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## **GIC LAUNCHES “REPORT ON THE MANAGEMENT OF THE GOVERNMENT’S PORTFOLIO FOR THE YEAR 2007/08”**

1. The Government of Singapore Investment Corporation Pte Ltd (GIC) has unveiled its first report describing how it is managed and governed, and how it invests Singapore’s foreign reserves.
2. Titled “Report on the Management of the Government’s Portfolio for the Year 2007/08”, the 48-page document was launched by GIC’s Deputy Chairman and Executive Director, Dr Tony Tan Keng Yam, at a media conference at GIC’s corporate headquarters in Singapore.
3. In the Report, GIC revealed that its nominal annual rate of return over the 20-year period up to 31 March 2008 was 5.8% in Singapore dollar terms, or 7.8% in US dollar terms. GIC’s real return over the same period was 4.5% above global inflation.
4. GIC has also diversified its asset mix over the years, with some 44% of its investments now going into public equities in both developed and emerging markets. Real estate, private equity and other alternatives now make up close to a quarter of total investments.
5. The Report also gave details of GIC’s governance structure, explaining the separate roles and functions of various arms. While the Government, represented by the Ministry of Finance, is the client and fund owner, it is GIC’s Board of Directors who sets asset allocation policy and is accountable to the Government for overall portfolio performance. GIC’s management team has full autonomy to decide on all investment transactions.
6. Calling the unveiling of the Report ‘a significant milestone in GIC’s (27-year) history’, Dr Tan said: “GIC believes such clarity and disclosure will benefit both the Singapore public and the international investment community... With the release of this document, it is hoped that the global community will also appreciate the context and circumstances in which GIC operates, and be assured that GIC has and will always invest for only one purpose – to achieve sustainable financial returns for the Government’s assets.”
7. The Singapore Government, as the owner of the funds managed by GIC, had given GIC its approval to disclose the information contained in the Report. This updated information builds on what is already publicly available on GIC’s website ([www.gic.com.sg](http://www.gic.com.sg)). The entire Report itself, with its six sections, can also be downloaded from the same site as of today.

8. “Going forward, GIC will continue to make appropriate information available as and when it is feasible to do so,” said Dr Tan. “For now, I hope this first Report will give Singaporeans and the international community a better understanding of GIC.”

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