



31 July 2012

GIC RELEASES 'REPORT ON THE MANAGEMENT OF THE GOVERNMENT'S PORTFOLIO FOR THE YEAR 2011/12'

1. The Government of Singapore Investment Corporation Pte Ltd (GIC) releases its annual report on its management of the Singapore Government's portfolio for the financial year ended 31 March 2012.
 2. For the financial year ended March 2012, the 20-year annualised real rate of return was 3.9%, the same as the real rate of return for the previous financial year. This means that GIC has enhanced the Government's portfolio with real returns averaging 3.9% per year, in addition to having protected the portfolio against global inflation.
 3. GIC continues to publish 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. The 5-year annualised return in USD terms was 3.4% net of fees with a volatility of 12.9%, while the 10-year annualised return was 7.6% with a volatility of 10.4%. The returns and volatility statistics are compared against two composite global portfolios to offer perspective in reading the 5-year and 10-year figures.
 4. Mr Ng Kok Song, GIC's Group Chief Investment Officer, says: "Investment returns are likely to be low until the global economy returns to balanced and sustainable growth. Debt-deleveraging in the developed economies will continue to hinder their growth. The emerging economies led by China will have higher and more robust growth but are not yet of a sufficient scale to offset anaemic growth in the developed economies."
 5. Mr Lim Siong Guan, GIC's Group President, says: "This year, our report offers specific insights into GIC's investment considerations. Two feature articles explain how GIC invests with a long-term horizon and how GIC goes about selecting external public market fund managers."
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