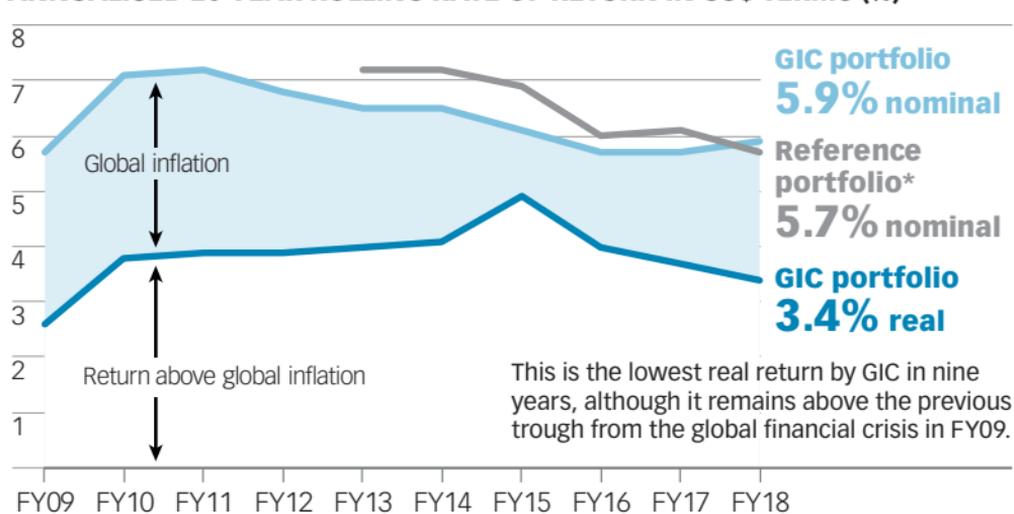


GIC's portfolio

Real 3.4% annualised return is lowest in 9 years

GIC's mission is to achieve "good long-term returns". At the minimum, it must maintain a positive rolling 20-year real rate of return, which means that it is beating inflation and preserving the international purchasing power of the reserves that it manages. Over the long term, GIC is also expected to outperform a risk-based reference portfolio that holds 65 per cent equities and 35 per cent bonds, even though it may lag over shorter periods.

ANNUALISED 20-YEAR ROLLING RATE OF RETURN IN US\$ TERMS (%)

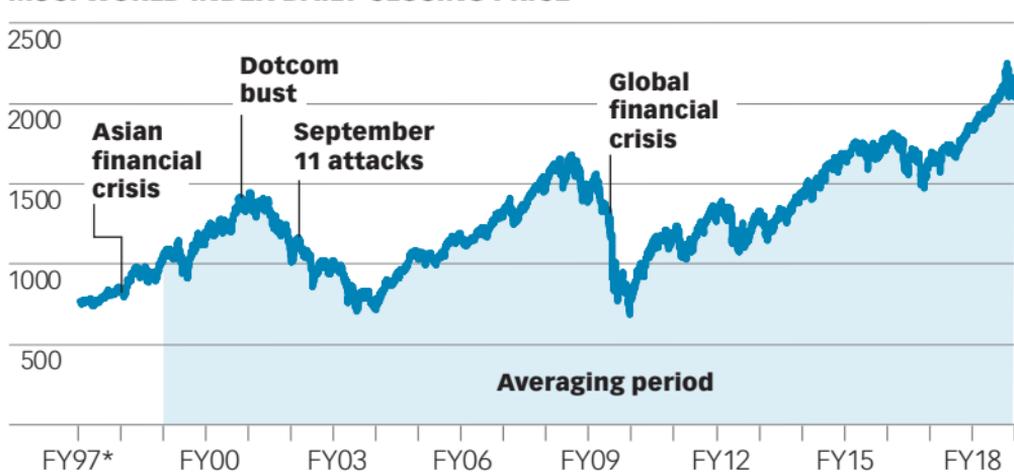


*The reference portfolio, which was only created in 2013, holds 65 per cent global equities and 35 per cent global bonds. Its returns are reported on a gross basis, whereas GIC's actual portfolio returns are reported net of costs and fees.

The rolling effect

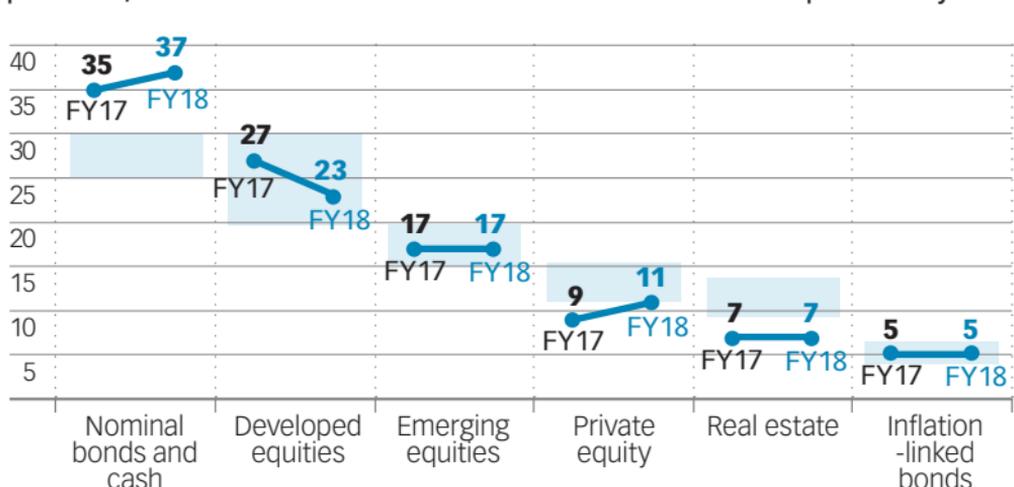
GIC's rolling return reflects a time-weighted average return over the latest 20-year period. This means that market gains at the start of the dotcom bubble are beginning to drop out of the averaging period, while the aftermath of the burst is beginning to weigh more on the rolling average.

MSCI WORLD INDEX DAILY CLOSING PRICE



Growing more conservative

This chart shows how GIC divides its portfolio across asset classes. The shaded bars show the longer-term target allocation range for the portfolio, while the dots show actual allocations over the past two years.



Continental drift

GIC's exposure to the United States has been shrinking since it adopted its current investment framework in fiscal 2014, and is at its lowest level in those five years. Its investment in Japan, on the other hand, has grown steadily over the same period.

