

MAX FUNDS

Annual Report and
Audited Financial Statements
for the year ended 31 December 2016



MOI (P) 092/03/2017

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Thank you for your support of Great Eastern. I am pleased to share the Max Funds Annual Report for 2016.

As a LIFE company, our goal is to help our customers achieve their financial and wellness goals. We offer solutions to meet your protection and long-term savings needs and provide prudent management of your investments to optimise your returns.

2016 proved to be a year of surprises. The world witnessed many unexpected macro events which created ripples of uncertainty in the global financial markets. Notwithstanding these, global equity markets posted positive returns for the year. The MSCI World Index, which represents equity performance across developed markets, ended the year up 7.51%, while the MSCI Emerging Markets Index gained 11.19%.

Despite being affected by macroeconomic events, the Asia Pacific ex Japan region also ended the year in positive territory, with the MSCI AC Asia Pacific ex Japan Index posting returns of 6.75%. China was one of the few Asian nations that ended last year in the red, with the Shanghai Composite Index falling by 12.31%.

At Great Eastern, we continuously review our fund offerings to ensure that we have a diversified range of funds for policyholders to choose from. We remain committed to help you achieve your financial goals and look forward to your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Hock Seng'.

Khor Hock Seng

Group Chief Executive Officer
Great Eastern Holdings

Investment Outlook

Policy uncertainties in the US following the shock victory of Donald Trump as President, political elections in Europe and post-Brexit fall-out will all combine to create short-term turbulence to asset markets this year. That said, the risk of a global recession or a hard-landing for the Chinese economy remains unlikely. Although the US is set to raise interest rates further, this would be in response to potentially stronger growth.

US

The US economy is in the midst of a cyclical rebound. Economic indicators are rebounding, as reflected in rising wages, consumer and business surveys and oil prices. Low unemployment and strong household balance sheets are positive for consumption. At the December 2016 Federal Open Market Committee meeting, the Fed guided for higher rates, with the possibility of three rate hikes in 2017, higher from two rate hikes previously. The Fed will likely gauge the fiscal policies of the Trump administration to influence the pace and magnitude of rate hikes.

Europe

In Europe, the European Central Bank (ECB) remains supportive of loose monetary policy, extending its asset purchase program and continuing to buy EUR 80 billion worth of bonds per month until March 2017. Thereafter, the ECB will continue to buy EUR 60 billion worth of bonds per month for at least another nine months until the end of 2017. This puts the purchases at the upper end of expectations, as the inflation rate remains below the Central Bank's 2% target.

Looking ahead, improving labour income will keep consumer spending stable, while corporates will increase investment spending. A steady economic recovery and supportive monetary policy should bolster conditions for the much needed ongoing balance sheet repairs. However, risks remain with rising political uncertainty in the first half of 2017 with a busy political calendar amid rising protectionist rhetoric.

Japan

Given the strong expectations of growth and inflation for the US economy following Donald Trump's victory, JPY is expected to be weak relative to the USD in the short-term and this could provide a boost to Japanese exporters.

The worst is also likely over for corporate earnings as companies embark on aggressive cost reduction amid the improving macroeconomic outlook. No change in the JPY would indicate positive earnings revisions to come. Combined with active shareholder value enhancement activities and the strength of existing shareholders, the outlook for Japanese equities remains favourable.

Asia Pacific ex Japan

Investors are right to be concerned over the policy uncertainties coming out from the new President in the US since January. At this stage a range of political outcomes are probable, but it is likely that the US will pursue a path that would be less disruptive to the global economic outlook than the election campaign rhetoric suggested. Until that is evident, a combination of concerns of exposure to trade, interest rates and a strengthening USD will restrain Asian market performance. In particular, policy uncertainty with respect to punitive trade tariffs imposed on China has the potential to reduce economic activity in the region significantly.

On a more positive note we expect the earnings recovery story in Asia to gather pace aided by a stabilising macroeconomic outlook in China. Outside China, the Philippines, Indonesia, Thailand and Malaysia look set to embark on huge infrastructure spending projects.

Conclusion

The first half of 2017 is shaping up to see higher growth than the second half of 2016. With a cyclical growth upturn in the US and policy support for European balance sheet repair, global growth is likely to improve with inflation supported by firmer energy prices.

Across Asia including Japan, corporate earnings are showing signs of improvement. Corporates across Japan are increasing shareholder value while Asian corporate earnings emerge from years of decline. While the concerns surrounding rate hikes and political uncertainty may cause short-term corrections, investment opportunities still remain.

All data sourced from Bloomberg as at 15 January 2017 unless otherwise stated.

Disclaimer: *The report is accurate at time of writing on 1 March 2017. Past performance is not necessarily indicative of future performances. Any opinion or view presented is subject to change without notice. The document is intended for information purposes only, and is not intended as an offer or solicitation for the purchase or sale of any financial instrument.*

The information provided may contain projections or other forward looking statements regarding future events or future financial performance of countries, markets or companies, and such prediction or forecast is not necessarily indicative of the future or likely performance of the fund.

1. Max Singapore Balanced Fund

Effective 1 June 2017, there will be a change in the benchmark for Max Singapore Balanced Fund (the “Fund”).

	Existing	Effective 1 June 2017
Benchmark	60% MSCI Singapore + 40% UOB Singapore Government Securities Index	60% MSCI Singapore + 40% JP Morgan Singapore Government Bond Index

The rationale for changing the benchmark follows the discontinuation of the UOB Singapore Government Securities Index (UOB SGS Index) with effect from 1 June 2017. The fund manager, Lion Global Investors Limited, views the JP Morgan Singapore Government Bond Index as an appropriate replacement benchmark for the UOB SGS Index.

The change in benchmark will have no impact on the Fund or how it is managed.

Fund Facts

Inception Date:	30 November 2004
NAV Price:	S\$ 0.584
Fund Size:	S\$ 33.58 million
Underlying Fund:	Schroder Asian Credit Opportunities (SGD-Hedged)
Fund Manager:	Schroder Investment Management (Singapore) Ltd
Fund Management Fee:	1.00% p.a. (1.75% p.a. max)
Valuation Frequency:	Daily
Currency of Fund:	Singapore Dollar
Risk Category:	Medium to High
Benchmark ^{^^} :	J.P. Morgan Asian Credit Index (JACI) for reference purposes only

Investment Objective

The ILP Sub-Fund invests all or substantially into the Schroder Asian Credit Opportunities (SGD-Hedged) ("Underlying Fund") which aims to provide income and capital growth by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and corporates issued by mostly Asian issuers.

The Manager intends to make distributions at a variable percentage per annum of the NAV per unit on a quarterly basis, subjected to the Manager's discretion.

Performance on bid—bid basis (%) as at 31 December 2016

	3-month	6-month	1-year	3-year [†]	5-year [†]	10-year [†]	Since Inception [†]
Max Asian Credit Opportunities	-3.15	-1.83	1.90	0.79	1.17	-0.61	-0.14
Benchmark	-3.16	NA	NA	NA	NA	NA	NA

Source: Morningstar. Performance figures are calculated on a bid-bid basis, with all dividends and distributions reinvested, taking into account all charges which would have been payable upon such reinvestment.

[^] Restructured from Max Asian Bond Fund effective 1 September 2016.

^{^^} Benchmark: Effective 1 September 2016, the benchmark is J.P. Morgan Asian Credit Index (JACI) for reference purposes only, to bring the ILP Sub-Fund's benchmark more in line with the Schroder Asian Credit Opportunities. The performance figures of the reference benchmark more than 3 months are not available as Max Asian Bond Fund had a different benchmark before the fund was restructured on 1 September 2016.

[†] Performance figures longer than 1 year are annualised.

Investments in Collective Investment Schemes

	Market Value S\$	% of Net Assets
<u>Unit Trust</u>		
Schroder Asian Credit Opportunities [†]	33,583,844	100.00

Top 10 Holdings of Underlying Fund as at 31 December 2016 *

	Market Value S\$	% of Net Assets
ANZ New Zealand Intl Ltd / London FRN 28 Jul 2021	1,307,066	2.26
Sino-Ocean Land Treasure Finance I Ltd EMTN 4.625% 30 Jul 2019	1,017,500	1.76
Perusahaan Penerbit SBSN Indonesia III 4.55% 29/03/2026	1,007,500	1.74
Industrial & Commercial Bank of China Ltd / Luxembourg FRN 12 Feb 2018	1,004,030	1.74
ICBCIL Finance Co Ltd 2.75% 19 May 2021	981,570	1.70
United Overseas Bank Ltd EMTN Var 8 Mar 2027	966,595	1.67
AIA Group Ltd 3.2% 11 Mar 2025	966,165	1.67
NTPC Ltd EMTN 4.75% 3 Oct 2022	955,071	1.65
Hongkong Electric Finance Ltd EMTN 2.875% 3 May 2026	942,100	1.63
Goodman HK Finance EMTN 4.375% 19 Jun 2024	916,875	1.59

Top 10 Holdings of Underlying Fund as at 31 December 2015 *

	Market Value S\$	% of Net Assets
Schroder ISF Asian Bond Absolute Return C Distribution	105,820,440	101.44

Allocation By Country (Underlying Fund) *

	Market Value S\$	% of Net Assets
Argentina	1,240,780	2.15
Australia	3,737,845	6.46
Brazil	1,045,500	1.81
China	16,071,430	27.80
Hong Kong	11,649,116	20.15
India	5,310,314	9.18
Indonesia	6,039,863	10.45
Korea, Republic Of	2,576,183	4.46
New Zealand	1,307,066	2.26
Qatar	1,056,198	1.83
Singapore	1,709,326	2.96
Thailand	831,930	1.44
United Arab Emirates	2,009,841	3.48
United States	599,410	1.04
Accrued interest receivable on Fixed Income Securities	612,216	1.06
Others **	2,013,115	3.47
Total	57,810,133	100.00

*** Includes any other countries and net current assets.*

Allocation By Industry (Underlying Fund) *

	Market Value S\$	% of Net Assets
Bank	10,434,990	18.05
Chemicals/Petrochemicals	1,156,591	2.00
Construction & Engineering	1,286,208	2.22
Construction Materials	823,575	1.42
Consumer Durables	866,202	1.50
Diversified Operations	903,803	1.56
Finance	1,775,210	3.07
Food & Beverage	622,373	1.08
Government	2,020,190	3.50
Hotel	888,222	1.54
Insurance	1,950,895	3.38
Internet Services	598,508	1.04
Investment	1,516,279	2.62
Logistics	644,562	1.11
Mining	1,462,470	2.53
Oil & Gas	4,531,441	7.84
Real Estate	3,025,443	5.23
Retail	2,130,917	3.69
Sovereign	1,007,500	1.74
Sovereign Agency	836,140	1.45
Special Purpose Entity	2,222,825	3.84
Telecommunications	972,778	1.68
Transportation	916,875	1.59
Utilities	2,626,544	4.54
Accrued interest receivable on Fixed Income Securities	612,216	1.06
Others **	11,977,376	20.72
Total	57,810,133	100.00

** Includes any other industries and net current assets.

Allocation By Asset Class (Underlying Fund) *

	Market Value S\$	% of Net Assets
Fixed Income Securities (including accrued interest receivable on Fixed Income)	57,150,810	98.86
Other net assets	659,323	1.14
Total	57,810,133	100.00

Credit Rating of Debt Securities (Underlying Fund) *

AA / Aa2	598,135	1.03
AA- / Aa3	3,190,221	5.52
A+ / A1	3,742,397	6.47
A / A2	1,757,830	3.04
A- / A3	5,855,158	10.13
BBB+ / Baa1	7,429,716	12.85
BBB / Baa2	5,567,697	9.63
BBB- / Baa3	6,899,969	11.94
BB+ / Ba1	5,106,176	8.83
BB / Ba2	2,491,041	4.31
BB- / Ba3	1,502,166	2.60
B+ / B1	2,124,577	3.68
B / B2	3,783,424	6.54
B- / B3	1,524,491	2.64
Not Rated	4,965,596	8.59
Accrued interest receivable on Fixed Income Securities	612,216	1.06
Total	57,150,810	98.86

Expense/Turnover Ratios *

	Expense Ratio		Turnover Ratio	
	31 December 2016	31 December 2015 [◊]	31 December 2016	31 December 2015 [◊]
Max Asian Credit Opportunities #	1.48%	1.60%	108.96%	8.23%
Underlying Fund [†]	1.48%	1.60%	108.96%	8.23%

Note: The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fees, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes, tax deducted at source or arising out of income received, dividend and other distributions paid to unit holders and is calculated for the preceding 12 months, based on the Investment Management Association of Singapore (IMAS) guidelines.

The expense and turnover ratios are derived from its underlying fund - Schroder Asian Credit Opportunities Fund, which is based on unaudited draft accounts.

◊ The expense and turnover ratios are derived from its old underlying fund - Schroder Asian Bond Fund, which is based on unaudited draft accounts.

† Formerly known as Schroder Asian Bond Fund. With effect from 1 September 2016, the Fund has been restructured from investing substantially in the Schroder ISF Asian Bond Absolute Return to a direct investment portfolio. Due to the restructuring, the Fund has changed its functional currency from Singapore dollars to United States dollars as the Fund adopts a total return strategy that is likely to move in line with returns in the Asian US Dollar denominated bond market.

Exposure to Derivatives *

	Market Value S\$	% of Net Assets
(i) Market value of derivative contracts		
- Foreign exchange forward contracts	246,449	0.43
- Foreign exchange spot contracts	(90)	0.00
- Futures	15,307	0.03
- Swaps	(38,303)	(0.07)
(ii) Net loss on derivative realised	(2,885,770)	
(iii) Net gain on outstanding derivatives	223,363	

Borrowings *

Nil.

Total Subscriptions and Redemptions for the year ended 31 December 2016

	S\$
Subscriptions	3,689,263
Redemptions	4,947,959

Related-Party Transactions

Not applicable.

Soft Dollar Commissions *

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.

Any material information that will adversely impact the valuation of the fund *

Nil.

* Source: Schroder Investment Management (Singapore) Limited

For disclaimers, please refer to Contents page.

Fund Facts

Inception Date:	15 March 2004
NAV Price:	S\$ 1.219
Fund Size:	S\$ 57.41 million
Underlying Fund:	Schroder Multi-Asset Advantage
Fund Manager:	Schroder Investment Management (Singapore) Ltd
Fund Management Fee:	1.00% p.a. (1.75% p.a. max)
Valuation Frequency:	Weekly
Currency of Fund:	Singapore Dollar
Risk Category:	Low to Medium

Investment Objective

The ILP Sub-Fund invests all or substantially into Schroder Multi-Asset Advantage (“Underlying Fund”) which aims to provide growth through exposure to a portfolio of investment funds and indices comprised of various asset classes and a continuous Minimum Floor on each dealing day equal to 85% of the highest Net Asset Value per Unit reached on any prior dealing day on and after 24 November 2009. The Minimum Floor is a target only and is not guaranteed.

Performance on bid–bid basis (%) as at 31 December 2016

	3-month	6-month	1-year	3-year [†]	5-year [†]	10-year [†]	Since Inception [†]
Max Multi-Asset Advantage Fund	3.35	5.28	3.98	2.10	3.14	0.51	1.57

The performance of the Underlying Fund is not measured against any benchmark. This is because conventional benchmarks are unconstrained, whereas the Underlying Fund is constrained by the Minimum Floor. Hence no conventional benchmark would be appropriate to measure the performance of the Underlying Fund.

Source: Morningstar. Performance figures are calculated on a bid-bid basis, with all dividends and distributions reinvested, taking into account all charges which would have been payable upon such reinvestment.

Investments in Collective Investment Schemes

	Market Value S\$	% of Net Assets
<u>Unit Trust</u>		
Schroder Multi-Asset Advantage Fund	57,406,326	100.00

[†] Performance figures longer than 1 year are annualised.

Top 10 Holdings of Underlying Fund as at 31 December 2016 *

	Market Value S\$	% of Net Assets
MAS Bills Series 84 03 Feb 2017	13,786,752	22.19
Schroder SISF – Global Quantitative Active Value A Acc	9,267,265	14.91
Schroder SISF – QEP Global Core C Acc	9,257,324	14.90
Schroder SISF – US Large Cap A Acc	8,355,645	13.45
Schroder Singapore Fixed Income Fund Class I	5,256,355	8.46
Schroder SISF - Euro Equity C Acc A	2,308,885	3.72
MAS Bill Series 84 17 Mar 2017	2,195,182	3.53
Schroder SISF – Japanese Equity A Acc	1,775,771	2.86
Schroder Global Quality Bond Class I USD Acc	1,685,661	2.71
Schroder SISF – QEP Global Quality A Acc	1,315,536	2.12

Top 10 Holdings of Underlying Fund as at 31 December 2015 *

	Market Value S\$	% of Net Assets
MAS Bill Series 84 4 Mar 2016	14,679,861	22.40
Schroder SISF - QEP Global Core C Acc	7,625,671	11.63
Schroder SISF - QEP Global Quality A Acc	5,328,552	8.13
MAS Bill Series 84 15 Jan 2016	4,998,800	7.63
Schroder Singapore Fixed Income Fund Class I	4,882,174	7.45
Schroder SISF - US Large Cap A Acc	4,862,812	7.42
Schroder SISF - Global Equity Alpha A Acc	3,943,197	6.02
MAS Bill Series 84 5 Feb 2016	3,797,454	5.79
Schroder SISF - European Large Cap A Acc	3,403,707	5.19
MAS Bill Series 84 12 Feb 2016	1,798,524	2.74

Allocation By Country (Underlying Fund) *

	Market Value S\$	% of Net Assets
Luxembourg	35,077,378	56.45
Singapore	24,170,191	38.90
Others **	2,890,973	4.65
Total	62,138,542	100.00

*** Includes any other countries and net current assets.*

Allocation By Industry (Underlying Fund) *

	Market Value S\$	% of Net Assets
Collective Investment Schemes - Equities	33,056,286	53.20
Collective Investment Schemes - Fixed Income Securities	9,809,893	15.79
Debt Securities	16,381,390	26.36
Others **	2,890,973	4.65
Total	62,138,542	100.00

*** Includes any other industries and net current assets.*

Allocation By Asset Class (Underlying Fund) *

	Market Value S\$	% of Net Assets
Equities	33,056,286	53.20
Fixed Income Securities	26,191,283	42.15
Other net assets	2,890,973	4.65
Total	62,138,542	100.00

Credit Rating of Debt Securities (Underlying Fund) *

	Market Value S\$	% of Net Assets
Not Rated	16,381,390	26.36

Expense/Turnover Ratios *

	Expense Ratio		Turnover Ratio	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Max Multi-Asset Advantage Fund #	1.48%	1.50%	235.40%	228.78%
Underlying Fund	1.48%	1.50%	235.40%	228.78%

Note: The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fees, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes, tax deducted at source or arising out of income received, dividend and other distributions paid to unit holders and is calculated for the preceding 12 months, based on the Investment Management Association of Singapore (IMAS) guidelines.

The expense and turnover ratios are derived from its underlying fund - Schroder Multi-Asset Advantage Fund, which is based on unaudited draft accounts.

Exposure to Derivatives *

	Market Value S\$	% of Net Assets
(i) Market value of derivative contracts		
- Foreign exchange forward contracts	(157)	0.00
- Options	(325)	0.00
(ii) Net loss on derivative realised	(656,659)	
(iii) Net loss on outstanding derivatives	(482)	

Borrowings *

Nil.

Total Subscriptions and Redemptions for the year ended 31 December 2016

	S\$
Subscriptions	557,077
Redemptions	5,507,996

Related-Party Transactions

Not applicable.

Soft Dollar Commissions *

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.

The description of soft dollar and the conditions set out above also apply to the investment managers of the underlying funds domiciled in Luxembourg and Singapore.

Any material information that will adversely impact the valuation of the fund *

Nil.

** Source: Schroder Investment Management (Singapore) Limited*

For disclaimers, please refer to Contents page.

Fund Facts

Inception Date:	16 February 2007
NAV Price:	S\$ 0.310
Fund Size:	S\$ 22.10 million
Underlying Fund:	Schroder Asian Equity Yield Fund (SGD)
Fund Manager:	Schroder Investment Management (Singapore) Ltd ⁺⁺
Fund Management Fee:	1.50% p.a. (1.75% p.a. max)
Valuation Frequency:	Daily
Currency of Fund:	Singapore Dollar
Risk Category:	Higher
Benchmark:	MSCI AC Pacific Free ex Japan

Investment Objective

The ILP Sub-Fund invests all or substantially into Schroder Asian Equity Yield Fund (SGD) which is to provide capital growth and income through investment in equity and equity related securities of Asian companies which offer attractive yields and sustainable dividend payments.

The Manager intends to make distributions at a variable percentage per annum of the NAV per unit on a quarterly basis, subjected to the Manager's discretion.

Performance on bid–bid basis (%) as at 31 December 2016

	3-month	6-month	1-year	3-year [†]	5-year [†]	Since Inception [†]
Max Asian Equity Yield Fund	-1.15	7.41	7.28	5.48	1.09	-4.52
Benchmark ⁺	1.01	12.58	9.44	4.09	N.A.	N.A.

The past performance of Max Asian Equity Yield Fund shown above is based on the past performance of Max Equity Select Income Fund, up to 28 February 2013.

Source: Morningstar. Performance figures are calculated on a bid-bid basis, with all dividends and distributions reinvested, taking into account all charges which would have been payable upon such reinvestment.

⁺ Known as Max Equity Select Income Fund prior to 1 March 2013.

⁺⁺ The ILP Sub-Fund was managed by Funds and Advisory (formerly known as Barclays Capital Fund Solutions) from 16 February 2007 till 28 February 2013.

[^] Benchmark: Max Equity Select Income Fund had no benchmark from launch till 28 February 2013, as it was a structured product that aimed to expose the ILP Sub-Fund to the performance of the strategy. With effect from 1 March 2013, benchmark is MSCI AC Pacific Free ex Japan to align the benchmark with that of the new underlying fund, Schroder Asian Equity Yield. Benchmark returns over the last 5-year and above is not available as at 31 December 2016.

[†] Performance figures longer than 1 year are annualised.

Investments in Collective Investment Schemes

	Market Value S\$	% of Net Assets
<u>Unit Trust</u>		
Schroder Asian Equity Yield Fund Class O	22,099,731	100.00

Top 10 Holdings of Underlying Fund as at 31 December 2016 *

	Market Value S\$	% of Net Assets
Jardine Strategic Holdings Ltd	13,645,769	4.12
Samsung Electronics Co. Ltd	12,924,095	3.90
ASX Ltd	12,101,194	3.65
Taiwan Semiconductor Manufacturing Co. Ltd	12,065,591	3.64
Swire Properties Ltd	11,655,002	3.52
Hon Hai Precision Industry Co. Ltd	10,822,891	3.27
Australia & New Zealand Banking Group Ltd	10,816,178	3.27
Tabcorp Holdings Ltd	10,747,738	3.24
Incitec Pivot Ltd	10,435,284	3.15
Far EastOne Telecommunications Co. Ltd	10,389,902	3.14

Top 10 Holdings of Underlying Fund as at 31 December 2015 *

	Market Value S\$	% of Net Assets
HKT Trust and HKT Ltd Stapled Shares	13,927,079	3.76
National Australia Bank Ltd	12,472,227	3.36
AIA Group Ltd	11,803,869	3.18
Taiwan Mobile Co. Ltd	11,466,847	3.09
Swire Properties Ltd	11,396,309	3.07
Hongkong Land Holdings Ltd	11,198,681	3.02
Tabcorp Holdings Ltd	11,119,197	3.00
BOC Hong Kong (Holdings) Ltd	10,374,899	2.80
Jardine Strategic Holdings Ltd	10,189,204	2.75
Pacific Textiles Holdings Ltd	10,184,413	2.75

Allocation By Country (Underlying Fund) *

	Market Value S\$	% of Net Assets
Australia	93,964,658	28.37
China	14,505,360	4.38
Hong Kong	67,127,164	20.27
India	7,284,233	2.20
Korea, Republic Of	50,751,841	15.32
Philippines	6,411,155	1.93
Singapore	18,660,171	5.63
Taiwan, Province Of	50,481,356	15.24
Thailand	4,193,392	1.27
United Kingdom	8,978,004	2.71
United States	8,383,579	2.53
Others **	494,377	0.15
Total	331,235,290	100.00

*** Includes any other countries and net current assets.*

Allocation By Industry (Underlying Fund) *

	Market Value S\$	% of Net Assets
Automobiles & Components	13,704,459	4.14
Bank	30,060,684	9.08
Chemicals	23,664,302	7.14
Commercial Services	10,082,577	3.04
Consumer Durables	6,884,592	2.08
Diversified Operations	13,645,769	4.12
Electronics	37,083,818	11.20
Finance	15,840,721	4.78
Health Care/Pharmaceuticals	15,308,164	4.62
Hotel	4,358,016	1.32
Insurance	15,411,833	4.65
Mining	6,873,691	2.08
Oil & Gas	15,928,420	4.81
Real Estate	28,414,080	8.58
Semiconductor	12,065,591	3.64
Software	6,205,104	1.87

MAX ASIAN EQUITY YIELD FUND⁺ report as at 31 December 2016

Telecommunications	32,332,240	9.76
Transportation	6,533,644	1.97
Utilities	8,484,994	2.56
Others **	28,352,591	8.56
Total	331,235,290	100.00

** Includes any other industries and net current assets.

Allocation By Asset Class (Underlying Fund) *

	Market Value S\$	% of Net Assets
Equities	330,740,913	99.85
Other net assets	494,377	0.15
Total	331,235,290	100.00

Credit Rating of Debt Securities (Underlying Fund) *

Not applicable.

Expense/Turnover Ratios *

	Expense Ratio		Turnover Ratio	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Max Asian Equity Yield Fund #	1.74%	1.72%	28.45%	41.78%
Underlying Fund	1.74%	1.72%	28.45%	41.78%

Note: The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fees, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes, tax deducted at source or arising out of income received, dividend and other distributions paid to unit holders and is calculated for the preceding 12 months, based on the Investment Management Association of Singapore (IMAS) guidelines.

The expense and turnover ratios are derived from its underlying fund - Schroder Asian Equity Yield Fund, which is based on unaudited draft accounts.

Exposure to Derivatives *

	Market Value S\$	% of Net Assets
(i) Market value of derivative contracts	-	0.00
(ii) Net loss on derivative realised	(333,456)	
(iii) Net gain on outstanding derivatives	-	

Borrowings *

Nil.

Total Subscriptions and Redemptions for the year ended 31 December 2016

	S\$
Subscriptions	1,138,923
Redemptions	2,416,449

Related-Party Transactions

Not applicable.

Soft Dollar Commissions *

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.

Any material information that will adversely impact the valuation of the fund *

Nil.

* Source: Schroder Investment Management (Singapore) Limited

For disclaimers, please refer to Contents page.

Fund Facts

Inception Date:	15 April 2005
NAV Price:	S\$ 4.997
Fund Size:	S\$ 58.93 million
Underlying Fund:	Aberdeen Pacific Equity Fund
Fund Manager:	Aberdeen Asset Management Asia Limited
Fund Management Fee:	1.50% p.a. (2.50% p.a. max)
Valuation Frequency:	Daily
Currency of Fund:	Singapore Dollar
Risk Category:	Higher
Benchmark:	MSCI AC Asia Pacific ex Japan Index

Investment Objective

The ILP Sub-Fund aims to provide medium to long-term capital growth by investing all or substantially all its assets in the Aberdeen Pacific Equity Fund which in turns invests in a diversified portfolio of Asian-Pacific equities excluding Japanese equities and as a feeder fund to invest in the equity-based Asia Pacific sub-funds of the Aberdeen Select Portfolio, namely the Aberdeen China Opportunities Fund, the Aberdeen Indonesia Equity Fund, the Aberdeen Malaysian Equity Fund, the Aberdeen Singapore Equity Fund and the Aberdeen Thailand Equity Fund, and invests up to 10% of its deposited property in the Aberdeen Global – Indian Equity Fund[#], a sub-fund of the Luxembourg-registered Aberdeen Global.

Performance on bid–bid basis (%) as at 31 December 2016

	3-month	6-month	1-year	3-year [†]	5-year [†]	10-year [†]	Since Inception [†]
Max Pacific Equity Fund	0.61	7.85	6.55	1.29	4.66	3.53	6.72
Benchmark	0.81	12.12	9.02	4.70	7.27	3.32	6.39

Source: Morningstar. Performance figures are calculated on a bid-bid basis, with all dividends and distributions reinvested, taking into account all charges which would have been payable upon such reinvestment.

Investments in Collective Investment Schemes

Unit Trust	Market Value S\$	% of Net Assets
Aberdeen Pacific Equity Fund	58,927,555	100.00

[#] Fund is offered in Singapore as a restricted foreign scheme.

[†] Performance figures longer than 1 year are annualised.

Top 10 Holdings of Underlying Fund as at 31 December 2016 *

	Market Value S\$	% of Net Assets
Aberdeen China Opportunities Fund	143,460,578	9.98
Aberdeen Singapore Equity Fund	135,156,713	9.40
Aberdeen Global – Indian Equity Fund #	129,642,298	9.02
Samsung Electronics Co. Ltd (Pref)	71,125,124	4.95
Aberdeen Indonesia Equity Fund	54,363,708	3.78
Taiwan Semiconductor Manufacturing Co. Ltd	52,802,268	3.67
Jardine Strategic Holdings Ltd	52,275,197	3.64
AIA Group Ltd	48,731,067	3.39
Aberdeen Thailand Equity Fund	47,121,626	3.28
Rio Tinto	46,345,004	3.22

Fund is not authorised for public sale in Singapore.

Top 10 Holdings of Underlying Fund as at 31 December 2015 * °

	Market Value S\$	% of Net Assets
Aberdeen Global – Indian Equity Fund #	134,523,727	9.90
Aberdeen Singapore Equity Fund	133,777,773	9.85
Aberdeen China Opportunities Fund	122,216,101	9.00
Samsung Electronics Co. Ltd (Pref)	69,941,423	5.15
Aberdeen Thailand Equity Fund	56,136,119	4.13
Aberdeen Indonesia Equity Fund	50,730,430	3.73
HSBC Holdings PLC	47,448,786	3.49
Aberdeen Malaysian Equity Fund	46,866,625	3.45
Taiwan Semiconductor Manufacturing Co. Ltd	45,908,759	3.38
Jardine Strategic Holdings Ltd	44,708,321	3.29

Fund is not authorised for public sale in Singapore.

° Information has been restated to align with Aberdeen Select Portfolio Audited Annual report dated 30 September 2015.

Allocation By Country (Underlying Fund) *

	Market Value S\$	% of Net Assets
Australia	73,651,527	5.12
China	166,283,959	11.57
Hong Kong	167,820,076	11.67
India	164,557,878	11.45
Indonesia	54,363,708	3.78
Korea, Republic Of	107,548,967	7.48
Malaysia	55,094,120	3.83
Philippines	55,260,707	3.84
Singapore	282,851,674	19.67
Taiwan, Province Of	79,203,418	5.51
Thailand	47,121,626	3.28
United Kingdom	138,046,973	9.60
Others **	46,066,767	3.20
Total	1,437,871,400	100.00

*** Includes any other countries and net current assets.*

Allocation By Industry (Underlying Fund) *

	Market Value S\$	% of Net Assets
Consumer Staples	22,464,838	1.56
Financials	269,441,169	18.74
Health Care	35,777,141	2.49
Industrials	107,360,566	7.47
Information Technology	137,886,397	9.59
Materials	102,025,325	7.09
Real Estate	99,863,709	6.94
Telecommunication Services	64,688,926	4.50
Unit Trusts	552,405,778	38.42
Others **	45,957,551	3.20
Total	1,437,871,400	100.00

*** Includes any other industries and net current assets.*

Allocation By Asset Class (Underlying Fund) *

	Market Value S\$	% of Net Assets
Equities	1,397,093,454	97.16
Cash and cash equivalents	40,777,946	2.84
Total	1,437,871,400	100.00

Credit Rating of Debt Securities (Underlying Fund) *

Not applicable.

Expense/Turnover Ratios *

	Expense Ratio		Turnover Ratio	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Max Pacific Equity Fund #	1.75%	1.77%	9.73%	1.62%
Underlying Fund ^	1.75%	1.77%	9.73%	1.62%

Note: The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fees, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes, tax deducted at source or arising out of income received, dividend and other distributions paid to unit holders and is calculated for the preceding 12 months, based on the Investment Management Association of Singapore (IMAS) guidelines.

The expense and turnover ratios are derived from its underlying fund – Aberdeen Pacific Equity Fund, which is based on audited accounts.

^ The expense and turnover ratios of the underlying fund are computed for period from 1 October 2015 to 30 September 2016. The ratios for period 1 January 2016 to 31 December 2016 are not available.

Exposure to Derivatives *

Nil.

Borrowings *

Nil.

Total Subscriptions and Redemptions for the year ended 31 December 2016

	S\$
Subscriptions	3,890,188
Redemptions	5,856,156

Related-Party Transactions

Not applicable.

Soft Dollar Commissions *

Nil.

Any material information that will adversely impact the valuation of the fund *

Nil.

** Source: Aberdeen Asset Management Asia Ltd*
For disclaimers, please refer to Contents page.

Fund Facts

Inception Date:	7 September 2007
Nav Price:	S\$ 1.212
Fund Size:	S\$ 9.27 million
Underlying Fund:	Aberdeen Global Emerging Markets Fund
Fund Manager:	Aberdeen Asset Management Asia Limited
Fund Management Fee:	1.50% p.a. (2.50% p.a. max)
Valuation Frequency:	Daily
Currency of Fund:	Singapore Dollar
Risk Category:	Higher
Benchmark:	MSCI Emerging Markets

Investment Objective

The ILP Sub-Fund aims to provide long-term capital growth by investing in authorised investments which are direct or indirect investments in emerging stock markets worldwide or companies with significant activities in emerging markets, or as a feeder fund to invest in the Aberdeen Global – Emerging Markets Equity Fund[#], a sub-fund of Luxembourg-registered Aberdeen Global.

The Aberdeen Global – Emerging Markets Equity Fund invests at least two-thirds of its assets in equities and equity-related securities of companies with their registered office in an Emerging Market country; and/or, of companies which have the preponderance of their business activities in an Emerging Market country; and/or, of holding companies that have the preponderance of their assets in companies with their registered office in an Emerging Market country. “Emerging Market” shall mean any country that is included in the MSCI Emerging Markets Index or composite thereof (or any successor index, if revised), or any country classified by the World Bank as a low to upper middle income country.

Performance on bid–bid basis (%) as at 31 December 2016

	3-month	6-month	1-year	3-year [†]	5-year [†]	Since Inception [†]
Max Global Emerging Markets Fund	0.08	7.45	13.17	2.09	3.51	2.09
Benchmark	1.63	12.38	13.65	2.30	3.86	-0.38

Source: Morningstar. Performance figures are calculated on a bid–bid basis, with all dividends and distributions reinvested, taking into account all charges which would have been payable upon such reinvestment.

[#] Fund is offered in Singapore as a restricted foreign scheme.

[†] Performance figures longer than 1 year are annualised.

Investments in Collective Investment Schemes

	Market Value S\$	% of Net Assets
<u>Unit Trust</u>		
Aberdeen Global Emerging Markets Fund	9,266,097	100.00

Top 10 Holdings of Underlying Fund as at 31 December 2016 *

	Market Value S\$	% of Net Assets
Samsung Electronics Co. Ltd (Pref)	398,785,676	4.61
Taiwan Semiconductor Manufacturing Co. Ltd	335,317,056	3.88
Astra International Tbk PT	329,263,951	3.81
HDFC Bank Ltd	321,143,548	3.71
AIA Group Ltd	311,551,496	3.60
China Mobile Ltd	272,159,172	3.15
FEMSA ADR	262,978,268	3.04
Grupo Financiero Banorte S.A.B. de C.V.	238,217,363	2.75
Banco Bradesco (Pref) ADR	227,714,625	2.63
ITC Ltd	222,089,637	2.57

Top 10 Holdings of Underlying Fund as at 31 December 2015 * °

	Market Value S\$	% of Net Assets
Samsung Electronics Co. Ltd (Pref)	373,201,826	4.71
Taiwan Semiconductor Manufacturing Co. Ltd	294,032,085	3.71
FEMSA ADR	287,177,650	3.62
China Mobile Ltd	253,498,171	3.20
HDFC Bank Ltd	252,776,419	3.19
AIA Group Ltd	250,287,845	3.16
Grupo Financiero Banorte S.A.B. de C.V.	237,904,324	3.00
Infosys Ltd	212,994,859	2.69
ITC Ltd	209,944,369	2.65
SABMiller PLC	202,219,039	2.55

° Information has been restated to align with Aberdeen Select Portfolio Audited Annual report dated 30 September 2015.

Allocation By Country (Underlying Fund) *

	Market Value S\$	% of Net Assets
Argentina	119,463,199	1.38
Brazil	973,178,049	11.25
Chile	100,522,517	1.16
China/Hong Kong	1,315,196,841	15.20
Hungary	97,114,626	1.12
India	1,436,289,537	16.60
Indonesia	428,631,127	4.95
Korea, Republic Of	548,801,300	6.34
Malaysia	159,411,298	1.84
Mexico	661,496,209	7.65
Philippines	368,703,513	4.26
Poland	228,216,191	2.64
Russia	384,107,754	4.44
South Africa	415,908,143	4.81
Taiwan, Province Of China	420,140,205	4.86
Thailand	408,365,266	4.72
Turkey	371,000,904	4.29
Others **	215,225,398	2.49
Total	8,651,772,077	100.00

** Includes any other countries and net current assets.

Allocation By Industry (Underlying Fund) *

	Market Value S\$	% of Net Assets
Consumer Discretionary	832,695,948	9.62
Consumer Staples	1,509,106,707	17.44
Energy	514,707,732	5.95
Financials	2,392,172,102	27.65
Health Care	97,114,626	1.12
Industrials	112,808,136	1.30
Information Technology	1,047,719,838	12.11
Materials	737,562,574	8.53
Real Estate	646,686,392	7.48
Telecommunication Services	435,897,857	5.04
Others **	325,300,165	3.76
Total	8,651,772,077	100.00

** Includes any other industries and net current assets.

Allocation By Asset Class (Underlying Fund) *

	Market Value S\$	% of Net Assets
Equities	8,436,546,679	97.51
Cash and cash equivalents	215,225,398	2.49
Total	8,651,772,077	100.00

Credit Rating of Debt Securities (Underlying Fund) *

Nil.

Expense/Turnover Ratios *

	Expense Ratio		Turnover Ratio	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Max Global Emerging Markets Fund #	1.75%	1.87%	19.20%	22.38%
Underlying Fund ^	1.75%	1.87%	19.20%	22.38%

Note: The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fees, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes, tax deducted at source or arising out of income received, dividend and other distributions paid to unit holders and is calculated for the preceding 12 months, based on the Investment Management Association of Singapore (IMAS) guidelines.

The ratios are derived from its underlying fund – Aberdeen Global Emerging Markets Fund, which is based on audited accounts.

^ The expense and turnover ratios of the underlying fund are computed for period 1 October 2015 to 30 September 2016. The ratios for period 1 January 2016 to 31 December 2016 are not available.

Exposure to Derivatives *

Nil.

Borrowings *

Nil.

Total Subscriptions and Redemptions for the year ended 31 December 2016

	S\$
Subscriptions	773,441
Redemptions	959,225

Related-Party Transactions

Not applicable.

Soft Dollar Commissions *

Nil.

Any material information that will adversely impact the valuation of the fund *

Nil.

* Source: Aberdeen Asset Management Asia Ltd

For disclaimers, please refer to Contents page.

Fund Facts

Inception Date:	15 April 2005
NAV Price:	S\$ 1.511
Fund Size:	S\$ 2.78 million
Underlying Fund:	Blackrock Global Fund (BGF) Global Allocation Fund
Fund Manager:	BlackRock (Luxembourg) S.A. ⁺⁺
Fund Management Fee:	1.50% p.a. [^]
Valuation Frequency:	Daily
Currency of Fund:	Singapore Dollar
Risk Category:	Higher
Benchmark:	36% S&P 500; 24% FTSE World (ex-US); 24% BofA ML US Treasury Cur 5 Year; 16% Citigroup Non-USD World Government Bond Index. ^{^^}

Investment Objective

The ILP Sub-Fund invests all or substantially into BlackRock Global Funds (BGF) – Global Allocation Fund (“Underlying Fund”) which seeks to maximise total return. The Underlying Fund invests globally in equity, debt and short term securities, of both corporate and governmental issuers, with no prescribed limits. In normal market conditions, the Underlying Fund will invest at least 70% of its total assets in the securities of corporate and governmental issuers. The Underlying Fund generally will seek to invest in securities that are, in the opinion of the BlackRock Investment Management, LLC, undervalued. The Underlying Fund may also invest in the equity securities of small and emerging growth companies. The Underlying Fund may also invest a portion of its debt portfolio in high yield fixed income transferable securities. Currency exposure is flexibly managed.

Performance on bid–bid basis (%) as at 31 December 2016

	3-month	6-month	1-year	3-year [†]	5-year [†]	10-year [†]	Since Inception [†]
Max Global Allocation Fund ⁺	-0.07	3.99	3.28	0.97	4.22	-0.02	1.98
Benchmark	4.49	9.03	8.02	7.85	9.47	2.84	4.06

The past performance of Max Global Allocation Fund shown above is based on the past performance of Max MAP Growth Fund, up to 30 September 2012.

Source: Morningstar. Performance figures are calculated on a bid-bid basis, with all dividends and distributions reinvested, taking into account all charges which would have been payable upon such reinvestment.

⁺ Known as Max Map Growth Fund prior to 1 October 2012.

⁺⁺ The ILP Sub-Fund was managed by Lion Global Investors Limited from 15 April 2005 till 30 September 2012.

[^] Maximum combined Management Charge and Administration Fee of Underlying Fund: 2.25%

^{^^} Benchmark: 80% MSCI World Index and 20% JP Morgan SGB Index from launch till 30 September 2012. With effect from 1 October 2012, benchmark is 36% S&P 500; 24% FTSE World (ex-US); 24% BofA ML US Treasury Cur 5 Year; 16% Citigroup Non-USD World Government Bond Index, to align the benchmark with that of the current underlying fund, Blackrock Global Fund (BGF) Global Allocation Fund.

[†] Performance figures longer than 1 year are annualised.

Investments in Collective Investment Schemes

	Market Value S\$	% of Net Assets
<u>Unit Trust</u>		
BGF Global Allocation Fund (SGD Hedged)	2,779,538	100.00

Top 10 Holdings of Underlying Fund as at 31 December 2016 *

	Market Value US\$	% of Net Assets
Treasury Note (20LD) 1.25 10/31/2021	699,615,002	3.88
SPDR Gold Shares	405,689,299	2.25
Apple	303,771,306	1.69
Alphabet	183,022,448	1.02
Treasury (CPI) Note 0.625 01/15/2026	178,469,061	0.99
Treasury (CPI) Note 0.125 04/15/2021	163,182,671	0.91
Marathon Petroleum	152,306,887	0.85
Canada (Government of) 0.5 08/01/2018	150,679,360	0.84
Treasury (CPI) Note 0.125 07/15/2026	147,703,103	0.82
Australia (Commonwealth of) 5.75 07/15/2022	143,587,476	0.80

Top 10 Holdings of Underlying Fund as at 31 December 2015 *

	Market Value US\$	% of Net Assets
Treasury Note (Old) 2.00 08/15/2025	587,387,793	2.60
UK Conv Gilt 2.00 09/07/2025	293,693,896	1.30
Treasury Note (20LD) 2.125 05/15/2025	180,734,706	0.80
Alphabet Inc.	180,734,706	0.80
Marathon Petroleum	158,142,867	0.70
General Electric Company	135,551,029	0.60
Treasury (CPI) Note 0.375 07/15/2025	135,551,029	0.60
Mexico (United Mexican States) GO 6.5 06/10/2021	135,551,029	0.60
Treasury Note 1.75 09/30/2022	135,551,029	0.60
Apple Inc.	135,551,029	0.60

Allocation By Country (Underlying Fund) *

	Market Value US\$	% of Net Assets
Asia	3,221,839,652	17.89
Europe	3,272,265,314	18.17
Latin America	455,631,879	2.53
United States/Canada	7,522,428,298	41.77
Others **	3,537,000,043	19.64
Total	18,009,165,186	100.00

*** Includes any other countries and net current assets.*

Allocation By Industry (Underlying Fund) *

	Market Value US\$	% of Net Assets
Consumer Discretionary	1,447,936,881	8.04
Consumer Staples	655,533,613	3.64
Corporates	1,008,513,250	5.60
Energy	833,824,348	4.63
Financials	2,139,488,824	11.88
Government	2,976,915,005	16.53
Health Care	1,233,627,815	6.85
Industrials	1,237,229,648	6.87
Information Technology	1,692,861,528	9.40
Materials	534,872,206	2.97
Real Estate	405,206,217	2.25
Telecom Services	356,581,471	1.98
Utilities	306,155,808	1.70
Others **	3,180,418,572	17.66
Total	18,009,165,186	100.00

*** Includes any other industries and net current assets.*

Allocation By Asset Class (Underlying Fund) *

	Market Value US\$	% of Net Assets
Equities	10,315,649,818	57.28
Fixed Income Securities	4,295,185,897	23.85
Commodity-related	545,677,705	3.03
Cash and cash equivalents	2,852,651,766	15.84
Total	18,009,165,186	100.00

Credit Rating of Debt Securities (Underlying Fund) *

	Market Value US\$	% of Net Assets
AAA	1,994,835,291	11.08
AA	197,686,380	1.10
A	754,802,543	4.19
BBB	575,087,651	3.19
BB	359,429,782	1.99
B	269,572,337	1.50
CCC and below	53,914,467	0.30
Not Rated	89,857,446	0.50
Total	4,295,185,897	23.85

Expense/Turnover Ratios *

	Expense Ratio		Turnover Ratio	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Max Global Allocation Fund #	1.77%	1.77%	208.04%	153.86%
Underlying Fund	1.77%	1.77%	208.04%	153.86%

Note: The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fees, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes, tax deducted at source or arising out of income received, dividend and other distributions paid to unit holders and is calculated for the preceding 12 months, based on the Investment Management Association of Singapore (IMAS) guidelines.

The expense and turnover ratios are derived from its underlying fund - BGF Global Allocation Fund (SGD Hedged), which is based on unaudited draft accounts.

Exposure to Derivatives ^{*^}

	Market Value US\$	% of Net Assets
(i) Market value of derivative contracts	(301,964,436)	(1.68)
(ii) Net loss on derivative realised	(92,603,428)	
(iii) Net gain on outstanding derivatives	142,244,280	

Borrowings ^{*}

Nil.

A Fund may borrow to the extent of 10% of its total net assets (valued at market value) provided these borrowings are made on a temporary basis. However, the Company may acquire for the account of a Fund foreign currency by way of back-to-back loan.

Total Subscriptions and Redemptions for the year ended 31 December 2016

	S\$
Subscriptions	224,310
Redemptions	221,181

Related-Party Transactions

Not applicable.

Soft Dollar Commissions ^{*}

The Investment Manager may, subject to best execution, execute trades through brokers who, pursuant to such arrangements, provide research or execution services in order to ensure the continued receipt of research or execution services that the Investment Manager believes are useful in their investment decision-making or trade execution process. To the best of their knowledge, the Investment Manager does not engage in any portfolio or market manipulative practices, including, but not limited to churning of trade.

Any material information that will adversely impact the valuation of the fund ^{*}

Nil.

^{*} Source: BlackRock (Singapore) Ltd

[^] There will be some slight differences due to decimal rounding issues.

Fund Facts

Inception Date:	10 December 2009
NAV Price:	S\$ 1.098
Fund Size:	S\$ 0.17 million
Underlying Fund:	LionGlobal Singapore Balanced Fund
Fund Manager:	Lion Global Investors Limited
Fund Management Fee:	1.25% p.a. (1.75% p.a. max)
Valuation Frequency:	Daily
Currency of Fund:	Singapore Dollar
Risk Category:	Medium to High
Benchmark:	60% MSCI Singapore + 40% UOB Singapore Government Securities Index [^]

Investment Objective

The ILP Sub-Fund invests all or substantially into LionGlobal Singapore Balanced Fund ("Underlying Fund") whose investment objective is to provide investors with an opportunity to achieve medium to long term capital appreciation of monies used to purchase units. The Underlying Fund will invest primarily in listed or quoted securities (including real estate investment trusts) and bonds in Singapore. The Underlying Fund may have limited investments in Hong Kong SAR, China, Thailand, Malaysia, Indonesia, Philippines, Japan, India, Korea, Taiwan, and other countries outside Singapore. There is no target industry or sector.

Performance on bid-bid basis (%) as at 31 December 2016

	3-month	6-month	1-year	3-year [†]	5-year [†]	Since Inception [†]
Max Singapore Balanced Fund	-0.45	1.11	2.52	0.00	2.38	1.33
Benchmark	-0.16	1.14	3.45	0.78	3.49	3.14

Source: Morningstar. Performance figures are calculated on a bid-bid basis, with all dividends and distributions reinvested, taking into account all charges which would have been payable upon such reinvestment.

Investments in Collective Investment Schemes

Unit Trust	Market Value S\$	% of Net Assets
LionGlobal Singapore Balanced Fund	174,590	100.00

[^] The benchmark was "50% STI + 50% CPF Ordinary Rate" since inception till 31 December 2014. Effective 1 January 2015, the benchmark is "60% MSCI Singapore + 40% UOB Singapore Government Securities Index". The benchmark was changed to reflect planned changes in asset allocation. It is intended for the increase in equities allocation and security selection to be tilted to growing dividend stocks to better reflect the investment objective of the fund and to better track the fund's performance.

[†] Performance figures longer than 1 year are annualised.

Top 10 Holdings of Underlying Fund as at 31 December 2016 *

	Market Value S\$	% of Net Assets
DBS Group Holdings Ltd	5,042,333	7.93
Oversea-Chinese Banking Corporation	4,883,852	7.68
Singapore Telecommunications Ltd	4,825,884	7.59
United Overseas Bank Ltd	3,353,311	5.27
DBS Capital Funding II Corporation Var Perpetual	2,598,800	4.09
Keppel Corporation Ltd	1,982,496	3.12
Malayan Banking Berhad Var Perpetual	1,806,018	2.84
CapitaLand Ltd	1,773,468	2.79
Government of Singapore 2.25% due 01/08/2036	1,623,825	2.55
Overseas Union Enterprise Ltd Series MTN 4.25% due 30/10/2019	1,526,805	2.40

Top 10 Holdings of Underlying Fund as at 31 December 2015 *

	Market Value S\$	% of Net Assets
DBS Group Holdings Ltd	6,312,909	9.10
Singapore Telecommunications Ltd	5,260,431	7.60
Oversea-Chinese Banking Corporation	5,177,190	7.50
United Overseas Bank Ltd	5,000,825	7.20
DBS Capital Funding II Corporation Var Perpetual	2,635,925	3.80
CapitaLand Ltd	1,977,642	2.90
Keppel Corporation Ltd	1,878,786	2.70
Malayan Banking Berhad Var Perpetual	1,808,538	2.60
Ezion Holdings Ltd Series MTN 4.7% due 22/05/2019	1,581,825	2.30
Wanda Properties International Co. Ltd 7.25% due 29/01/2024	1,550,946	2.20

Allocation By Country (Underlying Fund) *

	Market Value S\$	% of Net Assets
China	2,306,747	3.63
Hongkong	2,582,820	4.06
Malaysia	1,806,018	2.84
Singapore	54,167,731	85.18
Accrued interest on Fixed Income Securities	278,161	0.44
Others **	2,449,464	3.85
Total	63,590,941	100.00

*** Includes any other countries and net current assets.*

Allocation By Industry (Underlying Fund) *

	Market Value S\$	% of Net Assets
Communications	4,825,884	7.59
Consumer, Cyclical	2,991,298	4.70
Consumer, Non-cyclical	2,590,154	4.07
Energy	2,306,725	3.63
Financials	21,088,201	33.16
Industrials	7,458,565	11.73
Real Estate	11,271,203	17.72
Sovereign	8,322,915	13.09
Accrued interest on Fixed Income Securities	278,161	0.44
Others **	2,457,835	3.87
Total	63,590,941	100.00

*** Includes any other industries and net current assets.*

Allocation By Asset Class (Underlying Fund) *

	Market Value S\$	% of Net Assets
Equities	36,518,366	57.43
Fixed Income Securities (including accrued interest on Fixed Income Securities)	24,623,111	38.72
Derivatives	(76,057)	(0.12)
Cash and cash equivalents	2,525,521	3.97
Total	63,590,941	100.00

Credit Rating of Debt Securities (Underlying Fund) *

	Market Value S\$	% of Net Assets
Aaa	3,460,840	5.44
A3	1,288,311	2.03
Baa1	3,334,254	5.24
Baa2	2,981,709	4.69
Baa3	1,128,132	1.77
Not Rated	12,151,704	19.11
Accrued interest on Fixed Income Securities	278,161	0.44
Total	24,623,111	38.72

Expense/Turnover Ratios *

	Expense Ratio		Turnover Ratio	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Max Singapore Balanced Fund #	1.50%	1.48%	50.19%	62.56%
Underlying Fund	1.50%	1.48%	50.19%	62.56%

Note: The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fees, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes, tax deducted at source or arising out of income received, dividend and other distributions paid to unit holders and is calculated for the preceding 12 months, based on the Investment Management Association of Singapore (IMAS) guidelines.

The ratios are derived from its underlying fund - LionGlobal Singapore Balanced Fund, which is based on unaudited draft accounts.

Exposure to Derivatives *

	Market Value S\$	% of Net Assets
(i) Market value of derivative contracts		
- Foreign exchange forward contracts	(76,057)	(0.12)
(ii) Net gain on derivative realised	121,767	
(iii) Net loss on outstanding derivatives	(76,057)	

Borrowings *

Nil.

Total Subscriptions and Redemptions for the period ended 31 December 2016

	S\$
Subscriptions	41,685
Redemptions	21,547

Related-Party Transactions

Brokerage on purchases and sales of investments charged by the ultimate holding company of the Manager is S\$ 54,554.

Interest expenses incurred with a bank which is a related company of the Trustee is S\$ 63.

Transaction fees charged by the Trustee is S\$ 25,538.

Registration fee charged by a related company of the Trustee is S\$ 21,757.

Valuation and administration fees charged by the Trustee is S\$ 25,213.

Custodian fees charged by a related company of the Trustee is S\$ 15,573.

Bank service fees charged by a bank which is a related company of the Trustee is S\$ 1,569.

The Max Singapore Balanced Fund invests 100% of its net assets value in LionGlobal Singapore Balanced Fund, which is managed by Lion Global Investors Ltd, a related company of The Overseas Assurance Corporation Ltd.

Soft Dollar Commissions *

The soft dollar commissions if applicable from various brokers for the period were utilised on research and advisory services, economic and political analyses, portfolio analyses, market analyses, data and quotation analyses and computer hardware and software used for and in support of the investment process of fund managers. Goods and services received were for the benefit of the scheme and there was no churning of trades. These brokers also execute trades for other funds managed by the managers. The trades are conducted on best available terms and in accordance with best practices.

Any material information that will adversely impact the valuation of the fund *

Nil.

* Source: Lion Global Investors Ltd

Fund Facts

Inception Date:	10 December 2009
NAV Price:	S\$ 1.046
Fund Size:	S\$ 0.51 million
Underlying Fund:	LionGlobal Singapore Trust Fund
Fund Manager:	Lion Global Investors Limited
Fund Management Fee:	1.15% p.a. (1.25% p.a. max)
Valuation Frequency:	Daily
Currency of Fund:	Singapore Dollar
Risk Category:	Higher
Benchmark:	MSCI Singapore

Investment Objective

The ILP Sub-Fund invests all or substantially into LionGlobal Singapore Trust Fund (“Underlying Fund”) whose investment objective is to achieve long-term capital appreciation by investing in securities listed on the Main Board of The Singapore Exchange Securities Trading Limited and on Catalyst. The investments of the Underlying Fund shall be diversified into the various sectors of the Singapore equities markets.

Performance on bid—bid basis (%) as at 31 December 2016

	3-month	6-month	1-year	3-year [†]	5-year [†]	Since Inception [†]
Max Singapore Trust Fund	1.85	4.08	3.16	-1.00	3.78	0.64
Benchmark	2.02	3.17	3.27	-0.62	4.95	3.00

Source: Morningstar. Performance figures are calculated on a bid-bid basis, with all dividends and distributions reinvested, taking into account all charges which would have been payable upon such reinvestment.

Investments in Collective Investment Schemes

	Market Value S\$	% of Net Assets
<u>Unit Trust</u>		
LionGlobal Singapore Trust Fund	507,313	100.00

[†] Performance figures longer than 1 year are annualised.

Top 10 Holdings of Underlying Fund as at 31 December 2016 *

	Market Value S\$	% of Net Assets
Singapore Telecommunications Ltd	4,294,152	13.16
DBS Group Holdings Ltd	4,011,037	12.30
Oversea-Chinese Banking Corporation	3,189,301	9.78
United Overseas Bank Ltd	2,931,052	8.98
Keppel Corporation Ltd	1,815,165	5.56
Singapore Exchange Ltd	1,391,188	4.26
CapitaLand Ltd	1,260,548	3.86
ComfortDelGro Corporation Ltd	882,037	2.70
Genting Singapore Public Ltd Company	871,787	2.67
Golden Agri-Resources Ltd	839,274	2.57

Top 10 Holdings of Underlying Fund as at 31 December 2015 *

	Market Value S\$	% of Net Assets
DBS Group Holdings Ltd	2,780,988	14.04
Oversea-Chinese Banking Corporation	2,452,076	12.38
United Overseas Bank Ltd	2,222,695	11.22
Singapore Telecommunications Ltd	2,135,867	10.78
CapitaLand Ltd	1,078,030	5.44
Keppel Corporation Ltd	665,973	3.36
Global Logistic Properties Ltd	660,695	3.33
Singapore Airlines Ltd	610,400	3.08
Wilmar International Ltd	607,992	3.07
Singapore Technologies Engineering Ltd	455,714	2.30

Allocation By Country (Underlying Fund) *

	Market Value S\$	% of Net Assets
Singapore	30,478,700	93.42
Others **	2,144,517	6.57
Total	32,623,217	100.00

** Includes any other countries and net current assets.

Allocation By Industry (Underlying Fund) *

	Market Value S\$	% of Net Assets
Communications	4,294,152	13.16
Consumer, Cyclical	1,666,805	5.11
Consumer, Non-Cyclical	1,390,698	4.26
Financials	11,522,578	35.32
Industrials	5,791,076	17.75
Real Estate	5,803,074	17.79
Others **	2,154,834	6.61
Total	32,623,217	100.00

** Includes any other industries and net current assets.

Allocation By Asset Class (Underlying Fund) *

	Market Value S\$	% of Net Assets
Equities	30,601,243	93.80
Cash and cash equivalents	2,021,974	6.20
Total	32,623,217	100.00

Credit Rating of Debt Securities (Underlying Fund) *

Not applicable.

Expense/Turnover Ratios *

	Expense Ratio		Turnover Ratio	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Max Singapore Trust Fund #	1.47%	1.53%	75.00%	51.00%
Underlying Fund	1.47%	1.53%	75.00%	51.00%

Note: The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fees, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes, tax deducted at source or arising out of income received, dividend and other distributions paid to unit holders and is calculated for the preceding 12 months, based on the Investment Management Association of Singapore (IMAS) guidelines.

The ratios are derived from its underlying fund - LionGlobal Singapore Trust Fund, which is based on unaudited draft accounts.

Exposure to Derivatives *

	Market Value S\$	% of Net Assets
(i) Market value of derivative contracts	-	0.00
(ii) Net loss on derivative realised	(1,443)	
(iii) Net gain on outstanding derivatives	-	

Borrowings *

Nil.

Total Subscriptions and Redemptions for the year ended 31 December 2016

	S\$
Subscriptions	48,397
Redemptions	67,910

Related-Party Transactions

Brokerage on purchases and sales of investments charged by the ultimate holding company of the Manager is S\$ 35,837.

Interest expenses incurred with a bank which is a related company of the Trustee is S\$ 77.

Transaction fees charged by the Trustee is S\$ 16,420.

Registration fee charged by a related company of the Trustee is S\$ 15,443.

Valuation and administration fees charged by the Trustee is S\$ 10,983.

Custodian fees charged by a related company of the Trustee is S\$ 6,179.

Bank service fees charged by a bank which is a related company of the Trustee is S\$ 1,500.

The Max Singapore Trust Fund invests 100% of its net assets value in LionGlobal Singapore Trust Fund, which is managed by Lion Global Investors Ltd, a related company of The Overseas Assurance Corporation Ltd.

Soft Dollar Commissions *

The soft dollar commissions from various brokers for the period were utilised on research and advisory services, economic and political analyses, portfolio analyses, market analyses, data and quotation analyses and computer hardware and software used for and in support of the investment process of fund managers. Goods and services received were for the benefit of the scheme and there was no churning of trades. These brokers also execute trades for other funds managed by the managers. The trades are conducted on best available terms and in accordance with best practices.

Any material information that will adversely impact the valuation of the fund *

Nil.

* Source: Lion Global Investors Ltd

For disclaimers, please refer to Contents page.

CAPITAL ACCOUNT (Audited) for the year ended 31 December 2016

	Max Asian Credit Opportunities	Max Multi-Asset Advantage Fund	Max Asian Equity Yield Fund	Max Pacific Equity Fund
	S\$	S\$	S\$	S\$
Value of Fund at beginning of the period	36,292,167	59,961,891	22,704,899	57,202,214
Amount paid to the Fund for creation of units	3,689,263	557,077	1,138,923	3,890,188
Amount paid by the Fund for cancellation of units	(4,947,959)	(5,507,996)	(2,416,449)	(5,856,156)
Net Cash into/(out of) the Fund	(1,258,696)	(4,950,919)	(1,277,526)	(1,965,968)
Net Investment Income Net of Tax	1,439,688	-	891,827	-
Net income/(loss)	180,992	(4,950,919)	(385,699)	(1,965,968)
Net Unrealised Gain/ (Loss) on Investments	(1,449,627)	2,395,354	672,358	3,691,309
Less Distribution	(1,439,688)	-	(891,827)	-
Value of Fund at end of the period	33,583,844	57,406,326	22,099,731	58,927,555

CAPITAL ACCOUNT (Audited) for the year ended 31 December 2016

	Max Global Emerging Markets Fund S\$	Max Global Allocation Fund S\$	Max Singapore Balanced Fund S\$	Max Singapore Trust Fund S\$
Value of Fund at beginning of the period	8,338,135	2,688,729	149,776	510,602
Amount paid to the Fund for creation of units	773,441	224,310	41,685	48,397
Amount paid by the Fund for cancellation of units	(959,225)	(221,181)	(21,547)	(67,910)
Net Cash into/(out of) the Fund	(185,784)	3,129	20,138	(19,513)
Net Investment Income Net of Tax	-	-	-	-
Net income/(loss)	(185,784)	3,129	20,138	(19,513)
Net Unrealised Gain/(Loss) on Investments	1,113,746	87,680	4,676	16,224
Less Distribution	-	-	-	-
Value of Fund at end of the period	9,266,097	2,779,538	174,590	507,313

STATEMENT OF ASSETS AND LIABILITIES (Audited) as at 31 December 2016

	Max Asian Credit Opportunities	Max Multi-Asset Advantage Fund	Max Asian Equity Yield Fund	Max Pacific Equity Fund
	S\$	S\$	S\$	S\$
Portfolio of Investments - Unit Trusts / Total Assets	33,583,844	57,406,326	22,099,731	58,927,555
Units in Issue	57,506,582	47,100,694	71,238,192	11,791,643
Net Asset Value Per Unit	0.5840	1.2188	0.3102	4.9974
	Max Global Emerging Markets Fund	Max Global Allocation Fund	Max Singapore Balanced Fund	Max Singapore Trust Fund
	S\$	S\$	S\$	S\$
Portfolio of Investments - Unit Trusts / Total Assets	9,266,097	2,779,538	174,590	507,313
Units in Issue	7,645,981	1,839,517	158,989	484,805
Net Asset Value Per Unit	1.2119	1.5110	1.0981	1.0464

1 GENERAL

The Max Funds[#] are feeder funds comprising:

- Max Multi-Asset Advantage Fund
- Max Asian Credit Opportunities^{*}
- Max Pacific Equity Fund
- Max Global Emerging Markets Fund
- Max Global Allocation Fund
- Max Asian Equity Yield Fund
- Max Singapore Balanced Fund
- Max Singapore Trust Fund

[#] Max Global Twin-Focus Fund was terminated with effect from 28 July 2016.

^{*} Max Asian Credit Opportunities has been restructured from Max Asian Bond Fund with effect from 1 September 2016.

2 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements are expressed in Singapore dollars and are prepared in accordance with the historical cost convention, except for investments, which are carried at fair value.

b. Recognition of Income and Expenses

Dividend income is recognised when the shareholders' right to receive payment is established. Interest income is recognised as interest accrues (using the effective interest method).

Expenses are recognised on an accrual basis.

c. Investments

All purchases of investments are recognised on their trade dates, ie., the date of commitment exists to purchase the investments. The investments are initially recorded at fair value (or at costs representing fair value on trade date) which would include transaction costs directly attributable to the acquisition of the investments. After initial recognition, the unrealised gains or losses on remeasurement to fair value are taken to the Capital Account. Fair value is determined by using open market valuation at the year-end date. The closing price has been adopted for all investments.

d. Derivative Financial Instruments

All derivatives are carried at fair value. All fair value changes on derivatives are taken to the Underlying Funds' Capital Account.

3 DISTRIBUTION TO POLICYHOLDERS

Max Asian Credit Opportunities and Max Asian Equity Yield Fund made a distribution of \$1,439,688 and \$891,827 respectively to policyholders for the year ended 31 December 2016.

INDEPENDENT AUDITORS' REPORT FOR FUNDS

To the Board of Directors of The Overseas Assurance Corporation Limited

OPINION

We have audited the financial statements of Max Funds ("Funds") of The Overseas Assurance Corporation Limited ("Company"), set out on pages 45 to 47 which comprise the Statement of Assets and Liabilities as at 31 December 2016, the Capital Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out in Note 2 to the financial statements.

In our opinion, the accompanying financial statements of the Funds for the year ended 31 December 2016 are, in all material respects, in accordance with the accounting policies set out in Note 2 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 the other information. The other information comprises the Message, Investment Outlook, Announcement and Fund Factsheets, 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 2 to the financial statements, 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 THE MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements of the Funds in accordance with the accounting policies set out in Note 2 and for such internal control 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 Max Fund's ability to continue as a going concern, disclosing, as applicable, matters relating 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 are responsible for overseeing the Funds financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether 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.

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 these 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 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 Company's 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
24 March 2017

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The Overseas Assurance Corporation Limited

(Registration No. 1920 00003W)

(A fully-owned subsidiary of Great Eastern Holdings Limited)

1 Pickering Street #13-01 Great Eastern Centre Singapore 048659