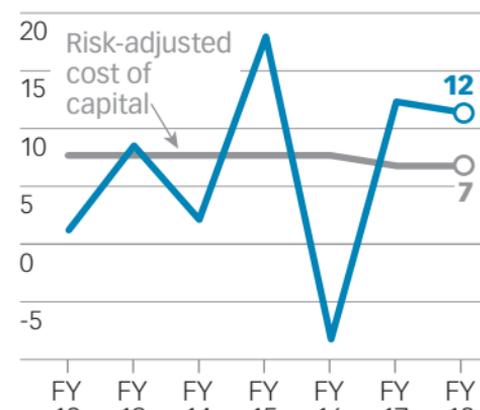


Key takeaways from Temasek's FY18 review

Total shareholder returns (\$\$)

Temasek Holdings posted a 12 per cent return for the year ended March 31, 2018 on a one-year basis as strong equity markets lifted its listed holdings. On a 20-year basis, however, Temasek is still lagging its risk-adjusted cost of capital, the firm's target rate of return.

ONE-YEAR RETURNS (%)



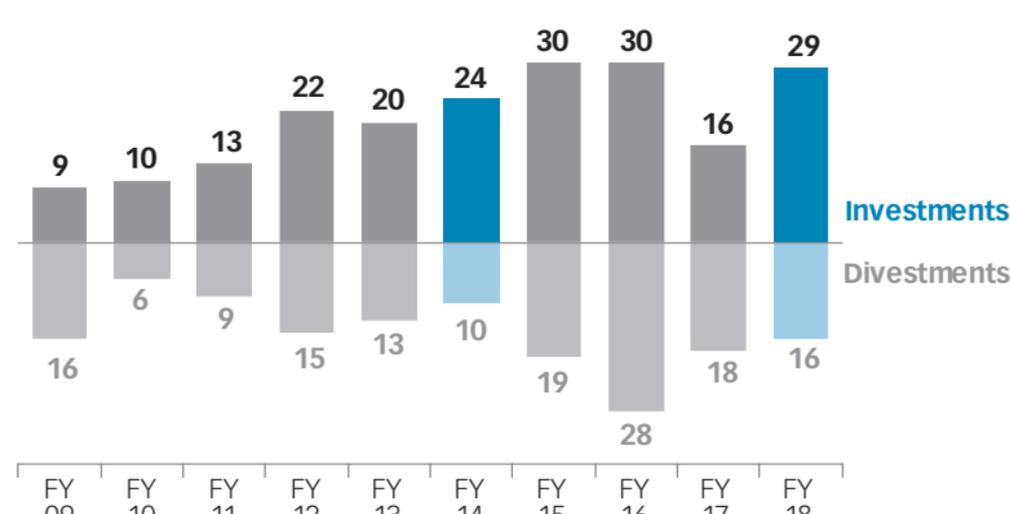
ANNUALISED 20-YEAR ROLLING RETURNS (%)



Investment activity

Temasek's S\$13 billion net investment stance is the widest since FY14, with new investments in the United States and Europe leading the way. Singapore government-owned investment firm has cautioned that it could slow its pace of investment on expectations of moderating global growth.

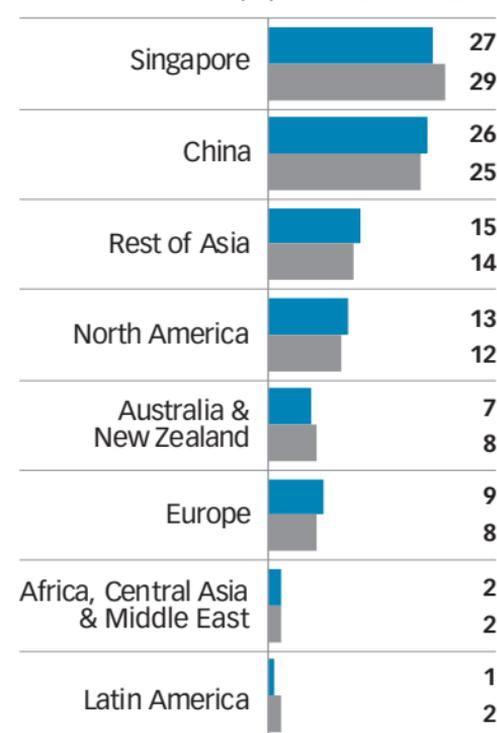
INVESTMENTS AND DIVESTMENTS (\$\$B)



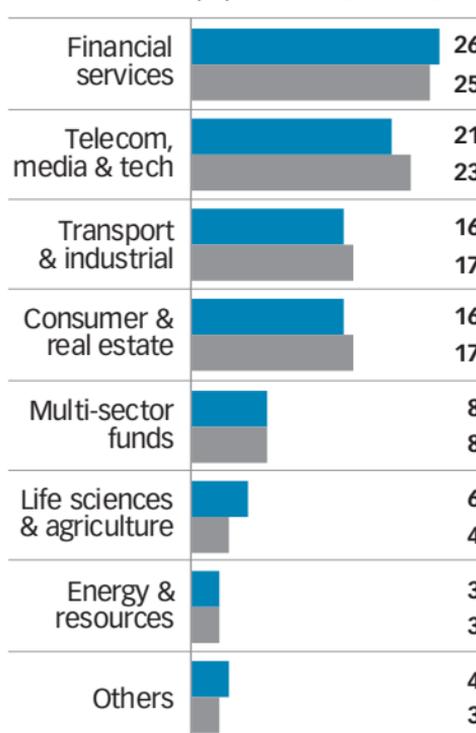
Portfolio distribution

Temasek grew its exposure to the United States and Europe in FY18. In terms of industry, the firm continued to make new investments in the technology, life sciences, agribusiness, non-bank financial services and consumer sectors.

BY GEOGRAPHY (%)



BY INDUSTRY (%)



Economic outlook

In showing potential scenarios for the FY18 and beyond, Temasek highlighted risks from US monetary policy instead of a Eurozone break-up.

POTENTIAL SCENARIOS	DESCRIPTION
Central	Our baseline expectations of growth, reflecting our views of the most likely economic pathway.
China credit	A sharper than anticipated slowdown in growth, as reforms prove too slow to rebalance the economy and address corporate debt-related vulnerabilities. This is a less likely alternate scenario.
Global trade war	Significant increase in trade conflicts among major economies, with substantial escalation in barriers to global trade such as tariffs and retaliatory measures. This is a less likely alternate scenario.
Added: US monetary shock	US Federal Reserve underestimates the run-up in inflation pressures and loses control over the inflation anchor, forcing it to raise rates faster in response. This is a less likely alternate scenario.
Removed: Eurozone breakup	Member state(s) vote to leave the European Union, triggering the breakup of the Eurozone. This is a less likely alternate scenario.