



REPORT
ON THE
MANAGEMENT
OF THE
GOVERNMENT'S
PORTFOLIO
FOR THE YEAR
2014/15

2014/15 HIGHLIGHTS

PERFORMANCE

GIC achieved a 20-year annualised real rate of return of 4.9% for the financial year ended 31 March 2015. We cannot expect this level of returns to continue. The current high asset prices are likely to result in low returns over the next 5 to 10 years.

The results underline the point that to benefit from long-term investing, we have to be prepared to tolerate short-term unrealised losses.

APPOINTMENTS

Mr Teo Chee Hean was appointed Chairman of the GIC International Advisory Board with effect from 8 April 2015. He was previously Deputy Chairman and took over the chairmanship with the passing of Mr Lee Kuan Yew.

Mr Choo Chiau Beng was appointed member of the GIC Investment Board with effect from 28 April 2015.

Six new Managing Directors were appointed in July 2015 – Mr Vincent Cheang, Ms Madeleine Cosgrave, Mr Adam Gallistel, Ms Jennifer Lewis, Mr Eric Wilmes and Mr Maverick Wong.

RETIREMENTS

Mr Ng Kok Song retired from the GIC International Advisory Board on 10 February 2015, while Mr Quah Wee Ghee retired from the GIC Investment Board on 11 April 2015. We thank both GIC veterans for their contributions to GIC.

THE GIC PRIMER

Our responsibility is to preserve and enhance Singapore's foreign reserves. People and talent are central to what we can do. We believe that the results we seek are best achieved through a culture founded on our five PRIME values of Prudence, Respect, Integrity, Merit and Excellence.

PRIME

PRUDENCE

We exercise prudence and sound judgement and take a considered approach to managing risks as we seek to deliver sustainable, superior investment returns, always conscious of our overriding fiduciary responsibility.

As an institution and as individuals, we conduct ourselves with good sense and circumspection, even as we take the best advantage of our large asset base, global presence, multi-asset approach and long-term orientation.

RESPECT

All of us are united in a common endeavour, regardless of who we are, where we work or what we do. We respect people as individuals, care for their well-being, and welcome diversity in capability and background. We do not tolerate behaviour that works against the interest of our clients or of GIC.

We stress teamwork within and across departments, and with our clients and business partners. We expect everyone to be free, candid and constructive in their comments and suggestions, and always seek to help our colleagues and GIC do better.

INTEGRITY

Everything we do is founded on integrity. We expect the highest standards of honesty from everyone in GIC, both in our work and in our personal lives. This includes abiding by the laws of the countries we invest in, and observing our code of ethics in letter and in spirit.

We must never jeopardise the trust others have in us and in our reputation for professionalism.

MERIT

We recruit and develop our people solely on merit. We draw our talent from around the world and provide challenging and meaningful work. We grant recognition and reward based on performance and conduct consistent with our PRIME values. We develop our people to achieve their potential so that we may also perform to our potential.

We select business partners based on their capability. We believe in long-term relationships built upon high levels of performance and quality of service.

EXCELLENCE

We are relentless in our pursuit of excellence. In all that we do, we strive to be the best that we can be. This demands that we plan and anticipate well, so that we will always be in time for the future, fully able to take up the challenges and opportunities that come, pursuing improvements where they may be found, and economies where these may be gained.

We expect everyone to do his best in every situation. We harness the creativity and imagination of our people and our business partners for sustainable, superior results.

THE GIC WAY

The GIC Way is a set of principles that defines the way we think and act. It sharpens our focus on our client, our commitment to people and our future. The PRIME Values acts as our compass — having a good compass enables us to get back to our fundamental purpose and beliefs, especially when we are faced with situations we have not come across before.

CLIENTS FIRST

- When our Clients do well, we do well
- Never compromise our PRIME values and reputation; not even for better returns
- Always follow GIC's investment principles (5Ps):
 - Pursue intrinsic value and maintain price discipline
 - Practise long-term investing
 - Pick our spots: be focused and leverage our strengths
 - Pay attention to risk control
 - Prepare for the future

PEOPLE — THE KEY

- Do what's right, not what's easy
- Help GIC make the best decisions. Speak up if you have a different view
- Attract exceptional people and develop them to their full potential
- Embolden innovation and encourage learning
- Reward what matters: contribution; not pedigree, age, gender or nationality
- Excel in what you do; make a difference
- Empower decision-making at every level
- Work seamlessly across boundaries and hierarchy — OneGIC

FUTURE NOW

- Tomorrow is determined today
- Build leadership and resources for the future
- Insist on nimble and responsive structures and processes

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OVERVIEW



By
Group President and
Group Chief Investment Officer

OVERVIEW BY GROUP PRESIDENT & GROUP CHIEF INVESTMENT OFFICER

This year marks Singapore's 50 years of independence. Our nation's reserves built up over the years serve as a critical defence for Singapore in times of crisis.

GIC achieved a 20-year annualised real rate of return of 4.9% for the financial year ended 31 March 2015 for the portfolio of foreign reserves that we manage for the Singapore Government. In USD nominal terms, the portfolio generated an annualised return of 6.1% over the 20 years ended 31 March 2015. The Investment Report explains in more detail the investment performance and how it compares against our Reference Portfolio.

While we present some shorter-term performance figures, these are purely for information as GIC's mission is to invest so as to generate good returns over and above global inflation in the long term. GIC's investment strategies and actions are therefore targeted at growing the long-term value of the Government's assets it manages.

Global equities, particularly in the US, have experienced outsized returns over the past five years. This has occurred against a backdrop of initial low valuations and extraordinary monetary policy easing to deal with the aftermath of the Global Financial Crisis. The fall

in interest rates to historic lows in most advanced economies has caused prices of a broad range of asset classes to rise. The sharp rise of asset prices, when the global economy is still struggling to gain a firm foothold, makes the investment environment particularly uncertain and unpredictable.

The current high asset prices are likely to result in low returns over the next 5 to 10 years. The path is also expected to be volatile, given the challenges that policymakers are likely to face in exiting from their extraordinary policy measures, plus changes in market structure that could amplify market moves. Our globally diversified portfolio allows us to withstand short-term market volatility.

GIC is the manager of the Government's foreign financial reserves. The investment returns of GIC, the Monetary Authority of Singapore and Temasek Holdings contribute to the Net Investment Return Contribution (NIRC) for purpose of spending in the budget, based on the rules set out in the Singapore Constitution. The NIRC has averaged about S\$8 billion per year over the last five years. It complements domestic revenues in financing Singapore's economic and social priorities.

OVERVIEW BY GROUP PRESIDENT & GROUP CHIEF INVESTMENT OFFICER

We mourned the loss of Mr Lee Kuan Yew, our Founding Chairman who passed away on 23 March 2015. Mr Lee was Chairman of GIC from its inception until his retirement in May 2011, after which he took on the mantle of Senior Advisor and Chairman of the GIC International Advisory Board. We had benefitted greatly from his leadership, guidance and insights.

Mr Teo Chee Hean was appointed Chairman of the GIC International Advisory Board with effect from 8 April 2015. He was previously Deputy Chairman and took over the chairmanship with the passing of Mr Lee.

Mr Choo Chiau Beng was appointed member of the GIC Investment Board with effect from 28 April 2015. Mr Choo is the senior advisor to the Board of Keppel Corporation and brings with him strong business instincts and experience in international businesses.

Mr Ng Kok Song retired from the GIC International Advisory Board on 10 February 2015, while Mr Quah Wee Ghee retired from the GIC Investment Board on 11 April 2015. We thank both GIC veterans for their contributions to GIC.

GIC set up two new departments on 1 April 2015. The Data and Analytics Department, headed by Mr Choy Siew Kai, will harness total GIC data and knowledge for

deeper insight and intelligence to enhance investment decision-making. The Portfolio Execution Group, headed by Mr Tung Siew Hoong, brings together teams involved in trade execution, treasury and currency hedging, asset rebalancing, passive replication and trade completion functions. This new group serves an important role in our new investment framework by enabling alpha-beta separation and total portfolio management.

This is the jubilee year for Singapore. We celebrate with all GICians the spirit of creativity and enterprise, the boldness to try, and the courage to be different, all of which have made Singapore what it is today. We continually enhance our investment processes and operations so that we can stay on top of our game and invest well for the nation.



LIM SIONG GUAN

Group President



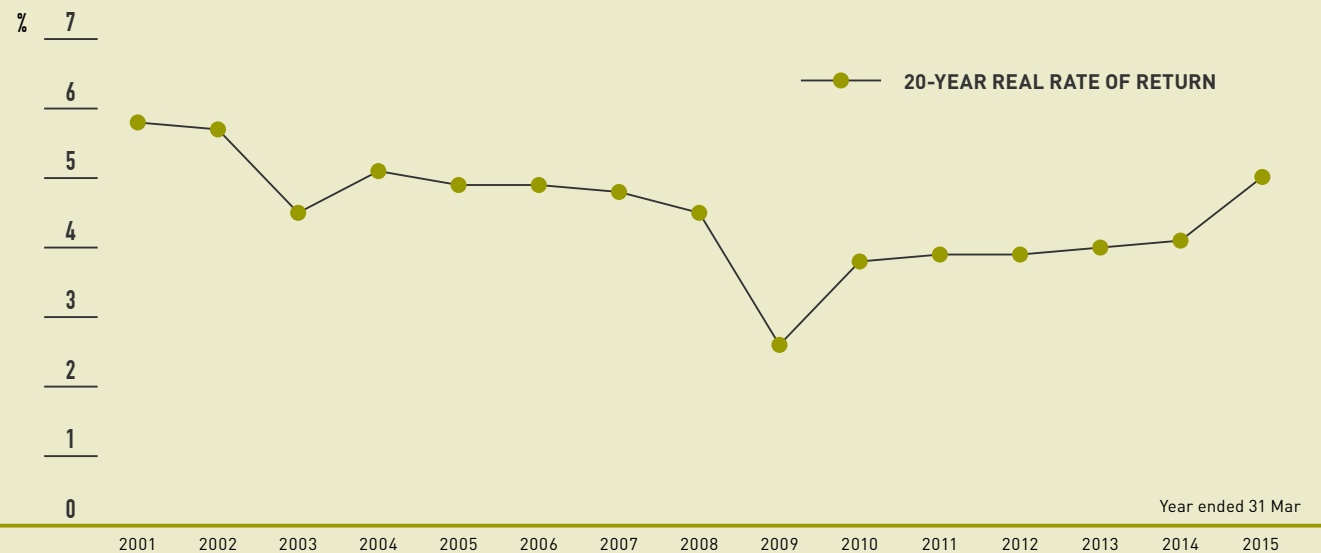
LIM CHOW KIAT

Group Chief Investment Officer

INVESTMENT REPORT

GIC's mandate is to achieve good long-term returns. The primary metric for evaluating GIC's investment performance is the rolling 20-year real rate of return.

ANNUALISED ROLLING 20-YEAR REAL RATE OF RETURN FOR THE GIC PORTFOLIO SINCE 2001



INVESTMENT REPORT

LONG-TERM INVESTMENT PERFORMANCE

GIC's mandate is to achieve good long-term returns. The primary metric for evaluating GIC's investment performance is the rolling 20-year real rate of return. The goal is expressed in real terms because GIC must, at a minimum, beat global inflation and preserve the international purchasing power of the reserves placed under its management.

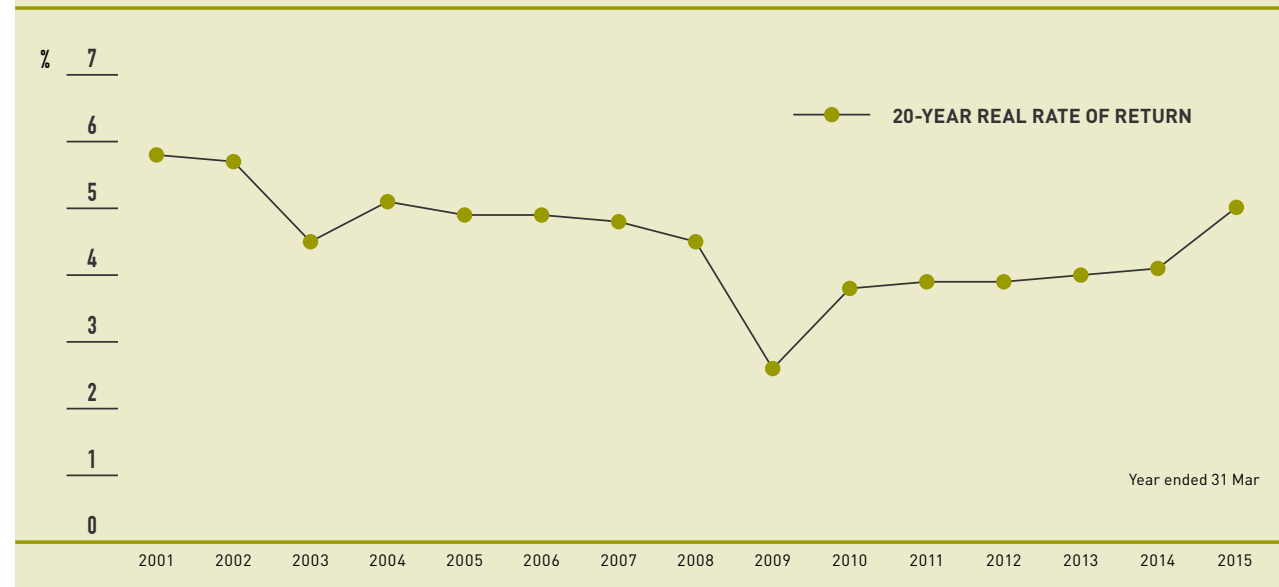
Over the 20-year period that ended 31 March 2015, the GIC Portfolio generated an average annual real¹ return of 4.9% (Figure 1) above global inflation. This surpasses the portfolio's 20-year annualised real rate of return of 4.1% for the preceding year. In nominal USD² terms, the portfolio generated an annualised return of 6.1% over the 20 years ended 31 March 2015. This means that US\$100 invested with GIC in 1995 would have grown to US\$327 today.

INVESTMENT APPROACH

A long-term investment approach offers several advantages. It allows GIC to be contrarian in the face of short-term market sentiment, and reap higher long-term returns by assuming illiquidity risk. As such, our investments in private equity, for example, enhance the long-term returns of the GIC Portfolio.

GIC's long-term performance reflects three main factors. First, the dynamics of the global economy. Second, the performance of various asset classes, which we capture via our asset allocation strategy. Third, the performance of skill-based strategies undertaken by the various active strategy investment teams. For a given level of risk, we strive to optimise the GIC Portfolio to achieve the best possible long-term return for a variety of economic scenarios. Our investment approach, including the new investment framework that was implemented in 2013, is elaborated in the chapter on 'Managing the Portfolio'.

FIGURE 1: ANNUALISED ROLLING 20-YEAR REAL RATE OF RETURN FOR THE GIC PORTFOLIO SINCE 2001



1 The real return number is independent of the currency used to compute it.

2 The nominal rates of return have been reported in USD terms since our 2009 report as the USD is the most common currency base for publishing global investment returns.

INVESTMENT REPORT

EFFECTS OF GLOBAL INFLATION

Inflation is the rate of increase in general prices for goods and services. To understand the cumulative impact of inflation on investment over a long time horizon, consider the following example. If inflation was 2% per annum, the same item that costs \$1 today will cost \$1.02 a year later, \$1.49 in 20 years, and \$2.21 in 40 years. This is because inflation causes price levels to rise, and more dollars will be required to buy the same item in the future. Suppose you invest \$1 today, at a nominal return of 7% per annum. The \$1 invested with nominal returns of 7% will grow

at a faster pace than inflation, and earn a real return of about 5% per annum. This means that the purchasing power of your investment will increase over time, that is, in the future, more than one of the same item can be bought with the invested amount. By investing steadily at approximately 5%³ real return over 40 years, your investment at the 40-year point will be able to purchase more than 6 times the number of items compared with an investment at the inflation rate. This shows the importance of investing to generate a good real rate of return over the long term.

3 Real return refers to the return realised on an investment which is adjusted for changes in price levels due to inflation. In this example, the \$1 invested today at a 7% nominal rate of return will grow to \$14.97 in 40 years' time. With 2% inflation, price levels in 40 years' time will be 2.21 times higher than what they are today. Thus, the investment will have generated a real return of 4.9% (or about 5%) per annum over this period, i.e. real return (%) = $\frac{[1 + \text{nominal return}]^n}{[1 + \text{inflation rate}]^n} - 1$ * 100

INVESTMENT REPORT

THE GIC PORTFOLIO

Each asset class carries a different risk profile. Growth assets such as equities generate higher returns, but also come with higher risk. Defensive assets such as sovereign bonds offer lower returns, but have lower risk and protect the portfolio in market downturns. GIC constructs a diversified portfolio to benefit from the distinct characteristics of the different asset classes.

Table 1 and Table 2 show the asset mix and geographical distribution of the GIC Portfolio as of 31 March 2015.

TABLE 1: ASSET MIX OF THE GIC PORTFOLIO

ASSET MIX	31 MARCH 2015 (%)	31 MARCH 2014 (%)
Developed Markets Equities	29	29
Emerging Markets Equities	18	19
Nominal Bonds and Cash	32	31
Inflation-Linked Bonds	5	5
Real Estate	7	7
Private Equity	9	9
Total	100	100

TABLE 2: GEOGRAPHICAL DISTRIBUTION OF THE GIC PORTFOLIO

GEOGRAPHICAL DISTRIBUTION		31 MARCH 2015 (%)		31 MARCH 2014 (%)	
Americas	United States	34	43	34	42
	Latin America	3		4	
	Others	6		4	
Europe	United Kingdom	7	25	8	29
	Eurozone	12		14	
	Others	6		7	
Asia	Japan	10	30	10	27
	North Asia ⁴	15		14	
	Others	5		3	
Australasia		2	2	2	2
Total		100	100	100	100

4 China, Hong Kong, South Korea and Taiwan

INVESTMENT REPORT

INTERMEDIATE AND LONG-TERM INVESTMENT PERFORMANCE

Table 3 shows the performance of the GIC Portfolio alongside the Reference Portfolio⁵ and looks at investment returns in the context of risk as defined by annualised volatility. As the historical risk profile of the GIC Portfolio has evolved over time, and the Reference Portfolio has only been adopted from 1 April 2013, the historical comparison serves only an illustrative purpose as GIC was not operating with the Reference Portfolio in our earlier years.

GIC's 20-year nominal return was 6.1% per annum in USD terms, while that of the Reference Portfolio was 6.9%. The two are strictly not comparing like for like, as until about 10 years ago, the asset allocation of the GIC Portfolio had a significantly higher percentage of bonds and cash, thus resulting in lower returns than the Reference Portfolio. GIC's lower risk profile over 20 years is indicated by the lower volatility for the portfolio at 9.0%, while that of the Reference Portfolio was 10.8%.

TABLE 3: PERFORMANCE AND VOLATILITY OF THE GIC PORTFOLIO AND REFERENCE PORTFOLIO				
TIME PERIOD	Annualised nominal return ⁶ (USD) for period ended 31 March 2015		Annualised volatility for period ended 31 March 2015	
	GIC Portfolio	Reference Portfolio	GIC Portfolio	Reference Portfolio
20-Year	6.1%	6.9%	9.0%	10.8%
10-Year	6.3%	6.1%	10.0%	11.7%
5-Year	6.5%	7.2%	9.0%	10.3%

To give a sense of on-going portfolio performance, we provide the nominal rates of return in USD terms over 5- and 10-year periods. While these investment results serve as medium-term trackers of how GIC's 20-year results are evolving, the 20-year period remains the right time horizon to assess the performance of the portfolio, given GIC's long time horizon.

In the last decade, GIC significantly increased its exposure to public equities and alternative asset classes while reducing its allocation to bonds. The GIC Portfolio returned 6.3% per annum in USD nominal terms over the 10-year horizon, and performed slightly better than the Reference Portfolio.

⁵ The Reference Portfolio comprises 65% global equities and 35% global bonds, and reflects the risk that the Government is prepared for GIC to take in its long-term investment strategies. For more details, please refer to the chapter on 'Managing the Portfolio'.

⁶ The GIC Portfolio rates of return are computed on a time-weighted basis, net of costs and fees incurred in the management of the portfolio. However, the Reference Portfolio rates of return are provided on a gross basis, i.e. without adjustment for costs and fees.

INVESTMENT REPORT

Over the last 5-year period, the GIC Portfolio returned 6.5% per annum in USD nominal terms. Significant year-to-year variations in returns over a shorter time period are not unexpected, given the volatile nature of financial markets and GIC's investment strategy which is focused on the long term. In the last 5 years, developed market equities, especially those in the US, have done particularly well.

The GIC Portfolio has relatively less developed market equities because we have diversified into other asset classes, in particular emerging market equities and private markets. We expect these assets to contribute positively to the GIC Portfolio over the long term. For example, we believe that emerging market equities will

benefit from the sustained structural improvements in emerging economies. This is in spite of the fact that emerging market equities have under-performed developed market equities over the past few years.

GIC can only benefit from long-term investing if it is prepared to tolerate short-term unrealised losses or underperformance relative to the market from time to time, in order to generate good real returns over the long term.

The GIC Portfolio was less volatile than the Reference Portfolio over all three time periods, which reflects lower risk assumed for the GIC Portfolio.

5 The Reference Portfolio comprises 65% global equities and 35% global bonds, and reflects the risk that the Government is prepared for GIC to take in its long-term investment strategies. For more details, please refer to the chapter on 'Managing the Portfolio'.

6 The GIC Portfolio rates of return are computed on a time-weighted basis, net of costs and fees incurred in the management of the portfolio. However, the Reference Portfolio rates of return are provided on a gross basis, i.e. without adjustment for costs and fees.

INVESTMENT REPORT

INVESTMENT EXPECTATIONS FOR COMING YEARS

In response to the Global Financial Crisis (GFC) of 2008 to 2009, central banks worldwide cut interest rates and utilised unconventional policies such as quantitative easing and forward guidance to provide liquidity and stimulate their economies. This has supported asset prices, resulting in strong risk asset returns since 2009. In particular, developed market (DM) equities – especially in the US – have experienced higher than expected returns over the past 5 years against a backdrop of initial low valuations and extraordinary monetary policy easing.

While asset prices have risen strongly, the outlook for economic growth and earnings has not improved by

as much. Current valuations are high, given the strong performance across major asset classes in the past 5 years, and this portends lower expected returns over the next 10 years. For example, the cyclically-adjusted earnings yield for US equities has fallen from 7.5% during the GFC to 4.0% at end May 2014, and further to 3.7% at end May 2015. Historically, there tends to be a relationship between earnings yield and the subsequent 10-year returns. The lower the earnings yield, the lower the subsequent 10-year returns tend to be. Similarly, a low interest rate environment in major economies coupled with low bond yields point to lower prospective income returns and capital gains on bond investments respectively, resulting in lower expected returns on fixed income assets.

The challenge posed by high current valuations, low starting yields and low potential future returns is common to all major asset classes: public equities, private equity, bonds and real estate. Therefore, the investment environment over the next 10 years is expected to be more difficult for all investors. Even over a longer time horizon of 20 years, we expect the real return for both the Reference Portfolio and the GIC Portfolio to be more modest than history.

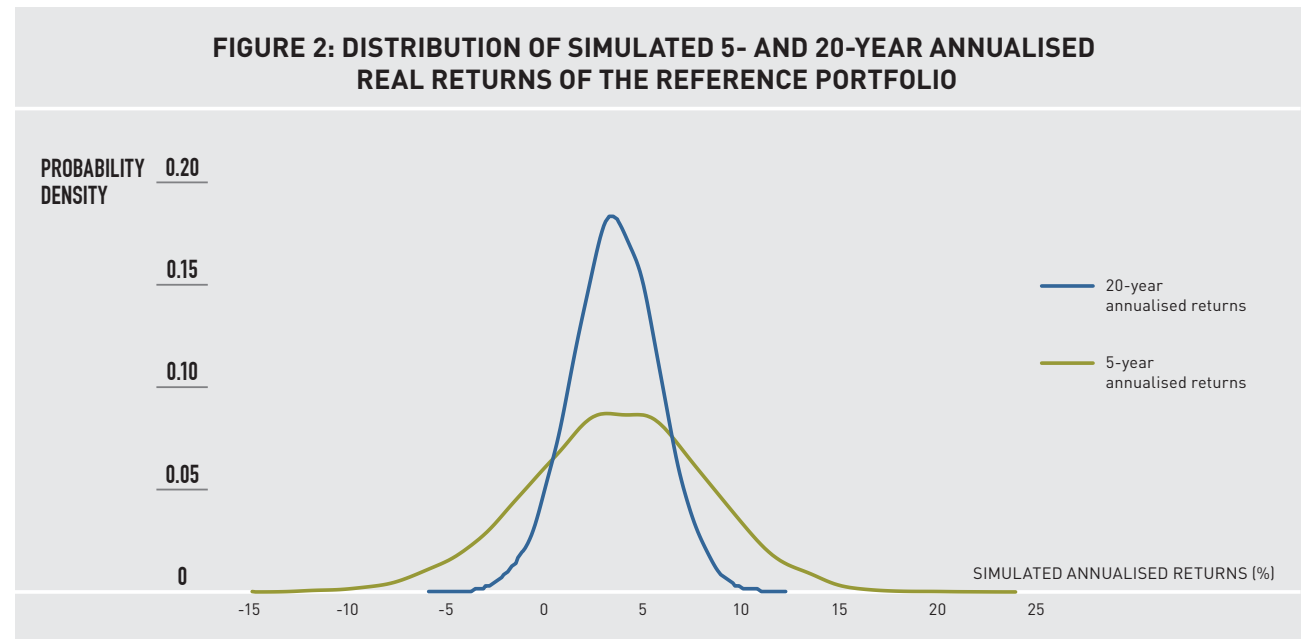
INVESTMENT REPORT

Building a Resilient Portfolio

While GIC cannot avoid taking market risk, it is important that the GIC Portfolio does not take on excessive risk in pursuit of investment returns. Figure 2 shows the distribution of the simulated⁷ 5- and 20-year annualised real returns of the Reference Portfolio. Figure 2 illustrates that, depending on the dynamics of the global economy and capital markets, there is a wide dispersion around the expected annualised returns.

Because the future is uncertain, the GIC Portfolio has to be resilient across a broad range of plausible economic conditions. This is accomplished by putting together a portfolio that is diversified and benefits from the way different assets respond to possible market and economic conditions. By spreading the investment of funds across asset types, geographical regions, industries, and companies, the GIC Portfolio is more diversified than the Reference Portfolio and less sensitive to equity market volatility.

The task of diversifying has become more complex in recent times as the behaviour of financial assets has become more correlated. Nonetheless, we believe that



a diversified asset mix puts us in better stead to benefit as we move through market cycles. The GIC Portfolio would have experienced lower drawdowns and swifter recoveries compared to the Reference Portfolio during past market crashes, such as during the GFC and Dot-Com bust. We expect this to be true in the future⁸.

As the GIC Portfolio seeks to deliver good long-term real returns, its construction process is agnostic about the short-term behaviour of the Reference Portfolio. While we are confident about the long-run expected performance of the GIC Portfolio, we do not construct the GIC Portfolio with the aim of outperforming the Reference Portfolio over short periods.

⁷ Based on a Monte Carlo simulation. While it is not meant to be predictive, it provides a sense of the portfolio's future returns over different time horizons.

⁸ This is based on the bottom decile of 5-year cumulative return of the Reference Portfolio and the GIC Portfolio using Monte Carlo simulation.

MANAGING THE PORTFOLIO

GIC's mission is to preserve and enhance the international purchasing power of the financial reserves of Singapore under our management.

REFERENCE PORTFOLIO

Passive alternative portfolio: set at 65% global equities, 35% global bonds
Consistent with the Client's risk tolerance

POLICY PORTFOLIO

Allocation among six core asset classes
Key driver of returns over the long term
Approved by GIC Board



ACTIVE PORTFOLIO

Comprises overlay of alpha (i.e. active, skill-based strategies)
Adopted by GIC Management
Overseen by GIC Investment Board



GIC PORTFOLIO

Represents actual exposures of GIC Portfolio
Within risk limits set by the Client

MANAGING THE PORTFOLIO

INVESTMENT FRAMEWORK

In response to the changing investment environment which requires better responsiveness and greater flexibility, a new Investment Framework was implemented on 1 April 2013. This revised investment framework enables us to better harvest long-term risk premiums, manage risk, take advantage of investment opportunities in a more volatile environment, and strengthen our ability to add value. Under this framework, the GIC Portfolio is made up of two parts, each with a distinct role in driving our performance.

A key driver of returns is the long-term asset class risk premia. GIC harvests these long-term risk premia via our *Policy Portfolio*. The Policy Portfolio comprises six asset classes, and the allocation among these asset classes is approved by the GIC Board. In addition, active investment strategies, as embodied by the *Active Portfolio*, seek to outperform the Policy Portfolio within risk limits set by the GIC Board. These strategies pursued by GIC Management involve selecting investment opportunities within each asset class, as well as investing in cross-asset class strategies which involve going beyond the

asset classes in the Policy Portfolio. Our Client, the Singapore Government, has also specified a global equity-bond portfolio as the *Reference Portfolio*. This expresses their risk preference as GIC exercises its best efforts to obtain optimal investment results over the long term.

The investment framework sets out clearly the responsibilities across GIC. In the following sections, we describe the management and governance of our portfolio in light of the framework.

REFERENCE PORTFOLIO

Passive alternative portfolio: set at 65% global equities, 35% global bonds
Consistent with the client's risk tolerance

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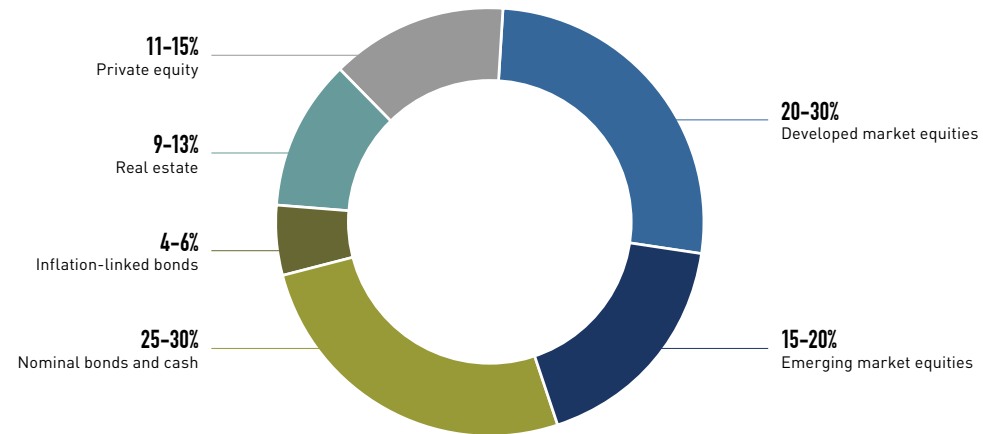
MANAGING THE PORTFOLIO

REFERENCE PORTFOLIO: PASSIVE MARKET INDEX

The Reference Portfolio comprises 65% global equities and 35% global bonds (65:35), a generally accepted passive alternative for a large global investor such as GIC, and consistent with the Singapore Government's risk tolerance. The proportion of equities versus bonds broadly determines how much of a decline in market value a portfolio could face in times of market stress: the greater the proportion of equities, the higher the decline. At the same time, the higher the proportion of bonds, the lower the projected return of the portfolio over the long term. For instance, historically, a 65:35 global portfolio experienced losses of 20% to 30% over rolling three-year periods during periods of market stress such as the Tech Bubble Crash (2001–03) and Global Financial Crisis (2008–09). However, these declines were not permanent.

Over the past 50 years, the 65:35 global portfolio has recorded good long-term returns despite the bouts of market stress, and in fact tends to perform well during periods when developed markets rally strongly (e.g. 2009 till present) due to its relatively large developed market equity content. That said, the Reference Portfolio is not a short-term performance or investment benchmark for GIC. We can only benefit from long-term investing if we are prepared to tolerate short-term unrealised losses, or underperformance relative to market indices from time to time. GIC does not seek to track the Reference Portfolio; GIC's investment strategy is to invest in assets that deliver good sustainable returns. This approach leads to deviations from the Reference Portfolio but is necessary for better investment results in the long term.

MANAGING THE PORTFOLIO



Policy Portfolio with effect from 1 April 2013

POLICY PORTFOLIO: KEY INVESTMENT DRIVER

The Policy Portfolio stands at the core of the investment framework. The Policy Portfolio aims to achieve good sustainable returns through diversification and careful portfolio construction that takes into account the way different asset classes respond to various economic environments. The six asset classes in the Policy Portfolio are Developed Market Equities, Emerging Market Equities, Nominal Bonds and Cash, Inflation-linked Bonds, Private Equity and Real Estate. These asset classes represent the key systematic or market risks, and encapsulate the bulk of the long-term risk and return potential of the GIC Portfolio.

The process of designing the Policy Portfolio starts with analysis and groundwork by the Economics and Investment Strategy Department. The recommendations are discussed with the Investment Strategies Committee. Once endorsed, they are submitted to the Board for approval as the policy asset allocation of the portfolio under management.

The Policy Portfolio should not be adjusted frequently and, in particular, not in response to market cycles. However, it may be adjusted when needed to take into account fundamental, structural changes in the global investment environment, such as a secular shift in the expected risk and return of a particular asset class. Adhering to a long-term Policy Portfolio allows GIC to take advantage of time-varying risk premia, and a critical means by which we do this is a disciplined rebalancing of the Policy Portfolio. This involves systematically buying more of the assets that have fallen in value, and selling some of the assets that have risen in value to keep the asset mix steady over time. Numerous studies have shown that in the long run, a portfolio that is rebalanced regularly to its predefined target allocations tends to outperform a portfolio whose allocations are allowed to drift.

MANAGING THE PORTFOLIO

ACTIVE PORTFOLIO: COMPRISES SKILL-BASED STRATEGIES

The GIC Board provides management the latitude to adopt active investment strategies aimed at adding value to the Policy Portfolio. These active strategies operate within risk limits set by the GIC Board. Management decides on how the overall risk budget is allocated among the active strategies.

When GIC undertakes skill-based strategies, GIC Management assigns a *cost of capital* for each strategy. The cost of capital takes into account the returns that GIC would have otherwise earned by investing passively in Policy Portfolio assets that reflect the risk characteristics of the strategy. It also incorporates an estimate of the additional risk undertaken by the skill-based strategy. In order to add value commensurate with the risk undertaken, each active strategy has to generate a return above its cost of capital.

In effect, our investment framework allows us to derive better returns by substituting passive investments in policy asset classes with active strategies without introducing additional systematic or market risk to the portfolio. This approach also allows strategies to be funded by a combination of policy asset classes.

MANAGING THE PORTFOLIO

GOVERNANCE OF THE INVESTMENT FRAMEWORK

The investment framework clearly defines the different risk and return drivers for GIC in the long run, and further clarifies the responsibilities of the GIC Board and Management. The Reference Portfolio is consistent with the Singapore Government's risk appetite, while the GIC Board approves the Policy Portfolio which is expected to deliver good sustainable returns over the long term. GIC Management is given the discretion to add value within the risk limits set by the GIC Board through the Active Portfolio which comprises active, skill-based strategies.

The Investment Board (IB) provides additional and independent oversight on GIC's active investment management and process. It comprises individuals drawn from the private sector, some of whom are not members of the GIC Board. They collectively bring a wealth of experience in different types of investments in a range of geographies. A critical role of the IB is to ensure that GIC invests in a sound and disciplined manner. Additionally, the IB ensures that GIC does not take on undue reputational risk in our pursuit of good investment opportunities. GIC inevitably has significant positions in various companies. Special attention will be paid to such large investments.

The table below summarises the responsibilities within GIC under the investment framework. Taken as a whole, our investment framework capitalises on GIC's strengths. These include the ability to take a long-term investment perspective; capabilities in public and private markets and the potential to synergise these to invest in cross-asset opportunities; presence in all major geographies; a skilled and experienced talent pool; and a governance structure that clearly distinguishes the responsibilities of the GIC Board and Management.

	Responsibility
GIC Board	Approves Policy Portfolio and active risk budget
Investment Strategies Committee	Reviews GIC Management's recommendations on Policy Portfolio and active risk budget
Investment Board	Oversees GIC Management's active strategies
GIC Management	Recommends Policy Portfolio and constructs Active Portfolio
Investment Teams	Add value through implementation of Policy Portfolio and active strategies

Responsibilities within GIC under the Investment Framework

MANAGING THE PORTFOLIO

IMPLEMENTATION

Our core investment groups underpin the investment organization at GIC: Fixed Income, Public Equity, Private Equity & Infrastructure, and Real Estate. In addition, our Integrated Strategies Group evaluates and invests in cross-asset investment opportunities. We separate active skill-based “alpha” strategies from beta activities at GIC to enable greater effectiveness and efficiency. Our focus for beta activities is to achieve cost and operational efficiencies. For alpha, our focus includes enhancing collaboration to tap GIC-wide expertise to access investment opportunities and execute major investments which are not straightforward in their construction.

We are open to investing in all countries outside of Singapore, but do not invest in countries that are subject to United Nations Security Council sanctions. We exercise ownership rights in our investments to protect the financial interest of our Client.

Investment Groups in Public and Private Markets

GIC invests in both public and private markets. In public markets, we invest in public equity in both developed and emerging markets, absolute return strategies (hedge funds), fixed income, cash and currencies. We manage a well-diversified portfolio to produce sustained, superior risk-adjusted performance. In private markets, our allocation to alternative asset classes stems from their potential to generate high long-term real returns and their role to diversify the portfolio. Real estate assets, in particular, also serve as a hedge against inflation.

GIC’s long investment horizon puts us in a good position to exploit market inefficiencies through the active management of these assets.

Public Equity Group

GIC pursues active management strategies in equity investing. We have an established team of in-house research analysts and experienced portfolio managers. They conduct in-depth due diligence and research that enable us to identify undervalued stocks with the potential to generate good returns over the long term. Our investment professionals have a wide network of corporate and industry contacts with diverse insights on companies in the investment universe.

Fixed Income Group

Fixed income investments aim to generate steady returns, provide a liquidity reserve to support portfolio management activities, and enhance capital preservation through diversification. Our portfolio managers employ a range of investment strategies in managing fixed income investments including yield curve analysis, credit, interest rate duration and currency management to add value to the portfolio.

MANAGING THE PORTFOLIO

Real Estate Group

GIC is an early entrant among institutional investors in real estate. Investments include traditional private real estate (brick-and-mortar assets), public equities (such as real estate operating companies), real estate investment trusts and real estate-related debt instruments. The real estate assets span multiple property sectors, including office, retail, residential, industrial and hospitality.

Real estate investing is pursued through a rigorous investment analysis, underwriting and approval process to ensure the portfolio meets both investment and risk objectives. Asset-specific conditions and risk are among the factors that influence investment decisions. GIC actively manages the assets to generate income and enhance market value through tenant management, market positioning, leasing and capital improvements. In this team-based approach, an appropriate range of real estate and capital market skills is applied to each investment.

Our feature article on Real Estate, elaborates on GIC's strategies for this asset class. Feature articles in previous Annual Reports provide insights into GIC's investment considerations.

Private Equity & Infrastructure Group

GIC's private equity universe includes buyouts, venture

capital and special situations such as mezzanine debt, distressed debt and secondary fund investments. We invest in companies directly and through funds. The direct investment programme is focused on taking minority equity positions and providing mezzanine financing in buyouts. Our funds strategy aims to identify and invest with leading private equity and venture capital funds globally, and grow with them in the long run. We have built up a network of over 100 active fund managers. The investment teams add value to the boards and management of the investee companies by providing advice and access to a global network of business links. For more information, you may refer to last year's feature article on Private Equity.

In Infrastructure, GIC's primary strategy is to invest directly in operating infrastructure assets with a high degree of cash flow visibility and which provide a hedge against inflation. These include mature, low- to moderate-risk assets in developed markets, complemented by investments with higher growth potential in emerging markets.

Integrated Strategies Group

The Integrated Strategies Group (ISG) aims to enhance our alpha-generating capability and capacity by approaching cross-asset investment opportunities from a GIC-wide perspective. Through supplementing

efforts by the business groups and leveraging GIC's competitive advantages, ISG oversees a more flexible and collaborative investment approach across product types, public and private markets, as well as capital structure. The key functions of ISG include the evaluation and development of thematic investment strategies and complementary product ideas; supplementing GIC's efforts in sourcing and executing investments across asset classes; as well as building and strengthening our relationships with external parties, including the senior management of major corporations and business groups.

Portfolio Execution Group

The Portfolio Execution Group (PEG) was established recently under our revised investment organization structure to enable more efficient beta replication on passive portfolio management. PEG comprises functions such as trade execution, treasury and currency management, asset rebalancing, passive replication and trade completion.

Investment Clusters

We also have investment clusters focusing on Equity, Funds, Macro and Credit which work across these investment groups to extract synergy efficiently and effectively, and capitalise on our unique multi-asset class capability.

MANAGING THE PORTFOLIO

EXTERNAL MANAGERS

GIC partners top-tier fund management institutions that offer access to opportunities, specialised capabilities, in-depth analysis and experience which complement our internal management capability.

We invest in a variety of funds including real estate funds, private equity funds, bond funds, index funds and hedge funds. In addition to the portfolios managed within GIC, we give external fund managers discretionary mandates in a wide range of asset classes such as global fixed income and global equities, while remaining fully accountable for overall performance of the portfolio.

We regularly assess our external managers relative to expected returns, risks and guidelines.

MANAGING PERFORMANCE

Our investment managers are fully accountable for portfolio performance while their investing decisions must comply with the prescribed guidelines and limits of our Investment Mandate.

We evaluate our performance in various ways: Whether we achieve a good rate of return above global inflation for the total portfolio; how the total portfolio performs relative to the Reference Portfolio over a long horizon; and how each investment professional and team performs against their cost of capital as well as their peers in the industry.

Our performance measurement is focused on longer-term investment results, based on a disciplined and rigorous investment and risk management process.

RISK MANAGEMENT

The Singapore Government, as owner of the funds, determines the risk tolerance which GIC must work within to achieve the optimal investment returns possible for various market environments. The ultimate outcome of an effective risk management framework is a risk-conscious culture built on an ownership mind-set and discipline in risk-taking.

Each operating unit in GIC is responsible for actively managing the risk inherent in its activities.

The Risk and Performance Measurement Department (RPMD) is an independent control function in GIC which reports to Director, RPMD, who in turn reports to the Chief Risk Officer (CRO). RPMD provides the 'checks and balances' and oversees risk-taking activities. Its work ensures that risks assumed are in line with the mandate and appetite of GIC.

Our approach to risk management is three-pronged: Managing portfolio risk to ensure that risk taken is consistent with our mandate and commensurate with the expected returns; managing process and infrastructure risk so that investment decisions are implemented properly; and managing people risk.

For more information on GIC's governance, please refer to the 'Governance' section of this report.

MANAGING THE PORTFOLIO

MANAGING PORTFOLIO INVESTMENT RISK

The Policy and Active Portfolios are constructed with the Singapore Government's long-term real return objective and its primary risk tolerance, an *ex-ante* stress loss requirement, in mind. Deviation of asset allocation exposure from policy benchmarks is constrained by GIC Board-approved operating bands and GIC Board-approved active risk budget. The operating bands around the Policy Portfolio's target weights are applied and monitored by RPMD. GIC Management is given the discretion to deviate from the Policy Portfolio within an approved active risk budget. A cost-of-capital framework is implemented to set an appropriate performance hurdle for each active strategy that includes the cost of funding these strategies and a premium for additional risk undertaken.

Policies, guidelines and processes are established to ensure consistency and clarity across the firm, while reducing the likelihood of significant unexpected losses to the assets under management. The policies and guidelines translate our investment mandate and the risk management principles into expectations and standards that guide our day-to-day activities. Vigorous processes are implemented to enable GIC to identify, measure, report, monitor and mitigate all the risks that are assumed, compensated or uncompensated.

RPMD conducts regular monitoring of the strategies to ensure adherence to the investment thesis and consistency with funding assumptions. In addition to the semi-annual review of strategies, RPMD will have regular dialogues with strategy teams to discuss risk and performance-related issues of the strategies.

The active risk budget is supplemented by a set of investment guidelines and risk measurements to ensure that the essence of the Policy Portfolio is preserved and to limit concentration risk, as well as other risks that are not fully reflected in our standard risk measures. A variety of risk measures across different time horizons are used to quantify the risks within the GIC Portfolio. These include a mix of statistical and non-statistical measures, as well as relative and absolute measures.

Stress tests are conducted across a combination of both historical and forward-looking scenarios. These provide a basis to determine how extreme yet plausible macroeconomic and geopolitical events may impact the portfolio, helping GIC to identify and manage potential vulnerabilities.

RPMD independently sets and monitors performance and risk review thresholds to highlight instances of unusually large portfolio underperformance. RPMD also

highlights potential changes in risk-taking behaviour and inconsistencies with the stated risk and return assumptions. Information systems are used to monitor and evaluate risk criteria, trading limits and investment guidelines within each managed portfolio. Portfolio managers and senior management obtain timely feedback on the risk profiles of our investments through performance and risk attribution tools.

A group-wide investment authorisation framework sets out the approving authorities for investments based on size, and subjects large investments to additional review by the IB. Investment teams in private market asset classes conduct extensive due diligence covering the market, physical, legal and financial aspects of transactions, as well as the selection of investment partners, holding structures, and exit strategies. Measurement and operational risks associated with the performance of private market assets are managed via operational and financial controls.

The investment and operations teams work closely with the Legal and Compliance Department to manage legal and regulatory compliance risks arising from the group's investment activities. The in-house legal team also works with external lawyers to address legal risks.

MANAGING THE PORTFOLIO

MANAGING PROCESS & INFRASTRUCTURE RISK

All investment and operations staff are required to identify, evaluate, manage and report risks in areas of responsibility, as well as to comply with established risk policies, guidelines, limits and procedures.

New investment products or strategies are subject to a risk identification and assessment process conducted by a cross-functional group, so that risks associated with the new product or activity are identified and analysed before any new investment takes place. This process includes ensuring that the required people and infrastructure, including systems, procedures and controls, are in place to manage these risks.

GIC adopts a strong control orientation in managing counterparty credit risk, trading only with financially sound and reputable counterparties. There is a stringent selection and approval process in place to appoint counterparties. We monitor our counterparty exposure against set limits and report counterparty profiles to senior management regularly. Other measures to mitigate credit risk include using netting agreements and programmes requiring counterparties to pledge collateral.

We continuously monitor for key risk indicators including late transaction processing, late report releases, stale

prices and system downtime. These indicators highlight potential risk areas that need to be addressed in a timely manner in order to mitigate the risk of loss resulting from possible slippages in GIC's operations.

Infrastructure, including technology and data, plays a critical role to enable effective investment and risk management. Policies and procedures are established to safeguard the physical security and integrity of GIC's technology and data assets.

Our business continuity plan is tested and reviewed regularly to ensure that our procedures and infrastructure can support operations in the event of a business disruption. This enhances corporate resilience and safeguards the group's operations.

Throughout the year, internal and external auditors scrutinise all operations and business processes. Any deficiencies identified must be addressed within set time frames and reported to senior management.

MANAGING PEOPLE RISK

We require our staff to observe GIC's code of ethics, maintain exemplary conduct and comply with applicable laws and regulations, including prohibitions against insider trading and other unlawful market conduct.

Staff must handle confidential and non-public information with due care. These guidelines are set out in our compliance manual, which is maintained by the Legal and Compliance Department. The manual also includes policies and procedures relating to the management of conflicts of interest, external activities, gifts and entertainment, personal investments, market conduct, anti-bribery/corruption, whistle-blowing and disciplinary action regarding any breach. It is mandatory for every employee in GIC to pass the annual compliance quiz.

We provide regular training to all staff to keep them current with compliance and regulatory requirements. Staff receive training relevant to day-to-day areas of responsibilities, which include market conduct, exchange regulations, as well as data protection policies and procedures. Such training helps to raise the awareness of operational risk and to strengthen GIC's robust and ethical compliance culture.

Consistent with our long-term orientation, GIC's remuneration policies and practices support and reinforce a prudent risk-taking culture, as well as recognise and reward our people on the basis of sustainable results. People are at the heart of our business. Our PRIME values are the compass in the management of our people, processes and portfolios. Assessment of these values is included in our staff appraisals.

FEATURE ARTICLE ON

REAL ESTATE

OVERVIEW

Real Estate (RE) exemplifies an asset class which offers diversification and inflation hedging benefits for the GIC Portfolio. As real estate projects are illiquid and require a high degree of customisation, investing in real estate requires insights and ground knowledge of local markets. This plays to GIC's strengths: our global presence and local connections; our expertise in active asset management built up over the years; and our long investment horizon. Today, our real estate holdings are well diversified in more than 40 countries, including assets such as Shiodome City Center in Tokyo; Azia Center in Shanghai; Chifley Tower and the Queen Victoria Building in Sydney; Westin Hotel in Paris; Broadgate in London; Time Warner Center in New York City and 101 California in San Francisco.

FEATURE ARTICLE ON REAL ESTATE

REAL ESTATE AS AN ASSET CLASS

Real estate refers to land and the buildings, as well as facilities that are fixed to the land. Real estate investments generate financial returns in two ways: (1) income from rent; and (2) appreciation of the real estate's value over time. The volatility in real estate returns arises mostly from the capital appreciation component of returns. Income returns tend to be more stable, depending on the tenancy profile and lease structure.

While national growth, employment, demographic and other macro factors influence returns on real estate investments, local and micro factors such as demand and supply, as well as government regulations particularly pertaining to city development, play an equally important role.

Investors are in real estate in part because it is tangible. However, investors need to be able to hold the investments for a period of time, as it is difficult to divest a real estate holding quickly. Hence, investors will typically expect a return for assuming the illiquidity risk as well.

Real estate investment also requires a high degree of customisation, since most transactions are privately brokered. Accessing real estate opportunities therefore requires expertise, information and local understanding. The market is less efficient and transparent than public markets, and so investors with greater information, expertise and access can earn above average profits in real estate.

FEATURE ARTICLE ON REAL ESTATE

OUR REAL ESTATE INVESTMENT STRATEGY

Why We Invest in Real Estate

GIC's asset allocation strategy is based on a trade-off between expected risk and return, with the goal of building a diversified portfolio to deliver good overall long-term real returns.

Real estate is an important asset class to GIC for three reasons. First, real estate offers diversification benefits, as its return drivers are somewhat different from the traditional asset classes of bonds and equities. In fact, real estate can have both bond and equity-like characteristics. Like bonds, income-producing real estate can give secure contractually-based income streams over the long term. Like equities, real estate is a growth asset with the potential to see growth in both incomes and capital values.

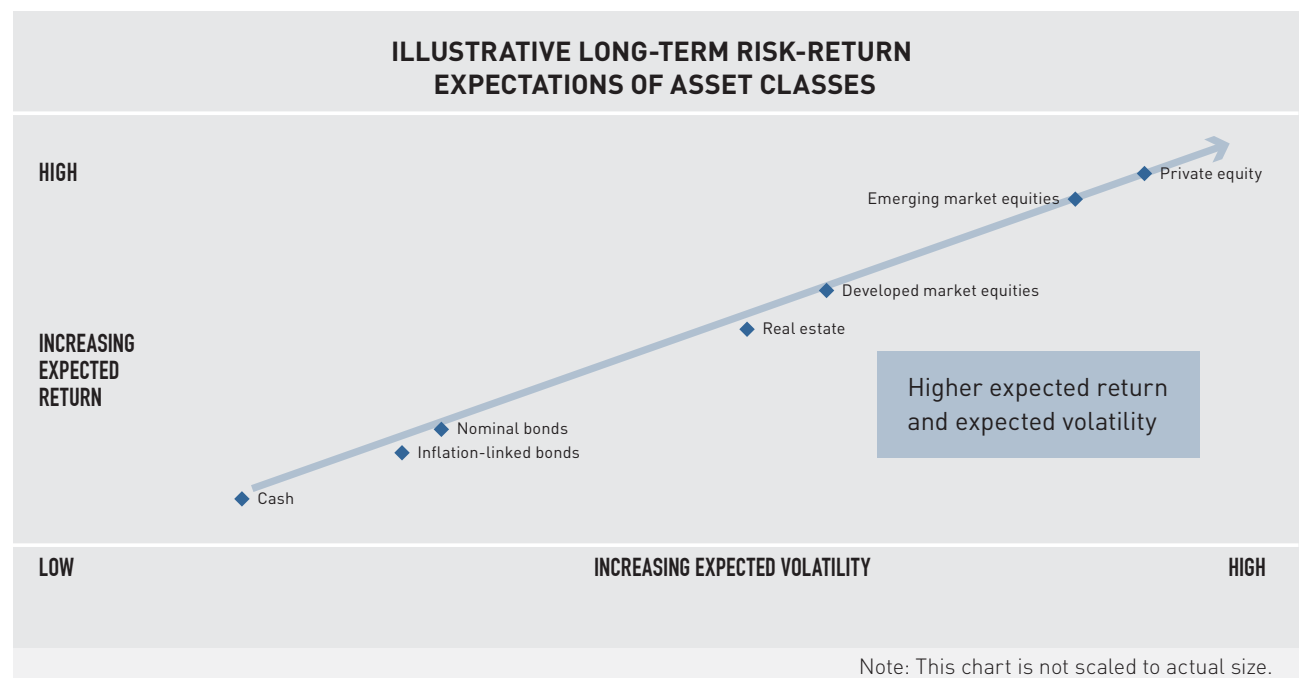
Second, real estate has inflation-hedging characteristics. The ability of real estate to track inflation is supported by certain structures – for example, where property rentals are tied to inflation – and also because real estate values are linked to replacement costs.

Third, investing in an illiquid asset class such as real estate suits GIC, which is a long-term investor. Being able to ride out short-term volatility and market cycles allows us to reap the illiquidity premium inherent in the real estate asset class.

CORRELATIONS OF US REAL ESTATE ASSETS VS EQUITIES, BONDS AND INFLATION BETWEEN 1972 AND 2014				
	Private Real Estate	Government Bonds	Equities (S&P 500)	Inflation
Private Real Estate	1			
Government Bonds	-0.01	1		
Equities (S&P 500)	0.08	-0.03	1	
Inflation	0.38	0.07	-0.11	1

Real estate has a **low correlation** with bonds and public equities... and a **positive correlation** with inflation.

Data obtained based on US Markets between 1972 to 2014.



FEATURE ARTICLE ON REAL ESTATE

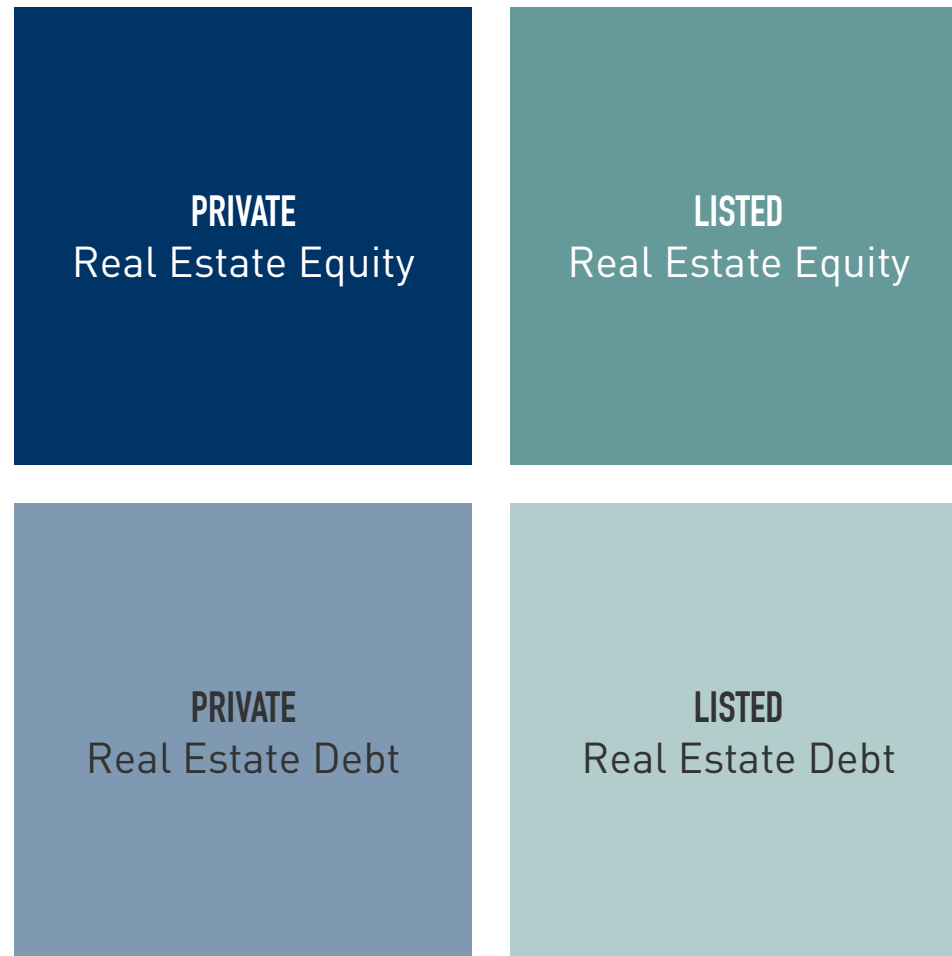
How We Invest in Real Estate

GIC is one of the more established real estate investors in the world today. We started cross-border investing in real estate before most other players, and have a substantial presence in emerging markets, especially in Asia. Through local teams spread over nine offices on four continents, GIC has built a real estate portfolio of direct and indirect investments with more than 350 investments in over 40 countries. Our investments are predominantly directly in privately held properties, either wholly-owned or partly-owned through joint ventures or co-ownerships. We also invest indirectly into real estate through funds, listed and unlisted equity of property companies, as well as real estate mortgages. We actively manage our properties, to improve their competitiveness and enhance value.

Investing Flexibly Across the Capital Structure

We invest across the capital structure (whether in the equity or debt side of the balance sheet) of real estate, in both public and private markets. This flexibility allows us to seek out the best risk-adjusted returns at any given time in the market cycle, and lets us invest in projects using the most appropriate instrument and structure.

FOUR QUADRANTS OF REAL ESTATE INVESTING



FEATURE ARTICLE ON REAL ESTATE

Investing With the Best Local Partners

We believe in developing long-term partnerships with our global network of established and best-in class partners. Our close working relationships with our like-minded partners are mutually beneficial, and give GIC an edge in access to opportunities and execution.

Investing Across Major Property Sectors

GIC invests across all major property sectors, including office, retail, hospitality, residential, industrial and student accommodation. Each type of real estate has a different set of drivers influencing its performance. For example, the office sector is affected more by GDP and white-collar employment growth, while the hospitality sector relies more on tourism growth. This allows GIC to create a diversified real estate portfolio across geography and sectors.

Time Warner Center, New York City, USA

Office



Westin, Paris

Hospitality



Bluewater, UK

Retail



Iglu Portfolio, Australia

Accommodation



Shenyang Vanke City, Shenyang, China

Residential



GLP Tokyo II, Tokyo, Japan

Industrial



FEATURE ARTICLE ON REAL ESTATE

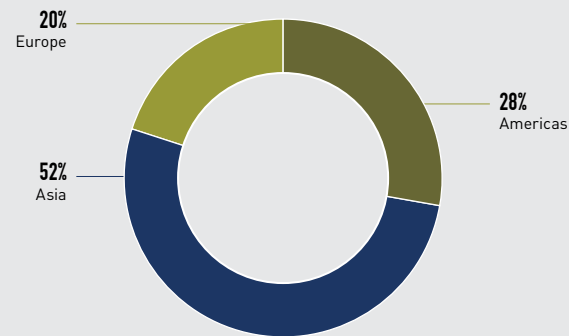
Investing With 'Boots on the Ground'

Due to the local nature of real estate markets, it is critical to have local expertise and insights in the key markets that we are in. We believe in having 'boots on the ground' for key markets and regions that we invest in. We currently have nine offices globally and in each of these markets, we undertake asset management for our wholly-owned assets. This allows GIC to enhance the value of our properties. Having a local presence also allows GIC to keep a closer watch on changing market conditions.

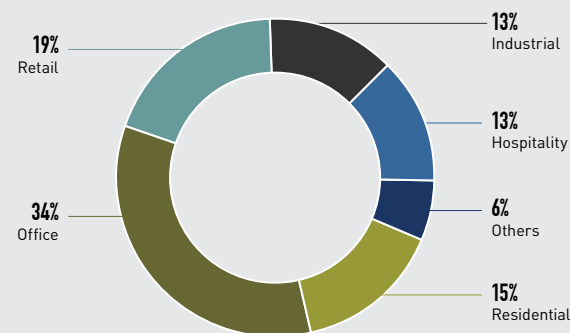
Investing With a Robust Process

We strive to link our view of the global macro environment to the investment opportunities that arise in local markets. While real estate markets are fundamentally driven by asset-specific conditions and risks, astute asset selection and capital allocation across geographies and sectors can enhance returns. Our teams pay close attention to risk control during the entire investment cycle, from underwriting to ongoing asset management. We make new investments only after a rigorous underwriting process, including physical, legal, tax and structuring due diligence and careful consideration of the overall market cycle.

**AVERAGE HOLDINGS IN THE PAST DECADE
REAL ESTATE EXPOSURES BY REGION**



**AVERAGE HOLDINGS IN THE PAST DECADE
REAL ESTATE EXPOSURES BY SECTOR**



G O V E R N A N C E

The Ministry of Finance (MOF), representing the Government, sets the investment objective, risk parameters and investment horizon for the portfolio. It ensures that a competent board of directors is in place.

The GIC Board assumes responsibility for asset allocation and the overall performance of the portfolio. GIC's Management is responsible for formulating and executing investment strategies and for individual investments. The Management also reports to MOF on the risk and performance of the portfolio.

GOVERNANCE

GIC was incorporated in 1981 under the Singapore Companies Act and is wholly owned by the Government of Singapore. It was set up with the sole purpose of managing Singapore's foreign reserves. GIC invests well over US\$100 billion internationally in a wide range of asset classes and instruments. As a rule, GIC invests outside Singapore.

SOURCE AND PURPOSE OF FUNDS

GIC is a fund manager for the Government, and does not own the assets that it manages.

The sources of the Government's assets, as stated by the MOF, include proceeds from issuance of Singapore Government Securities (SGS) and Special Singapore Government Securities (SSGS), Government surpluses and proceeds from the Government's land sales. However, GIC invests the assets that the Government places with it without regard to the sources of the Government's funds. The Government does not specify to GIC the sources of assets placed with it, whether they are encumbered or unencumbered, nor their proportions. The Government's mandate to GIC is to manage assets in a single pool, on an unencumbered basis, with the aim of achieving good long-term real returns. (An explanation of the Government's framework for managing its assets and liabilities is available on the MOF's website.)

GIC's investment approach, aimed at achieving good long-term real returns, is explained in the chapter on 'Managing the Portfolio'.

The GIC Portfolio returns are tapped by the Government for its annual Budget. Under Singapore's Constitution, the Government is allowed to spend up to 50% of the long-term expected real return on the net assets managed by GIC and those owned by the Monetary Authority of Singapore, in its annual Budget. The Government's reserves therefore provide a stream of returns that benefits present and future generations of Singaporeans.

THE PRESIDENT OF SINGAPORE

Since 1991, the Constitution of Singapore has provided for the President of Singapore to be elected directly by Singaporeans every six years and to exercise discretionary powers to protect the reserves not accumulated by a government during its current term of office. Singapore's President is independent of the Government and must not be a member of any political party. This system aims to prevent the government of the day from spending more than what it has earned during its term of office, or drawing on past reserves, without the approval of the President.

GIC is accountable in various key areas to the President of Singapore as a Fifth Schedule company. The Constitution empowers him to obtain information to enable him

to safeguard the country's reserves. No one may be appointed to or removed from the GIC Board without his concurrence. This additional layer of control ensures that the company appoints only people of integrity who are competent and can be trusted to safeguard these assets.

THE GOVERNMENT

An Investment Mandate from the Government to GIC sets out the terms of appointment, investment objectives, investment horizon, risk parameters and investment guidelines for managing the portfolio. In particular, the expectation on the amount of risk GIC can bear is characterised by the Reference Portfolio.

The Government, represented by the Ministry of Finance in its dealings with GIC, neither directs nor influences the company's decisions on individual investments. It holds the GIC Board accountable for the overall portfolio performance.

GIC provides monthly and quarterly reports to the Accountant-General of Singapore. These reports list the financial transactions, as well as the holdings and bank account balances. The reports provide detailed performance and risk analytics, as well as the distribution of the portfolio by asset class, country and currency. Once a year, the management formally meets the Minister for Finance and his officials to report on the risk and performance of the portfolio in the preceding financial year.

GOVERNANCE

THE AUDITOR-GENERAL OF SINGAPORE

The Auditor-General, who is appointed by the President of Singapore, submits an annual report to the President and Parliament on his audit of the Government and other bodies managing public funds.

In addition to being audited by GIC's internal audit, the main companies in the GIC Group and the Government's portfolio managed by GIC are independently audited by the Auditor-General of Singapore.

Other companies in the group and the investment holding companies are audited by public accounting firms.

The GIC Board

The GIC Board is responsible for the GIC's Policy Portfolio which determines its long-term asset allocation strategy and for the overall performance of the portfolio. The Board's involvement in GIC's investment strategies pertains to decisions on the Policy Portfolio, rather than the active strategies managed by GIC Management.

The GIC's asset allocation operates within the risk constraints represented by the Reference Portfolio, as determined by the Government in its mandate to GIC. (See chapter on 'Managing the Portfolio'.)

BOARD COMMITTEES

The GIC Board is supported by the Investment Strategies Committee, Investment Board, Risk Committee, Audit Committee and the Human Resource and Organization Committee.

Investment Strategies Committee

The investment strategies committee reviews and critically evaluates management's recommendations on asset allocation before these are put to GIC Board for decision. The management reports to this committee on the performance of the portfolio. The committee does not decide on specific deals.

Investment Board

The investment board assists the GIC Board in its oversight of GIC's investment processes and its implementation, with particular attention to large individual investments. It is not involved in the asset allocation decisions, which are the responsibility of the GIC Board.

Risk Committee

The risk committee advises the GIC Board on risk matters and provides broad supervision on the effectiveness of risk management policies and practices. It reviews GIC's risk profile as well as significant risk issues arising from operations and investments.

Audit Committee

The audit committee reviews and assesses the adequacy and effectiveness of the system of internal controls, including financial, operational and compliance controls, and risk management policies and procedures. It also supervises and evaluates the effectiveness of the internal audit function. The committee reviews the integrity of the financial reporting process and other related disclosures for GIC companies, significant ethics violations, impact of changes in the regulatory and legal environment, and issues of fraud and financial losses.

Human Resource And Organization Committee

The human resource and organization committee evaluates and approves GIC's compensation policies for the group and senior management, succession planning for key man appointments and oversees organizational development.

GOVERNANCE

INTERNATIONAL ADVISORY BOARD

The international advisory board provides the GIC Board, board committees and management with global and regional perspectives on geopolitical, economic and market developments. It provides advice and perspectives on a range of investment-related matters, in particular, global investment trends, emerging asset classes and new growth opportunities.

BOARDS OF ASSET MANAGEMENT COMPANIES

All three asset management companies – GIC Asset Management, GIC Real Estate and GIC Special Investments – are wholly-owned subsidiaries responsible for investing the portfolio within the guidelines set out in the Investment Mandate to GIC. Their boards oversee investment strategies of the asset classes under management and review operations of the companies within group-wide policies.

GIC MANAGEMENT

The management formulates and executes investment strategies. Once the long-term asset allocation strategy (as set out in its Policy Portfolio) is decided by the GIC Board, the management seeks to add value through an overlay of active, skill-based strategies (i.e. Active Portfolio). The management structure is relatively flat, with clear reporting lines and accountability.

Group Executive Committee

The group executive committee, the highest management body in GIC, brings together the group's functional and investment heads. It deliberates on management proposals for organizational, investment and risk issues before these are submitted to the relevant board committees and the GIC Board. This committee reviews and approves major business, governance and policy issues of significance and criticality to GIC which apply to the entire group. It also oversees organizational management initiatives, business planning and personnel matters including succession planning, talent development, compensation and performance management processes.

Investment Management Committee

The investment management committee assists the group executive committee in the implementation of investment policies and active strategies. It regularly reviews matters related to portfolio management, including rebalancing, portfolio liquidity, capital budget usage, active strategy implementation, risk methodologies, scenarios, stress loss, etc. This committee is expected to monitor the performance and risk of the portfolio, including active strategies, on a monthly basis.

Direct Investment Steering Committee

The direct investment steering committee oversees the strategic plan, progress and pace of direct investments across GIC. It also looks into the development of relationships with investee companies to identify and develop deal opportunities. This committee does not approve investments.

Group Risk Committee

The group risk committee is a platform that provides oversight for the risk management policies and practices for the GIC Group. The committee also acts as a forum for the chief risk officer to solicit views on the strategic risk management issues that would enable him to carry out his duties.

GOVERNANCE

The following chart summarises the accountability of the GIC Board, International Advisory Board and board committees.

		Terms of reference
GIC Board		Responsible for the GIC's Policy Portfolio which determines its long-term asset allocation strategy and for the overall performance of the portfolio. Does not approve individual investments which are the responsibilities of the management.
International Advisory Board		Provides views on market developments generally and, in particular, the medium- to long-term outlook for investment opportunities around the world.
Board Committees	Investment Strategies Committee	Assists the GIC Board in evaluating management's recommendations on asset allocation, and in its oversight of overall portfolio performance. Recommends the key drivers for GIC's return and risk outcomes. Does not approve individual investments.
	Investment Board	Assists the GIC Board in its oversight of GIC's investment process, with particular attention to large individual investments.
	Risk Committee	Oversees the effectiveness of risk management policies and practices in the GIC Group.
	Audit Committee	Looks into the effectiveness of the internal control systems for safeguarding company's assets and client's investment portfolios. Reviews the integrity of the financial reporting process, significant ethics violations, compliance with regulatory and legal requirements, and issues of fraud and financial losses.
	Human Resource and Organization Committee	Oversees organizational matters in GIC, including compensation policies, talent development, succession planning, and organizational development.
GIC Management		Formulates and executes investment strategies. Constructs Active Portfolio, with an overlay of active, skill-based strategies.

G I C B O A R D S A N D B O A R D C O M M I T T E E S

BOARD OF DIRECTORS

Chairman

LEE Hsien Loong

Directors

LIM Hng Kiang

TEO Chee Hean

Tharman SHANMUGARATNAM

HENG Swee Keat

ANG Kong Hua

Peter SEAH Lim Huat

CHEW Choon Seng

Raymond LIM Siang Keat

HSIEH Fu Hua

LOH Boon Chye

Gautam BANERJEE

Suppiah DHANABALAN

LIM Siong Guan

LIM Chow Kiat

INVESTMENT STRATEGIES COMMITTEE

Chairman

Tharman SHANMUGARATNAM

Deputy Chairman

Peter SEAH Lim Huat

Members

LIM Hng Kiang

ANG Kong Hua

HENG Swee Keat

S ISWARAN

Advisors

Dr Martin L LEIBOWITZ

G Leonard BAKER Jr

Knut KJAER

David DENISON

INVESTMENT BOARD

Chairman

ANG Kong Hua

Members

G Leonard BAKER Jr

Léon BRESSLER

David DENISON

HSIEH Fu Hua

CHOO Chiau Beng

[appointed 28 April 2015]

RISK COMMITTEE

Chairman

LIM Hng Kiang

Members

SECK Wai Kwong

Raymond LIM Siang Keat

LOH Boon Chye

Advisor

Dr Martin L LEIBOWITZ

AUDIT COMMITTEE

Chairman

CHEW Choon Seng

Members

Raymond LIM Siang Keat

LOH Boon Chye

Gautam BANERJEE

HUMAN RESOURCE AND ORGANIZATION COMMITTEE

Chairman

Peter SEAH Lim Huat

Members

CHEW Choon Seng

HSIEH Fu Hua

Gautam BANERJEE

INTERNATIONAL ADVISORY BOARD

Chairman

TEO Chee Hean

[appointed 8 April 2015]

Members

G Leonard BAKER Jr

Léon BRESSLER

Dr Martin L LEIBOWITZ

Deepak PAREKH

Knut KJAER

David DENISON

GROUP COMMITTEES

GROUP EXECUTIVE COMMITTEE

Chairmen

LIM Siong Guan

Group President

LIM Chow Kiat

Group Chief Investment Officer

Members

LIM Kee Chong

Deputy Group Chief Investment Officer

Dr Jeffrey JAENSUBHAKIJ

President, Public Markets

GOH Kok Huat

Chief Operating Officer
and President, Real Estate

TAY Lim Hock

President, Private Equity
& Infrastructure

Dr CHIA Tai Tee

Chief Risk Officer

Dr Leslie TEO Eng Sipp

Chief Economist and Director,
Economics & Investment Strategy

INVESTMENT MANAGEMENT COMMITTEE

Chairman

LIM Chow Kiat

Group Chief Investment Officer

Members

Dr CHIA Tai Tee

Chief Risk Officer

Dr Leslie TEO Eng Sipp

Chief Economist and Director,
Economics & Investment Strategy

Dominic LIM Kwang Wei

Director, Risk & Performance
Management

TUNG Siew Hoong

Head, Portfolio Execution Group

Elizabeth CHAU Lai Yin

Head, Treasury & Portfolio Management
Group, Portfolio Execution Group

THAM Chiew Kit

Co-Head, Total Portfolio Strategy,
Economics & Investment Strategy

Sterling GUNN

Co-Head, Total Portfolio Strategy,
Economics & Investment Strategy

DIRECT INVESTMENT STEERING COMMITTEE

Chairman

LIM Chow Kiat

Group Chief Investment Officer

Members

LIM Kee Chong

Deputy Group Chief Investment Officer

Dr Jeffrey JAENSUBHAKIJ

President, Public Markets

GOH Kok Huat

Chief Operating Officer
and President, Real Estate

TAY Lim Hock

President, Private Equity
& Infrastructure

GROUP RISK COMMITTEE

Chairman

Dr CHIA Tai Tee

Chief Risk Officer

Alternate Chairman

Dominic LIM Kwang Wei

Director, Risk & Performance
Management

Members

Dr Leslie TEO Eng Sipp

Chief Economist and Director,
Economics & Investment Strategy

Charles LIM Sing Siong

General Counsel

CHAN Hoe Yin

Director, Finance

Joyce TAN Siew Pheng

Director, Investment Operations

ONG Hian Leong

Director, Technology

KWOK Wai Keong

Global Head, Asset Management
and Co-Head, Asia, Real Estate

John TANG

Global Head, Portfolio, Strategy & Risk
Group, Private Equity & Infrastructure

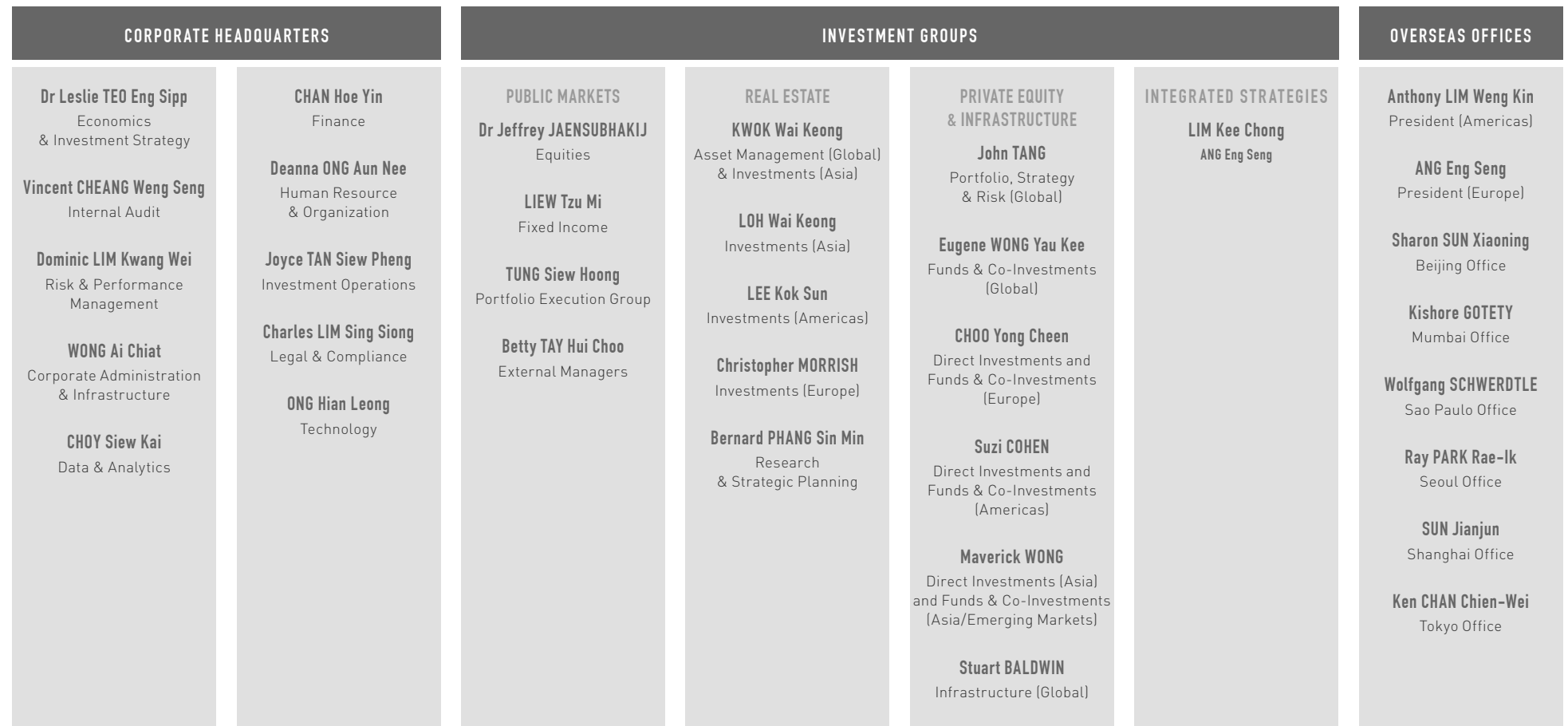
LEONG Wing Kwan

Head, Investment Services Office,
Public Markets

CHOY Siew Kai

Director, Data & Analytics

ORGANIZATIONAL STRUCTURE



EXECUTIVE MANAGEMENT

→ LEFT TO RIGHT:

LIM Siong Guan
Group President

LIM Chow Kiat
Group Chief Investment Officer

LIM Kee Chong
Deputy Group Chief Investment Officer

Dr Jeffrey JAENSUBHAKIJ
President, Public Markets



← RIGHT TO LEFT:

Dr CHIA Tai Tee
Chief Risk Officer

Dr Leslie TEO Eng Sipp
Chief Economist and Director,
Economics & Investment Strategy

GOH Kok Huat
Chief Operating Officer and
President, Real Estate

TAY Lim Hock
President, Private Equity & Infrastructure

PROFILES



LEE Hsien Loong

CHAIRMAN

Lee Hsien Loong has been Prime Minister of Singapore since 2004. Prior to that, he was Deputy Prime Minister with responsibilities for economic and civil service matters. He has also held ministerial appointments in Trade and Industry, Defence and Finance, and chaired the Monetary Authority of Singapore from 1998 to 2004. Before entering politics, he was a Brigadier-General in the Singapore Armed Forces. He studied at Cambridge University and the Harvard Kennedy School, Harvard University.



LIM Hng Kiang

An engineering graduate of Cambridge University, Lim Hng Kiang spent nine years in the Singapore Armed Forces where he held both command and staff positions. In 1985, he earned a master's degree in Public Administration at Harvard University and returned to serve as the deputy secretary in the Defence and National Development ministries before entering politics in 1991. He held Cabinet posts in National Development, Health, Foreign Affairs, Finance and the Prime Minister's Office before his appointment as Minister for Trade and Industry in 2004.

PROFILES



Tharman SHANMUGARATNAM

Tharman Shanmugaratnam has spent his professional and political years in the fields of economic/financial policy and education. He was chief executive of the Monetary Authority of Singapore before he entered politics in 2001. He served as Minister for Education for five years, and has been Minister for Finance since December 2007. He was appointed Deputy Prime Minister in May 2011. He was also appointed Chairman of the International Monetary and he policy steering committee of the IMF, in March 2011. He obtained undergraduate and masters degrees in Economics from the LSE and Cambridge University, and a masters in Public Administration at Harvard University.



TEO Chee Hean

Teo Chee Hean, Deputy Prime Minister of Singapore since 2009, had held cabinet posts in Defence, Education, Finance, Environment and Communications, before his current appointment as the Coordinating Minister for National Security, Minister for Home Affairs, and Minister in charge of the Civil Service. He also oversees the National Population and Talent Division, and the National Climate Change Secretariat. Prior to entering politics in 1992, he was a Rear Admiral in the Singapore Armed Forces. A President's Scholar and a Singapore Armed Forces Scholar, he studied at the University of Manchester. He had a Masters in Computing Science from the Imperial College and a Masters in Public Administration from Harvard University, where he was named a Littauer Fellow.

PROFILES



HENG Swee Keat

Heng Swee Keat was appointed the Minister for Education on 21 May 2011. Prior to that, he was the managing director of the Monetary Authority of Singapore, Permanent Secretary of the Ministry of Trade and Industry, chief executive officer of the Trade Development Board and Principal Private Secretary to the then Senior Minister Lee Kuan Yew. He had also served in various positions in the Singapore Civil Service, and was awarded the Gold Medal in Public Administration and the Meritorious Medal for his contributions to the public service. He has a master's degree in Economics from the Cambridge University and a master's degree in Public Administration from the Harvard University.



ANG Kong Hua

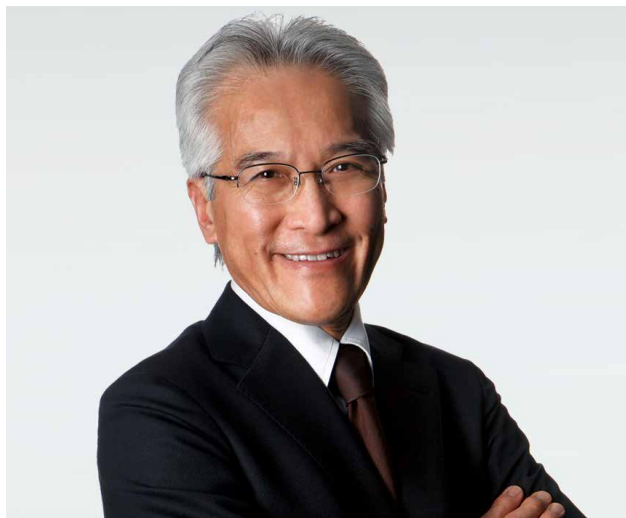
Ang Kong Hua started his career at the Economic Development Board after graduating from the University of Hull in the UK. He joined DBS Bank at its inception in 1968 and pioneered its investment banking division. For 28 years since 1974, he was the CEO of NSL Ltd (formerly NatSteel Ltd) before retiring in 2003 and stayed as its Executive Director till 2010. He currently serves as the Chairman of Sembcorp Industries Ltd. He was formerly Chairman of Global Logistic Properties Limited, Singapore Telecommunications and Singapore Post, Vice Chairman of Neptune Orient Lines Ltd and Director of DBS Bank, CIMC Raffles Offshore (Singapore) Limited and k1 Ventures Limited.

PROFILES



Peter SEAH Lim Huat

Chairman of DBS Group Holdings, Singapore Health Services, LaSelle College of the Arts and National Wages Council, Peter Seah Lim Huat serves on the boards of many commercial enterprises in Singapore and overseas. A graduate of the former University of Singapore, he held several senior positions in his 24-year career with the Overseas Union Bank before retiring as its vice chairman and chief executive officer in 2001. He was president and chief executive officer of the Singapore Technologies Group from 2001 to 2004.



CHEW Choon Seng

Chew Choon Seng has been a member of the board of GIC since January 2004. Until his retirement at the end of 2010, he was the CEO of Singapore Airlines for over seven years. In January 2011, he became the Chairman of the Singapore Exchange, of which he has been director since December 2004, and was also appointed Chairman of the Singapore Tourism Board. An engineer by training, he graduated from the then University of Singapore and from Imperial College, London.

PROFILES



Raymond LIM Siang Keat

Raymond Lim is Chairman of APS Asset Management and Senior Advisor to the Swire Group. He is also a director of several companies including Hong Leong Finance, Raffles Medical Group and Insurance Australia Group. A Member of the Singapore Parliament since 2001. Mr Lim has held various ministerial appointments in the Singapore Government including Foreign Affairs, Trade and Industry, Entrepreneurship, Finance and Transport from December 2001 to May 2011. Prior to entering politics in 2001, he held various senior positions in the financial industry including as a Managing Director of Temasek Holdings, Chief Executive Officer of DBS Securities and Group Chief Economist of ABN AMRO Asia Securities. He is author of "Straight Talk – Reflections on Singapore Politics, Economy and Society."



HSIEH Fu Hua

Hsieh Fu Hua is Chairman of United Overseas Bank Limited, and adviser to PrimePartners Group, which he co-founded. He is also a director of Tiger Airways Holdings Limited. Active in the community, he serves on the boards of a number of non-profit organizations, chairs the National Gallery Singapore, and is President of the National Council of Social Services. From 2003 to 2009, he was CEO and a director of the Singapore Exchange. His career has been in merchant banking and capital markets in Asia. He joined Morgan Grenfell Asia Holdings in 1974, after graduating from the former University of Singapore, and rose to become its chief executive. He was also group managing director of BNP Prime Peregrine Group in Hong Kong, a joint venture Asian investment banking arm of BNP founded by PrimePartners.

PROFILES



LOH Boon Chye

Loh Boon Chye is the CEO of Singapore Exchange. Prior to the appointment, he was the former deputy president for Asia Pacific and head of Asia Pacific Global Markets of Bank of America Merrill Lynch. Additionally, he was the firm's country executive for Singapore and South East Asia and a member of its Asia Pacific Executive Committee.

Before joining Bank of America Merrill Lynch in December 2012, Mr Loh spent 17 years with Deutsche Bank in Asia, where he most recently was head of the Corporate and Investment Banking division for the Asia Pacific region. He began his career in finance as an investment officer with the Monetary Authority of Singapore in 1989. In 1992, he joined the Singapore branch of Morgan Guaranty Trust Co of New York, managing its South East Asia fixed income and derivatives business.

Mr Loh has more than 25 years of experience in the industry and has played a key role in the development of the capital markets in South East Asia, holding a number of senior advisory positions. He was the deputy president of ACI Singapore in 1999, and he was a non-independent director of the Singapore Exchange from 2004 to 2012. He was also council member at the Institute of Banking & Finance Singapore and until recently he chaired the Singapore Foreign Exchange Market Committee.

Mr Loh holds a Bachelor of Engineering degree from the National University of Singapore.

PROFILES



Gautam BANERJEE

Gautam Banerjee joined Blackstone Singapore as Senior Advisor and Chairman on 1 January 2013. On 1 May 2014, he was appointed a Senior Managing Director of Blackstone and co-Chairman of the firm's Asia Operating Committee. In his new role, he brings senior focus and oversight to risk, controls, and governance in Asia for the firm, across offices, businesses and functions. He continues to be a key external ambassador for the firm.

Previously, Mr Banerjee served as Executive Chairman of PricewaterhouseCoopers (PwC) Singapore for nine years until his retirement on 31 December 2012. He spent over 30 years with the firm in various leadership roles in Singapore, India and East Asia.

Mr Banerjee is a Vice Chairman of the Singapore Business Federation and sits on the boards of Singapore Airlines Limited, The Straits Trading Company Limited and Piramal Enterprises Limited. His roles in the not-for-profit sector include being a Member of the Economic Development Board, a Governing Board member of Yale-NUS College, a trustee of the Singapore Indian Development Association (SINDA) and a member of the Singapore Legal Service Commission. He was a Nominated Member of Parliament in Singapore from 2007 to 2009.

Mr Banerjee is a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Singapore Chartered Accountants (ISCA). He has a Bachelor of Science (Honours) degree in Accounting and Financial Analysis from the University of Warwick.

PROFILES



S DHANABALAN

S Dhanabalan is currently Member, Council of Presidential Advisers and Member, Presidential Council for Minority Rights.

He was Chairman of Temasek Holdings (1996–Jul 2013), Chairman of Singapore Airlines (1996–98), Chairman, DBS Group Holdings Ltd (1999–2005) and Director, Government of Singapore Investment Corporation Private Ltd (1981–2005).

Mr Dhanabalan started his career in the Singapore Civil Service in 1960 and later served, from 1961 to 1968, in the Economic Development Board, the government investment promotion agency. He was part of a small group that established the Development Bank of Singapore where he served from 1968 to 1978. He entered politics in 1976 and was a Member of Parliament from 1976 to 1996. While a Member of Parliament, he was Minister for Foreign Affairs (1980–88), Minister for National Development (1987–92) and Minister for Trade and Industry (1992–93). During this period, he was also concurrently Minister for Culture (1981–84) and Minister for Community Development (1985–86).

Mr Dhanabalan received a Bachelor of Arts with Honours in Economics from the University of Malaya, Singapore.



S ISWARAN

S Iswaran, currently the Minister in the Prime Minister's Office and Second Minister for Home Affairs and Trade and Industry, Singapore, began his political career in 1997. Prior to his current appointment in 2011, he had served in both the public and private sectors including the National Trade Union Congress as Director for Special Projects; the Singapore Indian Development Association as CEO; and most recently, Temasek Holdings where he was Managing Director focusing on leveraged buy-outs and high tech/biotech investments.

PROFILES



CHOO Chiau Beng

Choo Chiau Beng was Chief Executive Officer of Keppel Corporation from 1 January 2009 to 31 December 2013. Before that, he was CEO of Keppel FELS from 1983 to 2008 and Chairman & CEO of Keppel Offshore & Marine from 2002 to 2008. He was Executive Director of Keppel Corporation since 1983 and Senior Executive Director since 2005. Upon his retirement on 1 January 2014, he was appointed Senior Advisor to the Board of Keppel Corporation.

Mr Choo was awarded the Colombo Plan Scholarship to study Naval Architecture in the University of Newcastle upon Tyne. He graduated with a Bachelor of Science (First Class Honours) in 1970 and a Master of Science degree in Naval Architecture in 1971. He attended the Programme for Management Development in Harvard Business School in 1982 and is a Member of Wharton Society of Fellows, University of Pennsylvania. He was conferred Doctor of Civil Law by the University of Newcastle upon Tyne in 2009.

Mr Choo is the Chairman of M1 Limited. He sits on the Board of Directors of Keppel Care Foundation Limited and KrisEnergy Ltd.

He is a Board Member of National Research Foundation, Prime Minister's Office and a member of Science and Engineering Research Council Board of A*Star. He is also a board member of Energy Studies Institute, National University of Singapore (NUS); a Board and Council Member of American Bureau of Shipping; the Chairman of Centre for Maritime Studies, NUS and the Council Member of Singapore of ASEAN Council on Petroleum (ASCOPE). He is the Chairman of the Board of Governors of Raffles Institution; a member of Singapore University of Technology and Design's Board of Trustees; a Management Board member of Institute for Engineering Leadership, NUS and a member of the Advisory Board for the Centre for Liveable Cities.

In July 2014, Mr Choo was appointed by NUS as Provost's Chair and Professor (Practice) in the Department of Civil and Environmental Engineering, Faculty of Engineering and Department of Management and Organization, NUS Business School. At the same time, he was also appointed as Rector of Residential College 4 of NUS.

Mr Choo was conferred the Public Service Star Award (BBM) in August 2004, The Meritorious Service Medal in 2008 and NTUC Medal of Commendation (Gold) Award in May 2007.

He is Singapore's Non-Resident Ambassador to Brazil.

PROFILES



SECK Wai Kwong

Seck Wai Kwong joined State Street Bank on 1 Sep 2011 as its executive vice president and Head of Global Services and Global Markets, Asia Pacific. He has held senior executive positions in the Monetary Authority of Singapore, the Government of Singapore Investment Corporation, Lehman Brothers and DBS Bank. Until June 2011, he was the chief financial officer of the Singapore Exchange for eight years. A graduate from Monash University with first class honours in Economics, he has a master's degree in business administration from the Wharton School.



G Leonard BAKER Jr

A partner since 1973 in Sutter Hill Ventures, Silicon Valley's oldest venture capital firm, G Leonard Baker Jr is also a director of a number of early stage companies. He is a trustee of Yale University, chairs Yale's finance committee, and serves on the university's investment committee and the advisory board of the School of Management. He is a board member of the Environmental Defense Fund, serves as an advisor on the David and Lucile Packard Foundation Investment Committee, and is a former member of the Advisory Council of the Stanford Graduate School of Business.

He is also a member of Singapore Ministry of Education's International Academic Advisory Panel, established in 1997 by MOE to advise Singapore's universities on major trends and directions in university education and research. In 2005, he was conferred the Public Service Star Award for his contributions to Singapore in the areas of education and investment management.

PROFILES



Léon BRESSLER

Léon Bressler is a Partner at Perella Weinberg Partners and manages Perella Weinberg Real Estate funds focused on real estate and real estate related opportunities in Europe. Prior to joining Perella Weinberg Partners, he served as Chairman and Chief Executive Officer of Unibail from 1992 through 2006. During this tenure, Unibail became Europe's largest real estate investment trust. He began his career with Chase Manhattan Bank successively in Paris, New York, Stuttgart, Frankfurt and London. In 1978, he joined the Midland Bank Group to participate in the establishment of Midland Bank in France. He was Chairman of the Executive Board of Midland Bank SA from 1984 to 1989. In 1989, he joined the Lanvin Group where he was Chairman and Chief Executive of Jeanne Lanvin and Lanvin Parfums. In 1991, he joined Worms & Cie and remained a Managing Partner until 1996. Mr Bressler is a graduate of the Institut d'Etudes Politiques de Paris and has a degree in Law.



Dr Martin L LEIBOWITZ

A managing director with Morgan Stanley Research's global strategy team, Dr Martin Leibowitz was vice chairman and chief investment officer of TIAACREF from 1995 to 2004. A graduate of the University of Chicago with a PhD from the Courant Institute of New York University, he has received wide recognition for his writings and his contribution to the financial industry. He currently serves on the investment advisory committees of the Harvard Management Corporation, Rockefeller Foundation, Carnegie Foundation, and Institute for Advanced Study.

PROFILES



Deepak PAREKH

Deepak Parekh is chairman of the Housing Development Finance Corporation limited (HDFC) since 1993, having joined the organization in 1978. HDFC is India's leading Financial Services conglomerate with presence in Banking, Asset Management, Life Insurance, General Insurance, Real Estate Venture Fund and Education Loans. He is the Non-Executive Chairman of Glaxo Smithkline Pharmaceuticals and Siemens India. He is also on the boards of Exide, Mahindra & Mahindra, Indian Hotels and international boards of DP World – UAE and Vedanta Plc. In addition, he is also on the Advisory Boards of several Indian corporate and MNC's. He is dubbed as the unofficial crisis consultant of the Government and is a member of various high-powered Advisory Committees and Task Forces.

Some of his most important recognitions are:

- The Padma Bhushan in 2006.
- "Knight in the Order of the Legion of Honour", one of the highest distinction by the French Republic, in 2010.
- First International recipient of the ICAEW Outstanding Achievement Award in 2010.



Knut KJAER

Knut Kjaer is founding partner of Trient Asset Management and chairman of FSN Capital Partners. As Chief Executive Officer of Norges Bank Investment Management from its inception in 1997 to 2008, Kjaer was responsible for the operative management of the Norwegian Government Pension Fund and the management of Norway's foreign reserves. He served as President of RiskMetrics Group Inc from 2009 to 2010. He is a member of the Investment Committee at Stichting Pensioenfonds ABP; the International Advisory Council of China Investment Corporation and the commission that manages the Irish National Pensions Reserve Fund. He holds Masters Degrees in Economics and a degree in Political Science from the University of Oslo. He has attended the Advanced Management Program at Harvard Business School.

PROFILES



David DENISON

David Denison has extensive experience in the financial services industry, most recently serving as President and Chief Executive Officer of the Canada Pension Plan (CPP) Investment Board from 2005 to 2012. He has held senior positions in the investment, consulting and asset management businesses in Canada, the United States and Europe.

Mr Denison is a director of Royal Bank of Canada, BCE Inc., and is chair of the boards of Bentall Kennedy and Bridgepoint Health. He also serves on the World Bank Treasury Expert Advisory Committee and the University of Toronto Investment Advisory Committee. He earned Bachelor degrees in mathematics and education from the University of Toronto and is a Chartered Accountant and a Fellow of the Institute of Chartered Accountants of Ontario.



LIM Siong Guan

Lim Siong Guan, Group President, joined GIC in 2007. He was Chairman of the Economic Development Board from October 2006 to June 2009. A former head of the Singapore Civil Service, he was Permanent Secretary in the ministries of Defence, Education and Finance and the Prime Minister's Office, and led various major government agencies. He has been an adjunct professor at the Lee Kuan Yew School of Public Policy at the National University of Singapore since March 2005, instructing on leadership and change management in the public sector, and is a Senior Fellow of the Civil Service College.

PROFILES



LIM Chow Kiat

Lim Chow Kiat has been GIC's Group Chief Investment Officer since 1 February 2013. After graduating with first class honours in Accountancy from Nanyang Technological University, he joined GIC in 1993 as a portfolio manager. He developed GIC's investment capability in corporate bonds, and was appointed head of the fixed income, currency and commodities department and Deputy President of GIC Asset Management in 2008. He was appointed President (Europe) in 2009, overseeing GIC's investments and relationships in Europe, Africa and the Middle East before his appointment as President of GIC Asset Management in July 2011.



LIM Kee Chong

Lim Kee Chong is GIC's Deputy Group Chief Investment Officer and Director of Integrated Strategies. He joined GIC in 1987. He was appointed Deputy President of GIC Asset Management and the head of global equities in July 2010. He has experience managing Japan equities, European equities, global sector and global equities portfolios. He graduated with an Economics degree from University of Tokyo where he studied under a government scholarship.

PROFILES



Dr Jeffrey JAENSUBHAKIJ

Dr Jeffrey Jaensubhakij was appointed President, GIC Asset Management and Director of Equities on 1 April 2013. Prior to this appointment, he was President (Europe) since 2011 and was responsible for coordinating GIC's investment activities in Europe across public and private asset classes. From 2003 to 2011, he was based in GIC's New York Office where he headed the Total Return Equities and the US Equities teams. Dr Jaensubhakij joined GIC in 1998 as a Senior Economist responsible for covering the US economy. He has also had asset allocation portfolio responsibilities as Co-head of Asset Allocation Strategy in the Economics and Strategy Department. He holds a B.A. in Economics from Cambridge University and a Ph.D. in Economics from Stanford University where his research was on foreign portfolio investment and inflation in emerging stock markets.



TAY Lim Hock

Tay Lim Hock joined GIC Special Investments in 1995, and was involved in private equity investments in Asia. He was the head of the European private equity team in London from 2000 to 2003, and took over as head of the US private equity team in 2003. He became Global Head of the Funds and Co-investment group in 2008, and was appointed Deputy President of GIC Special Investments in July 2010 and President in July 2011. Prior to GIC, he worked as an aeronautical engineer with the Republic of Singapore Air Force after graduating from l'Ecole Nationale de l'Aviation Civile (ENAC) in Toulouse, France, with a Masters in aeronautical engineering. He holds an MBA from Nanyang Technological University in Singapore and has completed the Stanford Executive Program.

PROFILES



Goh Kok Huat

Goh Kok Huat is GIC's Chief Operating Officer and President, Real Estate. Previously, he headed investment management (Asia) in GIC Real Estate and was appointed its Deputy President in July 2010. He joined GIC from Tishman Speyer in New York, where he was Managing Director of equity capital markets. Prior to that, he was with the Ascendas Group where he held various appointments including COO of the Group, CEO of Ascendas-MGM, CEO of Singapore Operations and CEO of Bangalore IT Park. He spent 10 years in the military and is an Economics graduate of Cambridge University.



Dr Leslie Teo Eng Sipp

Dr Leslie Teo started his career as an economist at the International Monetary Fund where he held various appointments over 9 years, including Deputy Division Chief and Assistant to the Director of the Asian Department. He also spent a number of years at the Monetary Authority of Singapore working on financial market surveillance and stability issues. He joined GIC as a senior investment manager in the Economics & Strategy department in 2008. He headed the Asian/Emerging Market Research & Strategy team and served as Deputy Director, before his appointment as Deputy Director of the Economics & Investment Strategy department (EIS). He was appointed Chief Economist in July 2011 and Director of EIS in February 2012. He is a graduate of the University of Chicago and has a PhD from the University of Rochester.

PROFILES



Dr CHIA Tai Tee

Prior to his appointment as the Chief Risk Officer, Dr Chia Tai Tee served as the Deputy Chief Risk Officer and Director of Risk and Performance Management since July 2010. He joined GIC in 1994 and has held various positions in economics and strategy, foreign exchange, and quantitative investments, also as the Deputy Director of investment policy and strategy. He is a member of the People's Association Investment Advisory Committee. He graduated in Economics from University of Adelaide and holds a PhD from Australian National University.

OUR PEOPLE



Headquartered in Singapore,
GIC is a global organization with offices
in 10 cities worldwide
and an international talent pool.

OUR PEOPLE

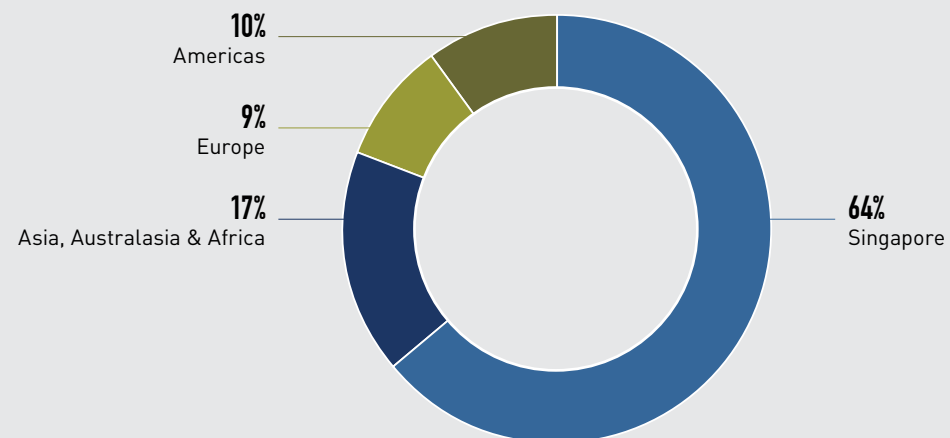
We expect our people always to strive for excellence, to be the best they can be. We regard our people as long-term assets, well-chosen and carefully developed through challenging assignments and periodic training programmes. They have to be comfortable in a global environment of volatility, uncertainty, complexity and ambiguity, always looking for better ways but never compromising on our values and principles.

VALUES AND PRINCIPLES

Our values, encapsulated in the acronym PRIME, are Prudence, Respect, Integrity, Merit and Excellence. Under The GIC Way, we have 14 principles grouped under the three pillars of Clients First, People The Key, and Future Now. They enunciate thought, action and behaviour which we believe will yield us good, sustainable long-term performance.

WHERE OUR EMPLOYEES COME FROM

31 MARCH 2015



OUR PEOPLE

OUR GLOBAL TEAM

We have more than 1200 GICians from over 30 countries. They manage investments in more than 40 countries from our 10 global offices. Singapore is where we have our headquarters while our overseas offices are located in: Beijing, London, Mumbai, New York, São Paulo, San Francisco, Seoul, Shanghai and Tokyo. Singaporeans form the largest group of investment professionals, complemented by talent from markets we invest in. Regardless of role or location, we are OneGIC, a team engaged in the common pursuit of successfully investing Singapore's reserves and securing Singapore's financial future.

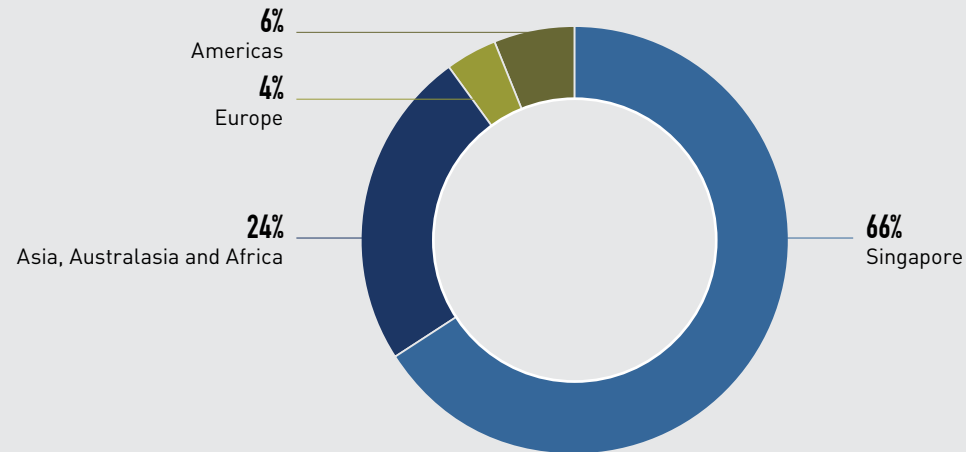
LEADERSHIP CHANGES

GIC's leadership development programmes identify and develop capable leaders across the organization. We need a continuing flow of people who are highly capable and deeply committed to the sustained performance of the company. Six new Managing Directors were appointed in July 2015 – Mr Vincent Cheang, Ms Madeleine Cosgrave, Mr Adam Gallistel, Ms Jennifer Lewis, Mr Eric Wilmes and Mr Maverick Wong.

Managing Directors Mr Chua Lee Ming, Ms Tia Miyamoto and Mr Chan Chun Hong retired from GIC between January 2015 and June 2015. We are deeply grateful for their many years of loyal service and their valuable contributions to GIC.

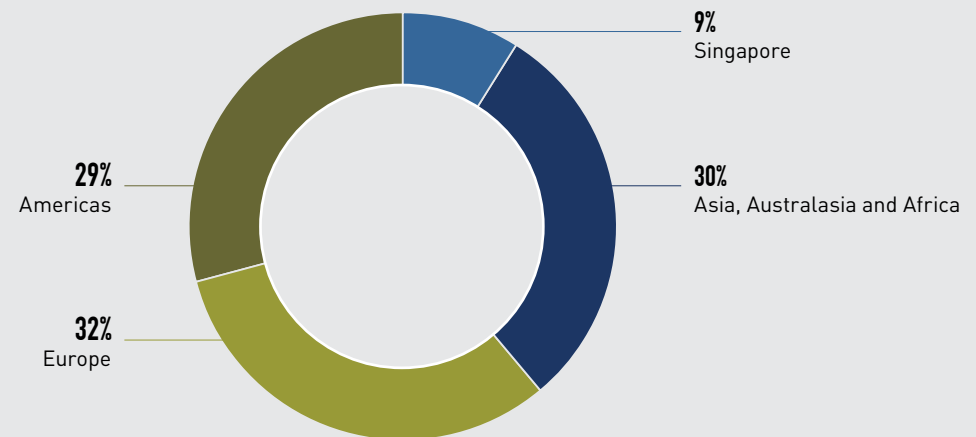
WHERE OUR INVESTMENT PROFESSIONALS IN SINGAPORE (HEADQUARTERS) COME FROM

31 MARCH 2015



WHERE OUR INVESTMENT PROFESSIONALS IN OTHER OFFICES COME FROM

31 MARCH 2015



OUR PEOPLE

OUR ALUMNI NETWORK

We value every opportunity to reconnect with our former staff and keep them updated on developments in GIC. Twice a year, we hold gatherings for our alumni communities in Singapore, New York and London through GIC Connect, our 400-strong global alumni network.

RECRUITING TALENT

Our people operate across multiple geographies and diverse investment sectors. We invite applications from around the globe and from varied academic backgrounds. We are highly selective in whom we recruit because we seek talented individuals who have the drive and energy to excel, the courage to innovate and learn, the analytical ability and resourcefulness to sustain high performance, and the willingness to be team players sharing the corporate mission. Above all, they must have a deep resonance with our PRIME values and The GIC Way.

The GIC Professionals Programme (GPP) recruits recent graduates from around the world for a high-intensity training programme which includes a “boot camp” on the fundamentals of investing, rotations to various

functional areas in GIC, and mentoring by experienced GIC professionals. Graduates of the GPP are deployed to a business area which prepares them for a career in GIC.

We offer internships to promising undergraduates and postgraduate students to provide practical insights into the fund management business, and to consider a possible career with GIC.

Besides our entry level programmes, GIC also recruits seasoned professionals who are experts in their fields of specialisation. The bar for such entrants is high as we see them as self-starters and guides who will add value to existing business capabilities or develop new ones. We look to them to be teachers and mentors to their younger colleagues.

REWARDING AND DEVELOPING OUR PEOPLE

We ensure rewards are aligned with performance and contribution over a period rather than simply over a single year. We also demand that actions and behaviours be consistent with our values and principles.

The GIC School is the hub for our learning and development activities. It works together with our staff to identify training needs, and collaborates with internal and external partners to provide learning solutions. There is a Foundation Programme for every employee grade level, to ensure that all in GIC are clear about the expectations, responsibilities and challenges of their grades and the competencies required. The School helps to institutionalise the knowledge and experience of our people by having in-house subject matter experts deliver practitioner-led workshops on investment and management topics.

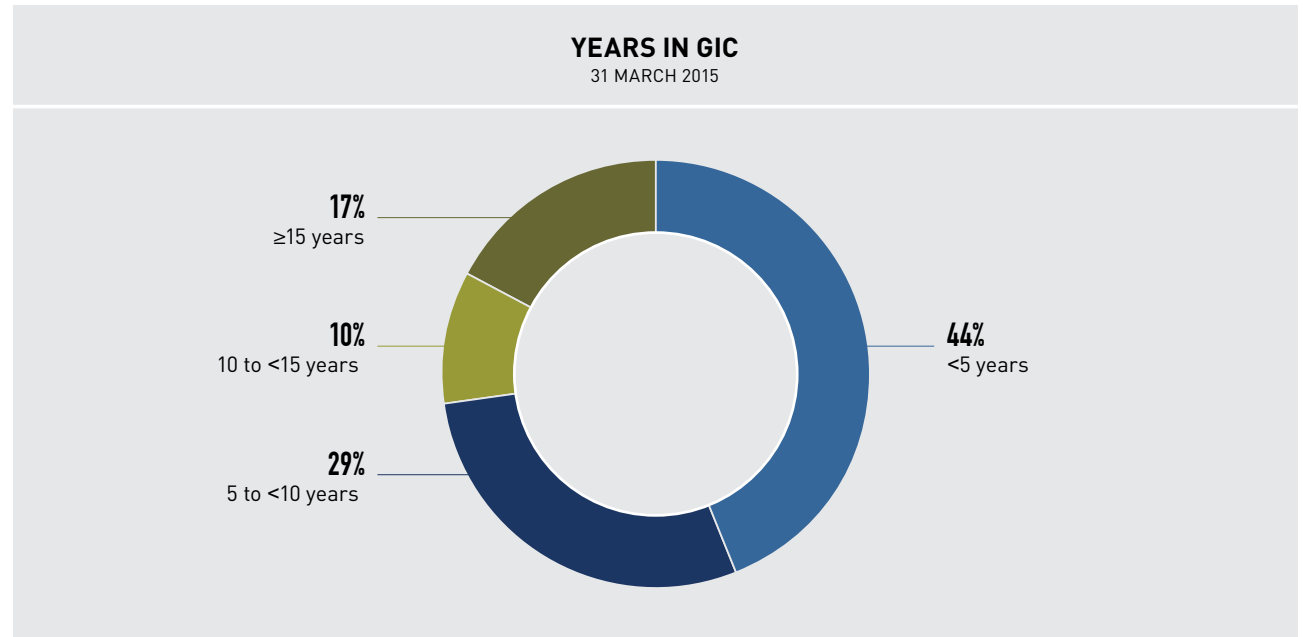
As a large global fund manager investing across asset classes, we offer exceptional development exposure opportunities through attachments with fund managers, postings to overseas offices and rotations to different parts of the business. Our leaders and supervisors take an active role in developing staff by leading learning communities, as well as facilitating workshops and internal case studies.

OUR PEOPLE

TO EMPOWER AND ENGAGE

We believe a culture of enterprise and innovation is critical to our business success. We empower our people to express their creativity in ways that will benefit GIC through an umbrella programme, ACE, which stands for Agile, Creative and Enterprising. ACE covers initiatives that harness the energy and imagination of our people at all levels.

We believe in communicating promptly and openly with our people as we value their feedback and views. Through an array of platforms, we reach out to staff, on a company-wide basis, on important organizational developments, as well as through smaller, specific groups on operational matters.



OUR OFFICES



GIC PRIVATE LIMITED

168 Robinson Road #37-01 Capital Tower Singapore 068912

www.gic.com.sg