



29 September 2009

**GIC RELEASES 'REPORT ON THE MANAGEMENT OF THE  
GOVERNMENT'S PORTFOLIO FOR THE YEAR 2008/09'**

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 2009.
2. This is the second year that the company has released such a report. The document details how GIC is governed, its investment approach, and its relationship with the Government of Singapore, which owns the funds that the company manages.
3. The report also presents the performance of the funds under GIC's management. At end March 2009, GIC's portfolio suffered a loss of more than 20% in Singapore dollar terms compared to end March 2008. This loss pulled down the 20-year nominal annual rate of return in Singapore dollar terms from 5.8% to 4.4%. In US dollar terms, the 20-year nominal annual rate of return was 5.7%. The real rate of return, in excess of global inflation, fell from 4.5% to 2.6%. As the global stock markets recovered strongly in recent months, the GIC portfolio has also recovered more than half of last year's loss.
4. Said Dr Tony Tan Keng Yam, Deputy Chairman and Executive Director, 'Like many large institutional investors, GIC's portfolio had been impacted in the severe global downturn of 2008. In recent months, we had recovered a good part of our losses as the markets performed better. But as a long-term oriented investor, we will not be distracted. GIC will remain forward-looking and seize good investment opportunities that will help us achieve our goal of achieving a reasonable rate of return above global inflation over the long term.'
5. Such a long-term orientation and perspective is also reflected in the company's dogged pursuit for organizational excellence that will sustain its performance. Recent key organizational developments include management appointments that will allow GIC to operate more effectively on an integrated basis, and enhanced training for staff at all levels.

6. The comprehensive information contained in the report underscores GIC's commitment as a leading Sovereign Wealth Fund (SWF) to adhere to the Santiago Principles – a set of Generally Accepted Principles and Practices for SWFs – published in October 2008 by the International Working Group of SWFs comprising 23 countries, including Singapore.

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