



27 September 2010

**GIC RELEASES 'REPORT ON THE MANAGEMENT OF THE  
GOVERNMENT'S PORTFOLIO FOR THE YEAR 2009/10'**

1. The Government of Singapore Investment Corporation Pte Ltd (GIC) has released its annual report on its management of the Singapore government's portfolio for the financial year ending 31 Mar 2010.
2. The report presents the performance of the funds under GIC's management. At end March 2010, the 20-year nominal average rate of return per year was 7.1% in US dollar terms. The real rate of return, in excess of global inflation, was 3.8%.
3. Dr Tony Tan Keng Yam, Deputy Chairman and Executive Director, said: "GIC started to selectively take on more risk from the second quarter of 2009, amidst growing confidence in the economic recovery. I am pleased that the 20-year return of the portfolio has improved. While the global economy is experiencing a rebound, the recovery path beyond this year is subject to significant uncertainties. But with vigilance and foresight, I am confident that GIC will continue to achieve superior and sustainable performance in the coming years."
4. In anticipation of a shifting financial landscape, GIC has completed a comprehensive review of GIC's investment policy examining all aspects of the company's investment process, and decided on some adjustments to its investment policy.
5. First, GIC will continue to increase its investments in the emerging economies, especially in Asia. This is a deliberate progression of a strategy that began in 2003 when GIC focused on emerging market equities as an asset class in its own right. Over the years, GIC has built a strong operating capability in research, asset management and trading for investing across public equities, real estate, private equities and fixed income in the emerging markets.
6. Second, GIC will establish a facility for a medium-term strategy with regard to asset allocation. The policy portfolio is an anchor of GIC's investment process for allocating and rebalancing exposures to the various

asset classes. The medium-term strategy facility will enable GIC management, with the approval of the Board, to make calibrated departures from the policy portfolio. In this way, GIC can respond more flexibly to significant risks or opportunities, which are likely to emerge from time to time in an environment of greater uncertainty.

7. As part of GIC's continuing effort to develop a strong leadership bench, several senior staff appointments took effect on 1 July 2010. Mr Lim Kee Chong, Mr Goh Kok Huat, and Mr Tay Lim Hock were appointed Deputy Presidents of the public markets, real estate and special investments groups respectively. Dr Chia Tai Tee assumed the appointment of Deputy Chief Risk Officer.

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