

SINGAPORE CONSORTIUM INVESTMENT MANAGEMENT LIMITED

(Incorporated in Singapore)

Company Registration No. 199607548K

SINGAPORE INDEX FUND

Audited financial statements for the year ended 30 June 2015

SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

The Board of Directors of Singapore Consortium Investment Management Limited (the "Manager") wishes to announce the audited results of the Singapore Index Fund (the "Fund") for the year ended 30 June 2015.

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2015

	Note	2015 \$	2014 \$
Income			
Dividends		<u>2,682,337</u>	<u>2,772,083</u>
Less: Expenses			
Audit fee		(27,001)	(25,500)
Bank charges		(55)	(303)
Custody fees	9	(36,438)	(37,301)
Management fees	9	(506,491)	(522,378)
Printing expenses		(12,001)	(12,811)
Professional fees		(37,152)	(36,509)
Registrar fees	9	(29,854)	(31,441)
Trustee fees	9	(49,820)	(51,789)
Transaction cost		(31,960)	(24,249)
Miscellaneous expenses		(35,282)	(52,969)
		<u>(766,054)</u>	<u>(795,250)</u>
Net income		<u>1,916,283</u>	<u>1,976,833</u>
Net gains or losses on value of investments			
Net gain on investments		1,443,479	2,648,425
Net foreign exchange loss		(12,285)	(6,208)
		<u>1,431,194</u>	<u>2,642,217</u>
Total return for the year before income tax		3,347,477	4,619,050
Less: Income tax	3	(33,273)	(19,337)
Total return for the year		<u><u>3,314,204</u></u>	<u><u>4,599,713</u></u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
Portfolio of investments		78,600,258	81,691,722
Receivables	5	21,595	11,474
Cash and bank balances	9	154,519	460,142
Total Assets		78,776,372	82,163,338
LIABILITIES			
Payables	6	215,957	338,859
Total Liabilities		215,957	338,859
EQUITY			
Net assets attributable to unitholders	7	78,560,415	81,824,479

The accompanying notes form an integral part of these financial statements.

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS*For the financial year ended 30 June 2015*

	Note	2015 \$	2014 \$
Net assets attributable to unitholders at the beginning of the financial year		81,824,479	84,976,620
Operations			
Change in net assets attributable to unitholders resulting from operations		3,314,204	4,599,713
Unitholders' contributions/(withdrawals)			
Cancellation of units		(6,578,268)	(7,751,854)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(6,578,268)	(7,751,854)
Total decrease in net assets attributable to unitholders		(3,264,064)	(3,152,141)
Net assets attributable to unitholders at the end of the financial year	7	78,560,415	81,824,479

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO

As at 30 June 2015 (Primary)

	Holdings at 30 June 2015	Fair value at 30 June 2015 \$	Percentage of total net assets attributable to unitholders at 30 June 2015 %
By Industry - (Primary)*			
Quoted Equities			
CONSUMER DISCRETIONARY			
GENTING SINGAPORE PUBLIC LIMITED COMPANY	1,668,900	1,493,665	1.90
JARDINE CYCLE & CARRIAGE LIMITED	30,366	1,005,115	1.28
SINGAPORE PRESS HOLDINGS LIMITED	436,900	1,782,552	2.27
TOTAL		4,281,332	5.45
CONSUMER STAPLE			
GOLDEN AGRI-RESOURCES LIMITED	1,761,532	722,228	0.92
OLAM INTERNATIONAL LIMITED	133,650	251,262	0.32
THAI BEVERAGES PCL	2,687,300	2,055,785	2.62
WILMAR INTERNATIONAL LIMITED	577,400	1,893,872	2.41
TOTAL		4,923,147	6.27
FINANCIALS			
ASCENDAS REAL ESTATE INVESTMENT TRUST	539,900	1,328,154	1.69
CAPITALAND LIMITED	696,100	2,436,350	3.10
CAPITAMALL TRUST REAL ESTATE INVESTMENT TRUST	711,350	1,529,402	1.95
CITY DEVELOPMENTS LIMITED	162,180	1,586,120	2.02
DBS GROUP HOLDINGS LIMITED	488,766	10,112,569	12.87
GLOBAL LOGISTIC PROPERTIES LIMITED	836,700	2,116,851	2.69
HONGKONG LAND HOLDINGS LIMITED	322,100	3,556,403	4.53
OVERSEA-CHINESE BANKING CORPORATION	864,136	8,796,904	11.20
SINGAPORE EXCHANGE LIMITED	225,900	1,768,797	2.25
UNITED OVERSEAS BANK LIMITED	329,697	7,606,110	9.68
TOTAL		40,837,660	51.98

*The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO

As at 30 June 2015 (Primary)

	Holdings at 30 June 2015	Fair value at 30 June 2015 \$	Percentage of total net assets attributable to unitholders at 30 June 2015 %
By Industry - (Primary)* (continued)			
Quoted Equities			
INDUSTRIALS			
COMFORTDELGRO CORPORATION LIMITED	559,100	1,749,983	2.23
HUTCHISON PORT HOLDINGS TRUST	1,386,600	1,176,246	1.50
JARDINE MATHESON HOLDINGS LIMITED	67,100	5,127,371	6.53
JARDINE STRATEGIC HOLDINGS LIMITED	61,500	2,506,651	3.19
KEPPEL CORPORATION LIMITED	391,250	3,216,075	4.09
NOBLE GROUP LIMITED	1,257,150	955,434	1.21
SEMBCORP INDUSTRIES LIMITED	244,540	951,261	1.21
SEMBCORP MARINE LIMITED	228,200	648,088	0.82
SIA ENGINEERING COMPANY LIMITED	61,200	235,008	0.30
SINGAPORE AIRLINES LIMITED	138,240	1,483,315	1.89
SINGAPORE TECHNOLOGIES ENGINEERING	425,700	1,404,810	1.79
TOTAL		19,454,242	24.76
TELECOMMUNICATIONS			
SINGAPORE TELECOMMUNICATIONS LIMITED	2,007,290	8,450,691	10.76
STARHUB LIMITED	159,680	630,736	0.80
TOTAL		9,081,427	11.56
TOTAL QUOTED EQUITIES		78,577,808	100.02
QUOTED DERIVATIVES			
CONSUMER DISCRETIONARY			
JARDINE CYCLE & CARRIAGE LIMITED NIL PAID RIGHTS 15/07/2015	3,162	22,450	0.03
Portfolio of investments		78,600,258	100.05
Other net liabilities		(39,843)	(0.05)
Net assets attributable to unitholders		78,560,415	100.00

*The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO

As at 30 June 2015 (Primary)

	Percentage of total net assets attributable to unitholders at 30 June 2015 %	Percentage of total net assets attributable to unitholders at 30 June 2014 %
By Industry - (Primary)* (Summary)		
Quoted Equities		
Consumer Discretionary	5.45	6.92
Consumer Staple	6.27	6.37
Financials	51.98	46.97
Industrials	24.76	28.42
Telecommunications	11.56	11.16
	<hr/>	<hr/>
	100.02	99.84
Quoted Derivatives		
Consumer Discretionary	0.03	-
	<hr/>	<hr/>
Portfolio of investments	100.05	99.84
Other net (liabilities)/assets	(0.05)	0.16
Net assets attributable to unitholders	<hr/>	<hr/>
	100.00	100.00

*The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO
As at 30 June 2015 (Secondary)

	Fair value at 30 June 2015 \$	Percentage of total net assets attributable to unitholders at 30 June 2015 %	Percentage of total net assets attributable to unitholders at 30 June 2014 %
By Geography - (Secondary)[#]			
Quoted Equities			
Hong Kong	12,145,859	15.47	15.49
Singapore	64,376,164	81.93	82.15
Thailand	2,055,785	2.62	2.20
	<u>78,577,808</u>	<u>100.02</u>	<u>99.84</u>
Quoted Derivatives			
Singapore	<u>22,450</u>	<u>0.03</u>	<u>-</u>
Portfolio of investments	78,600,258	100.05	99.84
Other net (liabilities)/assets	(39,843)	(0.05)	0.16
Net assets attributable to unitholders	<u>78,560,415</u>	<u>100.00</u>	<u>100.00</u>

[#]The geography classification is based on country of domicile of the investee companies.

The accompanying notes form an integral part of these financial statements.

SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Singapore Index Fund (the "Fund") is a Singapore registered trust fund constituted by a Trust Deed dated 12 November 1996 together with its Supplemental Deeds thereon (hereafter referred to as "Trust Deed") between Singapore Consortium Investment Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore.

The primary activity of the Fund is investment trading. The Fund's investment objective is to achieve medium to long term capital appreciation by investing in the component securities of the Straits Times Index (STI). While the Fund will aim to follow the STI as closely as possible, the Fund's performance will not be able to exactly match the performance of the STI due to operating expenses.

Subscriptions and redemptions of the units are denominated in Singapore Dollars.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" (RAP7) issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised on a time proportion basis using the effective interest method.

(c) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchase of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the year in which they arise.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Investments (continued)

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sale of investments are computed on the basis of the difference between the weighted average carrying amount and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

(d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for investments held by the Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of investments held in underlying funds is the quoted net asset value of the underlying fund as determined by the underlying fund's administrator. Net changes in fair value of investments are included in the Statement of Total Return in the year in which they arise.

(e) Foreign currency translation

(i) Functional and presentation currency

The Fund operates from Singapore with the subscriptions and redemptions of the units denominated in Singapore dollars.

The performance of the Fund is measured and reported to the investors in Singapore dollars. The Manager considers the Singapore dollars as the currency of the primary economic environment in which the Fund operates. The financial statements are presented in Singapore dollars ('\$'), which is the Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return. Translation differences on non-monetary financial assets and liabilities such as equity are also recognised in the Statement of Total Return within the net gain or loss on investments.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are classified within "Cash and bank balances", "Receivables" and "Sales awaiting settlement". Receivables are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method less impairment.

(g) Payables

Payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

3. INCOME TAX

	2015 \$	2014 \$
Singapore income tax	<u>33,273</u>	<u>19,337</u>

The Fund was granted the status of a Designated Unit Trust ("DUT") in Singapore. Under the DUT Scheme, subject to certain conditions and reporting obligations being met, certain income of the DUT Fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act. Such income includes:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Singapore Income Tax Act);
- (iii) dividends derived from outside Singapore and received in Singapore;
- (iv) gains or profits derived from foreign exchange transactions, transactions in future contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (v) discount, prepayment fee, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (vi) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

The Singapore income tax represents tax deducted at source for Singapore sourced dividends.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

4. DISTRIBUTION

The Manager has not proposed any distribution to unitholders for the financial year ended 30 June 2015 and 30 June 2014.

5. RECEIVABLES

	2015 \$	2014 \$
Dividends receivable	-	11,474
Other receivable	21,595	-
	21,595	11,474

6. PAYABLES

	2015 \$	2014 \$
Amounts payable for cancellation of units	-	106,254
Amount due to Manager	136,093	138,363
Amount due to Trustee	13,734	13,737
Other accruals for operating expenses	66,130	80,505
	215,957	338,859

7. UNITS IN ISSUE

During the year ended 30 June 2015 and 2014, the number of units issued, redeemed and outstanding were as follows:

	2015	2014
Units at the beginning of the financial year	38,734,283	42,492,280
Units cancelled	(3,037,365)	(3,757,997)
Units at the end of the financial year	35,696,918	38,734,283
Net assets attributable to unitholders (\$)	78,560,415	81,824,479
Net asset value per unit (\$)	2.200	2.112

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

7. UNITS IN ISSUE (continued)

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable per unit for issuing/redeeming units at the financial year end date is presented below:

	2015	2014
	\$	\$
Net assets attributable to unitholders per financial statements	2.200	2.112
Effect for movement in the net asset value between the last dealing date and the end of the reporting period*	0.000[#]	0.001
Net assets attributable to unitholders for issuing/redeeming	2.200	2.113

* The net asset value for the purpose of processing unit subscription and redemption was established in accordance with the methodology indicated in the Fund's Prospectus. This item reflects the movement in net asset value between such date and the end of the reporting period.

[#] indicates an effect of less than \$0.001 per unit.

8. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use financial futures contracts, financial options contracts and/or currency forward contracts subject to the terms of the Prospectus to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

The Fund's assets principally consist of financial instruments such as equity investments, money market investments and cash. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

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NOTES TO THE FINANCIAL STATEMENTS

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8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Fund's investments are substantially dependent on changes in market prices. The Fund's investments are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies, alternatively, the Fund may be hedged using derivative strategies.

(i) Foreign exchange risk

The Fund has monetary financial assets/liabilities denominated in currencies other than Singapore dollars and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between Singapore dollars and such other currencies. The Manager may at his discretion, implement a currency management strategy either to reduce currency volatility or to hedge the currency exposures of the Fund.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The table below summarises the Fund's exposure to foreign currencies as at the end of the financial year.

As at 30 June 2015	SGD	USD	Total
	\$	\$	\$
<u>ASSETS</u>			
Portfolio of investments	66,233,587	12,366,671	78,600,258
Receivables	21,595	-	21,595
Cash and bank balances	154,519	-	154,519
Total Assets	66,409,701	12,366,671	78,776,372
<u>LIABILITIES</u>			
Payables	215,957	-	215,957
Total Liabilities	215,957	-	215,957
Net currency exposure		12,366,671	

As at 30 June 2014	SGD	USD	Total
	\$	\$	\$
<u>ASSETS</u>			
Portfolio of investments	69,233,417	12,458,305	81,691,722
Receivables	11,474	-	11,474
Cash and bank balances	460,142	-	460,142
Total Assets	69,705,033	12,458,305	82,163,338
<u>LIABILITIES</u>			
Payables	338,859	-	338,859
Total Liabilities	338,859	-	338,859
Net currency exposure		12,458,305	

Investments, which is the significant item in the Statement of Financial Position, is exposed to currency risk and other price risk. Price risk sensitivity analysis includes the impact of currency risk on non-monetary investments. The Fund's net financial assets comprise significantly non-monetary investments. Hence, currency risk sensitivity analysis has not been performed on the remaining financial assets.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Price risk

Price risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions and volatility in security prices. The Fund is designated to track the performance of the Straits Times Index, therefore the exposure to price risk in the Fund will be substantially the same as the Straits Times Index. As an exchange traded fund, the Manager manages the Fund's exposure to price risk by ensuring the key characteristics of the portfolio, such as security weight and industry weight, is closely aligned to the Straits Times Index characteristics.

If the Straits Times Index at 30 June 2015 had increased or decreased by 20% (30 June 2014: 20%) with all other variables held constant, this would have increased or decreased respectively the net asset value and return for the year by approximately \$15,562,851 (30 June 2014: \$16,338,344).

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subjected to significant risk due to fluctuations in the prevailing levels of market interest rates.

(b) Liquidity risk

The Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Fund maintains sufficient cash and cash equivalents and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

The Fund's investments in listed securities are considered to be readily realisable as they are listed on established regional stock exchanges.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than what would be typically expected for traditional investment instruments. No such investments were held as at the end of the financial year.

The maturity profile of payables and net assets attributable to unitholders based on undiscounted cash flows is less than 1 year (30 June 2014: less than 1 year). The units are redeemable on demand at the holder's option subject to terms and conditions for redemption.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

8. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Fund's credit risk is concentrated on cash and bank balances, and amounts or securities receivable on the sale and purchase of investments respectively. In order to mitigate exposure to credit risk, all transactions in listed securities are settled/paid for upon delivery and transacted with approved counterparties using an approved list of brokers that are regularly assessed and updated by the Manager.

As the Fund does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the Statement of Financial Position.

The Fund's financial assets are neither past due nor impaired, representing cash and bank balances and receivables. Bank deposits and all the investments are held with a bank and a custodian respectively, that are part of HSBC Group with a credit rating assigned by Fitch at 30 June 2015 is aa- (30 June 2014: Moody's, B). The credit rating is based on the Viability rating published by the rating agency (2014: Bank Financial Strength rating). Receivables are substantially from companies with good collection track record with the Fund.

(d) Capital management

The Fund's capital is represented by the net assets attributable to unitholders as the Fund does not have any gearing. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives.

(e) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The quoted market price for both financial assets and liabilities is last traded market prices.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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8. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value estimation (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2015 and 2014:

As at 30 June 2015	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Financial assets at fair value through profit or loss				
- Quoted equities	78,577,808	-	-	78,577,808
- Quoted derivatives	-	22,450	-	22,450
	78,577,808	22,450	-	78,600,258
As at 30 June 2014	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Financial assets at fair value through profit or loss				
- Quoted equities	81,691,722	-	-	81,691,722

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, comprise active listed equities. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Except for cash and bank balances which are classified as level 1, the Fund's assets and liabilities not measured at fair value at 30 June 2015 and 2014 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the Statement of Financial Position date.

9. RELATED PARTY TRANSACTIONS

- (a) The Manager and the Trustee of the Fund are Singapore Consortium Investment Management Limited and HSBC Institutional Trust Services (Singapore) Limited respectively. HSBC Institutional Trust Services (Singapore) Limited is a subsidiary of HSBC Holdings plc.

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NOTES TO THE FINANCIAL STATEMENTS

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9. RELATED PARTY TRANSACTIONS (continued)

(a) Management fee is paid to the Manager. Trustee fee is paid to the Trustee. These fees paid or payable by the Fund are shown in the Statement of Total Return and are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

(b) As at the end of the financial year, the Fund maintained current accounts with HSBC Group as follows:

	2015	2014
	\$	\$
Bank balances	154,519	460,142

(c) In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial year between the Fund and related parties at terms agreed between the parties and within the provisions of the Trust Deed.

	2015	2014
	\$	\$
Brokerage expense on purchases and sales of investments charged by related companies of shareholders of the Manager	8,368	5,951
Transaction fee expense charged by the Trustee and its related company	11,280	7,140
Custody fee expense charged by a related company of the Trustee	36,438	37,301
Interest expense paid to a bank which is a related company of the Trustee	10	-
Registration fee expense charged by a related company of the Trustee	29,854	31,441

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10. FINANCIAL RATIOS

	2015	2014
Expense ratio ¹	0.91%	0.92%
Turnover ratio ²	<u>6.28%</u>	<u>5.11%</u>

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 30 June 2015 was based on total operating expenses of \$734,084 (2014: \$771,001) divided by the average net asset value of \$80,691,001 (2014: \$83,530,074) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being purchases of \$5,065,763 (2014: purchases of \$4,267,301) divided by the average daily net asset value of \$80,691,001 (2014: \$83,530,074).

11. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Singapore Consortium Investment Management Limited on 15 September 2015.

SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

ANNUAL REPORT TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 18 December 1996 Ann Comp Ret
Singapore Index Fund	-2.75	-0.26	4.15	6.91	5.23	6.49	4.58
Benchmark	-2.54	0.18	5.16	8.10	6.36	6.71	3.83

Source: Lipper, a Thomson Reuters Company.

Note: The performance returns of the Fund are in Singapore dollars based on a bid-to-bid price with net dividends reinvested.

The Benchmark of Singapore Index Fund since inception up to 23 Jan 2001 was the Business Times – Singapore Regional Index. The Benchmark of the Fund since 26 Jan 2001 is the Straits Times Index. The Benchmark was changed due to the change in the investment policy of the Fund to track the Straits Times Index instead of the Business Times - Singapore Regional Index.

For the twelve month period ended 30 June 2015, the net asset value of the Fund rose 4.15 per cent in Singapore dollar terms, compared with the benchmark Straits Times Index, which rose 5.16 per cent during the same period.

Market and Portfolio Review

The Singapore equity market turned in a mostly positive performance for the first ten months of the reporting period, largely mirroring the slight appreciation trend of the US equity market. The market was also buoyed by investor optimism from Europe and China – the former with its quantitative easing programme and the latter with its increased trading liquidity from the implementation of the Shanghai-Hong Kong Stock Connect Scheme which allows investors to buy stocks in the other's market. Previous concerns over the timing of the impending US Federal Reserve rate hike and sustained weakness in crude oil prices had negatively impacted equity performance in the months of November and December 2014 but were subsequently priced into investor expectations for the second half of the reporting period, and did not have as large an effect on share price movements as compared to the previous six-month period.

Investor confidence was also boosted by better-than-expected year-on-year (yoy) growth rates with Singapore reporting fourth quarter 2014 (4Q14) GDP of 2.1 per cent and first quarter 2015 (1Q15) GDP of 2.6 per cent. This positive growth continued the upbeat momentum from third quarter 2014's GDP surprise and was largely driven by services and construction activity. The services sector was bolstered by wholesale, retail trade and business services, while the construction sector was propped up by residential building. These helped to offset a tepid manufacturing sector due to weaknesses in the electronics, precision engineering and transport engineering clusters.

However, for the last two months of the reporting period in May and June 2015, investor confidence eroded quickly in the face of adverse macro developments. The lack of a resolution to the Greek debt issue and fears of a contagion effect in Europe as well as concerns over a Chinese stock market bubble led to investors retreating strongly from the local bourse.

There was a flurry of trading activity on the Singapore bourse in May 2015 with trading volume increasing 58 per cent from April with May recording the second-highest trading volume in the financial year (after September 2014's rate hike scare). Trading value (as measured by value per share traded) also rose by 65 per cent from April to S\$1.67 per share, which was the highest traded value in the financial year. This increase in trading activity coincided with a 2.7 per cent monthly decline for the STI Index, and was also its first monthly loss since October 2014. Subsequently trading activity for June 2015 slowed drastically – trading volume fell 44 per cent month-on-month and traded value fell to S\$0.91 per share (-46% month-on-month) – as investors stayed on the sidelines and awaited clarity on the global macroeconomic situation. As a result, the STI Index retreated a further 2.2 per cent in June, paring its gain for the reporting period to 1.9 per cent from its peak cumulative gain of 7.1 per cent at end-April 2015.

In terms of constituent performance during the 12-month reporting period, only 13 of the 30 members finished the period on a positive note and outperformed the index. City Development, DBS Group Holdings and Thai Beverage were the top three performers with gains of 25.2 per cent, 23.5 per cent, and 23.4 per cent, respectively, but their gains were mostly exceptions rather than the norm as the average gain for the next ten positive counters was only 8.9 per cent. At the other end of the spectrum, Noble Group, Genting Singapore and Sembcorp Marine Limited turned in declines of 44.5 per cent, 32.7 per cent and 30.7 per cent respectively. Noble Group fared the worst after it was the subject of short-seller reports and continuous concerns over its corporate governance and transparency. Other notable losers included palm oil stocks that suffered from weak palm oil prices. Olam International fell by 27.1 per cent while Golden Agri-Resources Limited fell by 26.1 per cent. The average percentage decline for the 17 counters with losses was 19.0 per cent.

The STI underwent no changes during the two regular semi-annual index reviews in September 2014 and March 2015.

Market Outlook

Singapore's Ministry of Trade and Industry (MTI) has maintained its 2015 GDP growth forecast at 2.0-4.0 per cent and kept its global outlook for 2015 relatively unchanged. Domestically, the MTI expects externally-oriented sectors such as wholesale trade, finance and insurance to see improved growth prospects for the year. On the flip side, sector-specific factors could weigh on the growth of other sectors such as the marine and offshore industry, whose outlook has been tempered by low oil prices, as well as tourism-related sectors (hospitality and food & beverage services sectors), which may face headwinds in the near term due to lacklustre visitor arrivals.

The labour market is expected to remain tight with low unemployment and elevated vacancy rates. This labour market tightness will likely lead to a negative effect on the labour-intensive sectors such as construction, retail and food services, which may see their growth rates constrained.

SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

B) Investments at fair value and as a percentage of NAV as at 30 June 2015 under review classified by

i) Country	Fair Value \$	% of NAV
Quoted Equities		
Hong Kong	12,145,859	15.47
Singapore	64,376,164	81.93
Thailand	2,055,785	2.62
	<u>78,577,808</u>	<u>100.02</u>
Quoted Derivatives		
Singapore	22,450	0.03
Portfolio of investments	78,600,258	100.05
Other net liabilities	(39,843)	(0.05)
Total	<u>78,560,415</u>	<u>100.00</u>

ii) Industry	Fair Value \$	% of NAV
Quoted Equities		
Consumer Discretionary	4,281,332	5.45
Consumer Staple	4,923,147	6.27
Financials	40,837,660	51.98
Industrials	19,454,242	24.76
Telecommunications	9,081,427	11.56
	<u>78,577,808</u>	<u>100.02</u>
Quoted Derivatives		
Consumer Discretionary	22,450	0.03
Portfolio of investments	78,600,258	100.05
Other net liabilities	(39,843)	(0.05)
Total	<u>78,560,415</u>	<u>100.00</u>

iii) Asset Class	Fair value at 30 June 2015 \$	Percentage of total net assets at 30 June 2015 %	Percentage of total net assets at 30 June 2014 %
Quoted Equities	78,577,808	100.02	99.84
Quoted Derivatives	22,450	0.03	-
Cash Equivalents	(39,843)	(0.05)	0.16
Total	<u>78,560,415</u>	<u>100.00</u>	<u>100.00</u>

iv) **Credit rating of debt securities**

Not applicable

C) **Top Ten Holdings**

The top 10 holdings as at 30 June 2015 and 30 June 2014

10 largest holdings at 30 June 2015

	Fair Value \$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	10,112,569	12.87
Oversea-Chinese Banking Corporation	8,796,904	11.20
Singapore Telecommunications Limited	8,450,691	10.76
United Overseas Bank Limited	7,606,110	9.68
Jardine Matheson Holdings Limited	5,127,371	6.53
Hongkong Land Holdings Limited	3,556,403	4.53
Keppel Corporation Limited	3,216,075	4.09
Jardine Strategic Holdings Limited	2,506,651	3.19
Capitaland Limited	2,436,350	3.10
Global Logistic Properties Limited	2,116,851	2.69

10 largest holdings at 30 June 2014

	Fair Value \$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	8,701,056	10.63
Singapore Telecommunications Limited	8,408,747	10.28
United Overseas Bank Limited	7,951,744	9.72
Oversea-Chinese Banking Corporation	7,723,286	9.44
Jardine Matheson Holdings Limited	5,257,050	6.42
Keppel Corporation Limited	4,592,764	5.61
Jardine Strategic Holdings Limited	2,962,097	3.62
Hongkong Land Holdings Limited	2,893,674	3.54
Capitaland Limited	2,419,200	2.96
Genting Singapore Public Limited Company	2,400,650	2.93

D) **Exposure to Derivatives**

i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 2015

Not applicable

ii) Net gains/(losses) on derivative contracts realised during the financial year ended 30 June 2015

Not applicable

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2015

Not applicable

E) Investments in other unit trusts, mutual funds and collective investment schemes as at 30 June 2015

	Fair value at 30 June 2015 \$	Percentage of total net assets attributable to unitholders at 30 June 2015 %
Ascendas Real Estate Investment Trust	1,328,154	1.69
Capitamall Trust Real Estate Investment Trust	1,529,402	1.95

F) Amount and percentage of borrowings to net asset value (NAV) as at 30 June 2015

Not applicable

G) Amount of subscriptions and redemptions for the period 01 July 2014 to 30 June 2015

Total amount of subscriptions	SGD	-
Total amount of redemptions	SGD	6,578,268

H) Amount of related party transactions for the period 01 July 2014 to 30 June 2015

	\$
Brokerage expense on purchases and sales of investments charged by related companies of shareholders of the Manager	8,368
Transaction fee expense charged by the Trustee and its related company	11,280
Custody fee expense charged by a related company of the Trustee	36,438
Interest expense paid to a bank which is a related company of the Trustee	10
Registrar fee expense charged by a related company of the Trustee	<u>29,854</u>

I) Expense ratios

30 June 2015	0.91%
30 June 2014	0.92%

Note: The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 30 June 2015 was based on total operating expenses of \$734,084 (2014: \$771,001) divided by the average net asset value of \$80,691,001 (2014: \$83,530,074) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

J) Turnover ratios

30 June 2015	6.28%
30 June 2014	5.11%

Note: The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being purchases of \$5,065,763 (2014: purchases of \$4,267,301) divided by the average daily net asset value of \$80,691,001 (2014: \$83,530,074).

K) Other material information

There is no material information that will adversely impact the valuation of the Fund.

L) Supplemental information on underlying sub-funds where the scheme invests more than 30% of its deposited property in another scheme

Not applicable

M) Soft dollar commissions/arrangements received by the Manager

Not applicable

N) Where the scheme offers pre-determined payouts, an explanation on the calculation of the actual payouts received by participants and any significant deviation from the pre-determined payouts

Not applicable

DETAILS OF TOP 10 HOLDINGS

As at 30 June 2015				
	Cost SGD	Percentage of share capital owned %	Dividends received SGD	Dividend cover ratio
DBS Group Holdings Limited	5,909,557	0.019	284,830	0.35
Oversea-Chinese Banking Corporation Singapore Telecommunications Limited	5,789,982	0.021	294,382	0.33
United Overseas Bank Limited	5,745,318	0.013	353,033	0.74
Jardine Matheson Holdings Limited	3,978,156	0.021	248,188	0.37
Hongkong Land Holdings Limited	2,973,194	0.010	129,465	0.42
Hongkong Land Holdings Limited	1,652,192	0.014	84,430	0.46
Keppel Corporation Limited	2,000,935	0.022	193,488	0.47
Jardine Strategic Holdings Limited	747,271	0.005	22,707	0.12
Capitaland Limited	2,053,113	0.016	62,856	0.33
Global Logistic Properties Limited	1,855,780	0.017	40,005	0.51

SUMMARY OF INVESTMENT PORTFOLIO

	30 June 2015 Cost / Fair Value SGD	30 June 2014 Cost / Fair Value SGD
Investments:		
Cost	56,297,826	57,903,721
Unrealised gain on investments	22,302,432	23,788,001
Net Book Value	<u>78,600,258</u>	<u>81,691,722</u>

INFORMATION ON THE PARTICULARS OF THE INVESTMENT MANAGER

The investment manager of the Singapore Index Fund is Singapore Consortium Investment Management Limited which is located at 80 Raffles Place, UOB Plaza 2, #03-00, Singapore 048624.

These financial statements have been approved by the Board of Directors of Singapore Consortium Investment Management Limited pursuant to a resolution of the Board passed on 15 September 2015.

By Order of the Board

THERESA SIM KWEE SOIK
Company Secretary

15 September 2015