



## News Release

### **GIC delivers steady long-term returns and remains cautious in a low-return, high uncertainty environment**

**SINGAPORE, 10 July 2017** – GIC continues to deliver on its mission to preserve and enhance the long-term international purchasing power of the foreign reserves placed under its management. Over 20 years up to 31 March 2017, the GIC Portfolio’s annualised real rate of return was 3.7% per year. This means that GIC has enhanced the portfolio by an average return of 3.7% above the global inflation rate between April 1997 and March 2017.

Mr Lim Chow Kiat, Chief Executive Officer, explains that GIC has taken a relatively cautious portfolio stance due to a combination of stretched valuations, high policy uncertainty and unresolved economic imbalances.

“We are prepared for a period of protracted uncertainty and low returns. A key part of GIC’s investment strategy in such an environment is to ensure that the GIC Portfolio remains robust across a range of plausible scenarios. This means the portfolio needs to be diversified along multiple dimensions such as asset classes, regions, return drivers and risk thresholds. As a long-term value investor, we remain cautious and recognise that to generate good real returns over time, we have to be prepared for periods of underperformance relative to the market indices, some even for a stretch of several years.”

This year, the GIC Report’s feature article, Investing in a Highly Uncertain Environment, contrasts the environment of heightened uncertainty with apparent investor complacency as judged by current market pricing. GIC’s investment response has been to build a resilient and diversified portfolio to ensure that capital and returns can be best protected over the long term.

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#### **About GIC**

GIC is a leading global investment firm with well over US\$100 billion in assets under management. Established in 1981 to secure the financial future of Singapore, the firm manages Singapore’s foreign reserves. A disciplined long-term value investor, GIC is uniquely positioned for investments across a wide range of asset classes, including real estate, private equity, equities and fixed income. GIC has investments in over 40 countries and has been investing in emerging markets for more than two decades. Headquartered in Singapore, GIC employs over 1,400 people across 10 offices in key financial cities worldwide. For more information about GIC, please visit [www.gic.com.sg](http://www.gic.com.sg).