A CHANGING GLOBAL INVESTMENT ENVIRONMENT



UNCHARTED POLICY WATERS - HIGH DEBT, LOW INTEREST RATES

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- · LONG-TERM INTEREST RATES ARE AT THEIR LOWEST IN 140 YEARS!
- . THIS ACCELERATED DEBT LEVELS AS:
 - * CORPORATE BORROWING TO RISE FURTHER TO WEATHER ECONOMIC CRISIS
 - * GLOBAL COVID-19 EFFORTS HAVE SPIKED PUBLIC DEBT LEVELS



THESE FUNDAMENTAL SHIFTS MAY BE HARD TO CALIBRATE BACK WHEN THE ECONOMY STABILISES:

THUS RESULTING IN





CENTRAL BANKS ARE BUYING A WIDER RANGE OF ASSETS WITH REDUCED QUALITY OF



EFFECTS ON INVESTMENT MARKETS

MONETARY

* CENTRAL BANKS ARE WILLING TO ACCOMMODATE PERIODS OF

ABOVE - TARGET INFLATION

FISCAL

- * PLAYS A BIGGER ROLE IN STIMULATING THE ECONOMY
 - + GREATER IMPLICITOR COOPERATION WITH MONETARY POLICY

* LOWER-INCOME & CONOMIES AND THOSE RELIANT ON FOREIGN CAPITAL TO BE AFFECTED

RISK OF HIGHER INFLATION IN MEDIUM TERM

- . IF LOW RATES ARE MAINTAINED, ECONOMIES MAY OVERHEAT, PUSHING PRICES UP
- BONDS AND EQUITIES BECOME POSITIVELY CORRELATED, MAKING DIVERSIFICATION HARDER

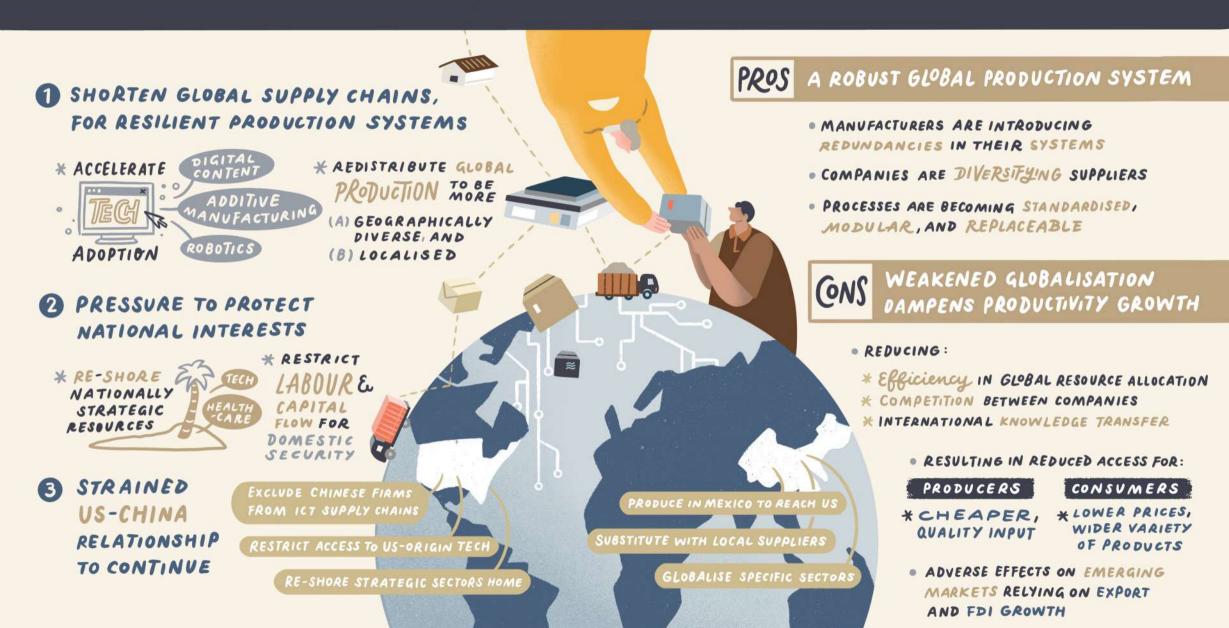
CURRENCY PLAYS ABIGGER ROLE IN ASSET RETURNS

. INCREASING PURCHASES OF DEST AND CAPPING INTEREST RATES MAY LEAD TO CAPITAL FLIGHT AND DEPRECIATING CURRENCIES

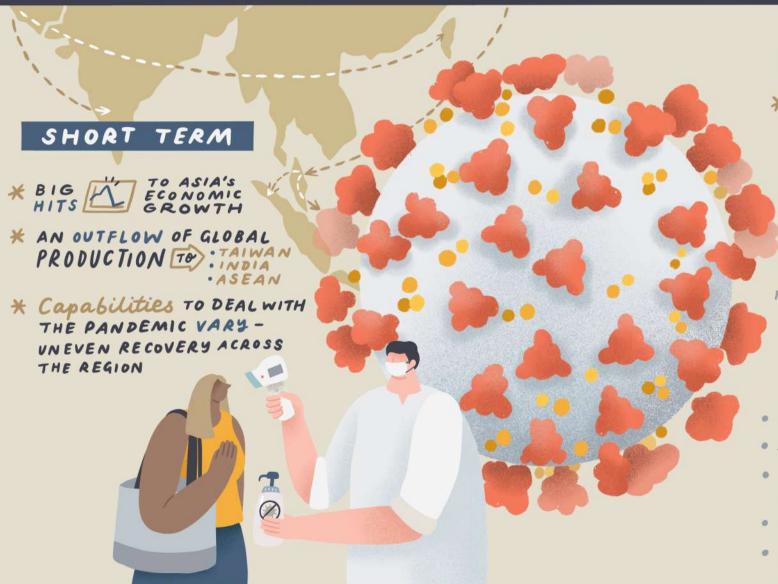




INTENSIFIED HEADWINDS FOR GLOBALISATION



ASIA SEES RISING HEADWINDS, BUT WILL OUTPERFORM OVER THE LONG TERM



MID TO LONG TERM

WILL BRING POSITIVE EXTERNALITIES .



PREPARED FOR



HIGHER LIFE EXPECTANCY



IMPROVED
QUALITY OF LIFE

- * SOLID FUNDAMENTALS, SELF-SUSTAINING GROWTH ACROSS ASIA - INCLUDING CHINA
- . IMPROVE INSTITUTIONS & MACROECONOMIC POLICIES
- · RESOURCEFUL & ADAPTIVE ECONOMIC MODELS
- GROWTH IN URBAN, MIDDLE-INCOME POPULATION
 INVESTMENTS IN INFRASTRUCTURE & HUMAN CAPITAL
- . DEEPER REGIONAL MARKET INTEGRATION
- GOVERNMENTS NEED TO CONTINUE THEIR STRUCTURAL REFORM EFFORTS

INDUSTRY CONSOLIDATION TO INCREASE



GIC'S RESPONSE TO THIS CHANGING ENVIRONMENT

OUR STRATEGY REMAINS DRIVEN BY TWO KEY INVESTMENT PRINCIPLES:

PREPARE, NOT PREDICT

- * WE STRESS-TEST INVESTMENT ASSUMPTIONS & CONSENSUS BELIEFS AGAINST A WIDE RANGE OF ALTERNATIVE SCENARIOS
- * OUR diversified PORTFOLIO CREATES

* WE MUST STAY HUMBLE & LEARNABLE AGAINST AN Unpredictable FUTURE

FOCUS ON THE LONG TERM

- * WE EMPHASISE CORE FUNDAMENTAL TRENDS OVER Transient MARKET SENTIMENTS
- PARTNERSHIPS TO PROVIDE
 FLEXIBLE CAPITAL

WE MUST HAVE A DEEP UNDERSTANDING OF WHO WE ARE, INCLUDING OUR MANDATE, VALUES, RISK CAPACITY CAPABILITIES, AND CONSTRAINTS.

DO OVR BEST TO ACHIEVE STEADY LONG-TERM RETURNS

REFINE OUR PLAYBOOK & PROCESSES

STAY VIGILANT AGILE EU RESILIENT

ADHERE TO CORE VALUES & INVESTMENT PRINCIPLES

CONTAIN RISK AT THE TOTAL PORTFOLIO LEVEL

- * RISK OF PERMANENT PORTFOLIO IMPAIREMENT
 IS ELEVATED DUE TO HIGH ASSET VALUATION AND
 PROFOUND UNCERTAINTIES
- * THUS WE NEED TO EMPHASISE RESILIENCE AND OPTIONALTY IN OUR INVESTMENTS, AND TAKE ADVANTAGE OF MARKET VOLATILITY TO FIND ATTRACTIVE DEALS

MAINTAIN ORGANISATIONAL RESILIENCE

* CONTINUE ROBUST BUSINESS CONTINUITY PLANNING
TO ENSURE OUR GLOBAL OPERATIONS, DIGITAL INFRASTRUCTURE
AND PEOPLE ARE ABLE TO SUSTAIN PERFORMANCE;
ESPECIALLY DURING CHALLENGING TIMES