that the European Central Bank's (ECB) recent quantitative easing (QE) extension might be its last, despite the ECB reiterating its willingness to continue asset purchases after September 2018. In Italy, rising political uncertainty ahead of the March general election pushed yields sharply higher. Mexican assets continued to underperform with the Mexican peso as one of only a handful of currencies to underperform the US dollar in December. Credit markets remained firm into the year-end.

## Market Outlook and Investment Strategy\*\*\*

In our opinion, the current steady but unspectacular global growth backdrop has not materially changed. US inflation has remained low even though the economy has improved. With tighter credit spreads and US dollar depreciation, financial conditions have become more accommodative despite higher short-term rates. We think the Fed will continue with a few more slow, gradual and cautious hikes in 2018. We remain tactical with respect to overall portfolio duration and yield-curve positioning. We maintain a long US duration position in global portfolios with short-duration positions in core European bonds and Japan.

Eurozone GDP is growing at its fastest pace in seven years, with momentum, it seems, for further improvement. The growth dynamic is broad-based, with the reliance on net exports being dissipated as domestic demand has strengthened. Furthermore, it is not only the “core” economies that are benefitting; the periphery economies are also on an upward trajectory. We believe bund yields will eventually correct to reflect the possibility of policy normalization post 2019 but, in the near term, yields are unlikely to rise materially. We remain constructive on the Italian economic recovery story but less so on valuations and have reduced Italian overweight exposures accordingly. As we approach elections in the first half of 2018, the market may look to price in some additional risk premium and we will look to re-establish a more significant position.

We continue to look for opportunities to benefit from market anomalies. Our focus remains on longer-term fundamentals with diversified strategies to manage risk.

## Schedule of Investments

### A) Distribution of Investments as at 31 December 2017\*\*\*

	Market Value (\$)	% of NAV
i) <u>Country</u>		
Australia	1,620,034.63	0.44
Belgium	9,550,529.47	2.58
Canada	12,673,095.98	3.43
France	25,403,154.18	6.87
Germany	10,621,295.90	2.87
Great Britain	14,179,134.94	3.83
Ireland	3,529,703.42	0.95
Italy	42,633,426.00	11.51
Japan	23,372,323.40	6.32
Mexico	17,970,930.68	4.86

Poland	13,735,071.22	3.71
Spain	18,234,377.75	4.92
Supra-national	3,408,877.39	0.92
USA	146,305,410.57	39.52
Cash	26,866,582.76	7.27

### ii) Industry

Government	339,782,547.13	91.80
Financials	3,408,877.39	0.92
Others	45,941.01	0.01
Cash	26,866,582.76	7.27

### iii) Asset

Fixed Income	343,237,365.53	92.73
Cash	26,866,582.76	7.27

### iv) Credit Rating

Aaa	27,909,432.45	7.55
AA+	146,305,410.57	39.52
Aa2	39,503,667.24	10.68
Aa3	9,550,529.47	2.58
A2	3,529,703.42	0.95
A	23,347,647.75	6.31
A-	13,735,071.22	3.71
BBB+	17,970,930.68	4.86
Baa2	60,867,803.75	16.43
NR	517,168.98	0.14
Cash	26,866,582.76	7.27

### B) Top 10 Holdings as at 31 December 2017\*\*\*

	Market Value (\$)	% of NAV
Securities		
US Treasury Bond 1.5% 31/12/2018	34,013,342.42	9.19
Buoni Poliennali Del Tes 1.45% 15/09/2022	21,544,848.80	5.82
France (Govt of) (Reg S) 0.25% 25/11/2016	21,226,590.04	5.74

# Golden International Bond Fund

US Treasury Bond 4.5% 15/08/2039	18,919,819.26	5.11
US Treasury Bond 2.125% 29/02/2024	14,978,915.85	4.05
Japan (Govt of) CPI Linked Ser 16 1.4% 10/06/2018	14,367,212.45	3.88
Poland Government Bond Ser 726 2.5% 25/07/2026	13,735,071.22	3.71
US Treasury Bond 2.875% 15/05/2043	13,497,013.67	3.65
UK Treasury 4.25% 07/12/2040	12,777,637.13	3.45
Mex Bonds Desarr Fix RT Ser M 7.75% 13/11/2042	12,474,360.59	3.37

## Top 10 Holdings as at 31 December 2016\*\*\*

Securities	Market Value (\$)	% of NAV
US Treasury Bond 1.5% 31/12/2018	36,032,741.23	9.99
France (Govt of) (Reg S) 0.25% 25/11/2016	25,412,335.57	7.05
TSY Infl IX Bond 0.250% 15/01/2025	20,582,368.70	5.71
Buoni Poliennali Del Tes 1.45% 15/09/2022	20,461,422.65	5.68
US Treasury Bond 4.5% 15/08/2039	19,640,578.71	5.45
Poland Government Bond Ser 726 2.5% 25/07/2026	18,887,383.50	5.24
Japan (Govt of) CPI Linked Ser 16 1.4% 10/06/2018	15,728,530.19	4.36
Mex Bonds Desarr Fix RT Ser M 7.75% 13/11/2042	14,672,077.11	4.06
US Treasury Bond 2.875% 15/05/2043	13,696,376.18	3.79
US Treasury N/B 1.00% 15/09/2017	13,397,198.92	3.71

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable

- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Legg Mason Western Asset Global Bond Trust

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$8,802,972.63
Total Redemptions	S\$11,721,141.17

## G) Amount and terms of related-party transactions

Not Applicable

## H) Expense Ratio

31 December 2017 : 0.95%

31 December 2016 : 0.92%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/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.

## I) Turnover Ratio\*\*\*

31 December 2017 : 45.84%

31 December 2016 : 39.81%

## J) Any material information that will adversely impact the valuation of the ILP Sub-Fund

Not Applicable

## K) Soft dollar commissions/ arrangements\*\*\*

Western Asset Management Company Pte. Ltd. (The Manager) and Western Asset Management Company and Western Asset Management Company Limited (the Sub-Managers) currently do not but shall be entitled to receive or enter into soft dollar commissions/ arrangements in respect of the Trust.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Fund Manager.



# Financial Statements

for the Period 1 January to 31 December 2017

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- Statement of Assets and Liabilities
- Capital Account
- Notes to the Accounts
- Independent Auditor's Report

# Statement Of Assets And Liabilities

## As At 31 December 2017

	*Golden Balanced Growth Fund \$	Golden International Bond Fund \$	Golden Singapore Growth Fund \$	Golden Worldwide Equity Fund \$	*Golden Global Balanced Fund \$	Singapore Bond Fund \$
<b>INVESTMENTS</b>						
Cash and Cash Equivalents	-	-	-	-	-	-
Value of Investment in Unit Trusts	243,168,908	185,061,087	250,398,626	68,379,299	36,380,751	73,319,820
	<b>243,168,908</b>	<b>185,061,087</b>	<b>250,398,626</b>	<b>68,379,299</b>	<b>36,380,751</b>	<b>73,319,820</b>
<b>OTHER ASSETS</b>						
Due from Brokers for investment sales	8,757	4,111	210,825	-	9,128	617,700
Other assets	22,878	-	-	14,014	-	-
<b>Total Assets</b>	<b>243,200,543</b>	<b>185,065,198</b>	<b>250,609,451</b>	<b>68,393,313</b>	<b>36,389,879</b>	<b>73,937,520</b>
<b>LIABILITIES</b>						
Due to Brokers for investment purchases	-	(124,158)	(133,257)	(1,178)	-	-
Other liabilities	(17,844)	(13,755)	(288,816)	(5,054)	(6,683)	(20,826)
<b>Value of Fund as at 31 December 2017</b>	<b>243,182,699</b>	<b>184,927,285</b>	<b>250,187,378</b>	<b>68,387,081</b>	<b>36,383,196</b>	<b>73,916,694</b>

\* The Golden Balanced Growth Fund and Golden Global Balanced Fund invest in existing Manulife Investment-Linked Policy sub-funds namely Golden Worldwide Equity Fund, Golden International Bond Fund and Golden Singapore Growth Fund respectively.

# Capital Account For The Period

## 1 January 2017 To 31 December 2017

	*Golden Balanced Growth Fund \$	Golden International Bond Fund \$	Golden Singapore Growth Fund \$	Golden Worldwide Equity Fund \$	*Golden Global Balanced Fund \$	Singapore Bond Fund \$
<b>Value of Fund as at 1 January 2017</b>	<b>224,706,225</b>	<b>182,379,470</b>	<b>220,731,135</b>	<b>65,786,860</b>	<b>36,716,919</b>	<b>67,030,384</b>
Amount paid (by)/to the fund for (liquidation)/ creation of units	(13,647,602)	(2,918,169)	(4,426,692)	(1,131,210)	(3,037,071)	2,811,546
Investment income	-	-	-	-	-	-
Net realised gain/(loss) on sale of investments	-	-	-	-	-	-
Unrealised appreciation/ (loss) in value of investment during the period	31,970,252	5,534,260	36,770,320	3,956,869	2,731,380	4,255,586
Exchange gain/(loss)	-	-	-	-	-	-
Fund income/(expenses)	153,824	(68,276)	(2,887,385)	(225,438)	(28,032)	(180,822)
<b>Value of Fund as at 31 December 2017</b>	<b>243,182,699</b>	<b>184,927,285</b>	<b>250,187,378</b>	<b>68,387,081</b>	<b>36,383,196</b>	<b>73,916,694</b>

\* The Golden Balanced Growth Fund and Golden Global Balanced Fund invest in existing Manulife Investment-Linked Policy sub-funds namely Golden Worldwide Equity Fund, Golden International Bond Fund and Golden Singapore Growth Fund respectively.

# Notes To The Accounts

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## 1. Significant Accounting Policies

- (a) **Basis of Accounting**  
The accounts of the Manulife Investment-Linked Policy sub-funds, expressed in Singapore dollars, are prepared under the historical cost convention except for the investments which are stated at market value.
- (b) **Cash and Cash equivalents**  
Cash and cash equivalents comprise cash deposited with financial institutions that are subject to an insignificant risk of changes in value.
- (c) **Investments**  
Unit trusts are valued at the market prices on 31 December 2017.
- (d) **Investment Income**  
Dividend income is taken up in the financial statements when it is declared payable.  
  
Interest income is recognised using the effective interest method.
- (e) **Foreign Currencies**  
Transactions arising in foreign currencies during the period are converted at rates closely approximating those ruling on the transaction dates. Foreign currencies denominated monetary assets and liabilities are translated into local currency at exchange rates ruling on the financial statement date. All exchange differences arising from conversion are included in the capital account.
- (f) **Realised Gain/(Loss) on Sale of Investments**  
Gain/(loss) on sale of investments is determined at average cost and includes realised foreign exchange gains and losses.

## 2. Units

The number of units issued as of valuation date 31 December 2017:

Golden Balanced Growth Fund	80,246,698.23115
Golden International Bond Fund	83,765,421.77394
Golden Singapore Growth Fund	97,807,103.03250
Golden Worldwide Equity Fund	68,853,053.73497
Golden Global Balanced Fund	25,519,023.04259
Singapore Bond Fund	51,540,597.33327

### 3. Expense ratio

The audited expense ratio as of valuation date 31 December 2017:

Golden Balanced Growth Fund	1.36%
Golden International Bond Fund	0.95%
Golden Singapore Growth Fund	1.72%
Golden Worldwide Equity Fund	1.75%
Golden Global Balanced Fund	1.53%
Singapore Bond Fund	0.92%

Expense ratio is calculated in accordance with Investment Management Association of Singapore ("IMAS") Guidelines for the Disclosure of Expense Ratios.

# Independent Auditor's Report For The Year Ended 31 December 2017

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REPORT TO THE BOARD OF DIRECTORS  
OF MANULIFE (SINGAPORE) PTE. LTD.

Report On The Audit Of The Financial Statements

## Opinion

We have audited the accompanying financial statements of the investment-linked sub-funds ("Funds") of Manulife (Singapore) Pte. Ltd. (the "Company"), which comprise the statement of assets and liabilities as at 31 December 2017, the Capital Account for the financial year then ended, and notes to the accounts, including a summary of significant accounting policies set out in Note 1 to the accounts.

In our opinion, the accompanying financial statements of the Funds of the Company for the financial year ended 31 December 2017, are properly drawn up in accordance with the stated accounting policies set out in Note 1 to the accounts.

## 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 Auditor's Responsibilities for the Audit of the Financial Statements of the Funds section of our report. We are independent of the Company and the Funds in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") 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.

## Other Information

Management is responsible for other information. The other information comprises the Message from the President and Chief Executive Officer, and fund reports included in pages 1 to 22, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the accounts, which describes the basis of accounting. The financial statements are prepared to assist the Company to comply with the requirements of the Monetary Authority of Singapore (“MAS”) Notice 307 Investment-Linked Life Insurance Policies. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the use of the Company. Our opinion is not modified in respect of this matter.

#### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the stated accounting policies, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the 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 Funds or to cease operations, or has no realistic alternative but to do so.

The directors’ responsibilities include overseeing the Funds’ financial reporting process.

#### Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 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.

# Independent Auditor's Report For The Year Ended 31 December 2017

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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 control.
- Obtain an understanding of internal control 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 Funds' internal control.
- 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 Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

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

Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

29 March 2018



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