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**GIC RELEASES 'REPORT ON THE MANAGEMENT OF THE GOVERNMENT'S PORTFOLIO FOR THE YEAR 2010/11'**

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 ended 31 March 2011.
2. The report presents the performance of the funds under GIC's management. At year end March 2011, the 20-year annualised real rate of return, in excess of global inflation, was 3.9%. The 20-year nominal annualised rate of return was 7.2% in US dollar terms.
3. Starting this year, GIC is also publishing the 5-year and 10-year nominal rates of return to provide a sense of the on-going medium-term investment performance, even while GIC maintains its sights on the long term. GIC also included two composite portfolios and volatility statistics to reflect the level of portfolio risk and to offer perspective in reading the 5-year and 10-year figures. The 5-year annualised return in USD terms was 6.3% *net of fees* with a volatility of 12%, while the 10-year annualised return was 7.4% with volatility 10%. These compare against a 5-year annualised return of 5.3% and 4.9% *before fees* for the two composite portfolios, which also had higher volatilities of 13.4% and 15% respectively. For the 10-year annualised return, the figures were 6.5% and 6.3% for the two composite portfolios with volatilities of 11.2% and 12.6% respectively.
4. Mr Lim Siong Guan, GIC's Group President, said: "GIC has been on a steady course of increasing transparency since the release of its first 'Report on the Management of the Government's Portfolio' in September 2008. This year, we have included the 5-year and 10-year nominal rates of return. These provide an intermediate measure of GIC's longer term performance. The 20-year annualised real rate of return remains the key focus for GIC as it is our mission to preserve and enhance the international purchasing power of the reserves."
5. Mr Ng Kok Song, GIC's Group Chief Investment Officer, said: "The 20-year annualised real rate of return for year ended March 2011 has improved from 3.8% of the year ended March 2010 to 3.9% of the year ended March 2011. This is due to the further recovery of equity markets. Although the global financial crisis is now behind us, we still face challenges in the economic and investment environment. The sustainable recovery of the developed economies remains uncertain, while the

emerging economies face challenges in restraining inflationary pressure and currency appreciation. GIC will continue to respond nimbly to this challenging environment and maintain its focus on delivering good long-term investment returns for the Government.”

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