



## Shaping Tomorrow

We stand today at the cusp of dramatic change.  
Tomorrow will be exciting, challenging, and perhaps a little daunting.

We are committed to do well as an investor, determined to do right as an institution  
and inspired to do good as a steward, wherever and whenever we can:

### Investing

in companies and solutions  
for a better, smarter and  
more connected world

### Empowering

our people to deliver  
and make the world  
a better place

### Enabling

our community to  
come together for a  
better life for us all

To shape a better and more sustainable tomorrow for this and future generations.

# TEMASEK

[temasekreview.com.sg](https://www.temasekreview.com.sg)



## Investing for a Better, Smarter and More Connected World

Committed to Do well

As an active investor, we are constantly shaping our portfolio for tomorrow by investing into emerging long term trends.

### Six Global and Secular Trends Changing Business and Society



**LONGER LIFESPANS**  
Markets and industries are developing to meet growing needs as we live longer



**SMARTER SYSTEMS**  
Artificial intelligence and robotics are enabling groundbreaking capabilities



**RISING AFFLUENCE**  
The combination of rising affluence and technology is redefining consumption patterns and attitudes in emerging markets



**SHARING ECONOMY**  
Peer-to-peer networks are promoting more efficient use of resources and greater convenience for businesses and consumers



**SUSTAINABLE LIVING**  
Increasingly eco-conscious solutions will create up to US\$12 trillion<sup>1</sup> of business opportunities by 2030



**MORE CONNECTED WORLD**  
Digital connectivity and solutions are redefining how we communicate and interact around the world

## Acting Today with Tomorrow in Mind

Determined to Do right

As a forward looking institution, the reputation and character of Temasek depend on the values and conduct of our people and institution, as we strive for a better tomorrow.

The DNA of Temasek is rooted in our ethos of integrity, financial discipline and ownership as an investor, institution and trusted steward.



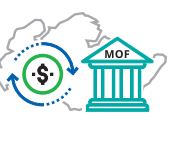
Our Board has a fiduciary duty towards Temasek and is not directed by the President of Singapore or the Government of Singapore.



Our duty under the Singapore Constitution is to safeguard our Company's own past reserves for current and future generations.



**Relating to the President of Singapore**  
We are required to seek the President's approval before drawing on our past reserves.



**Relating to Our Shareholder<sup>2</sup>**  
We declare dividends to our shareholder, according to our dividend policy.



**Relating to Our Portfolio Companies**  
Temasek does not direct our portfolio companies; they are steered by their respective boards.

## Connecting People and Ideas for a Better World

Inspired to Do good

As a trusted steward, we draw our success from the wider community. We contribute back to society through 18 endowments, including the newly added Stewardship Asia Centre Endowment.

Over the decade, our six Foundations have touched over 800,000 lives.

**Temasek Foundation Nurtures**  
The Singapore National Youth Orchestra is helping to nurture young music talents.

**BUILDING PEOPLE**

**Temasek Foundation International**  
Nanyang Technological University is training construction professionals in Thailand to reinforce buildings in earthquake-prone areas.

**REBUILDING LIVES**

**Temasek Foundation Cares**

A 24-hour telecare service, Care Line provides urgent health and social support for vulnerable senior citizens in Singapore.

**BUILDING COMMUNITIES**

**Temasek Foundation Ecosperity**  
Researchers at the National University of Singapore have developed a coating that can reduce relative humidity and improve thermal comfort.

**BUILDING CAPABILITIES**



Scan to learn more about our Temasek Foundations or visit [www.temasekreview.com.sg/touchinglives\\_st](http://www.temasekreview.com.sg/touchinglives_st)

### OUR SIX FOUNDATIONS



### KNOWLEDGE CENTRE



## Shaping Tomorrow

Temasek Review Highlights 2018 as at 31 March 2018

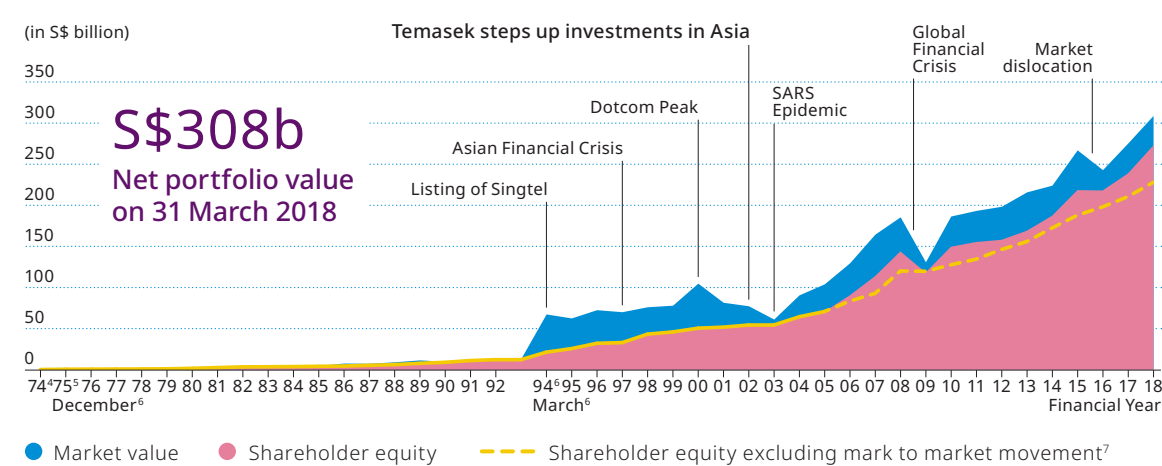
### Building Value for Future Generations

Agility, Alignment and Accountability are our watchwords, as we shape our portfolio for future generations.

Our net portfolio value was a record S\$308 billion, with a two-third underlying exposure to Asia, as at 31 March 2018.

S\$1,000 invested in the trough of the SARS epidemic in 2003 would be worth S\$4,665 in March 2018.<sup>3</sup>

#### Temasek Net Portfolio Value since Inception

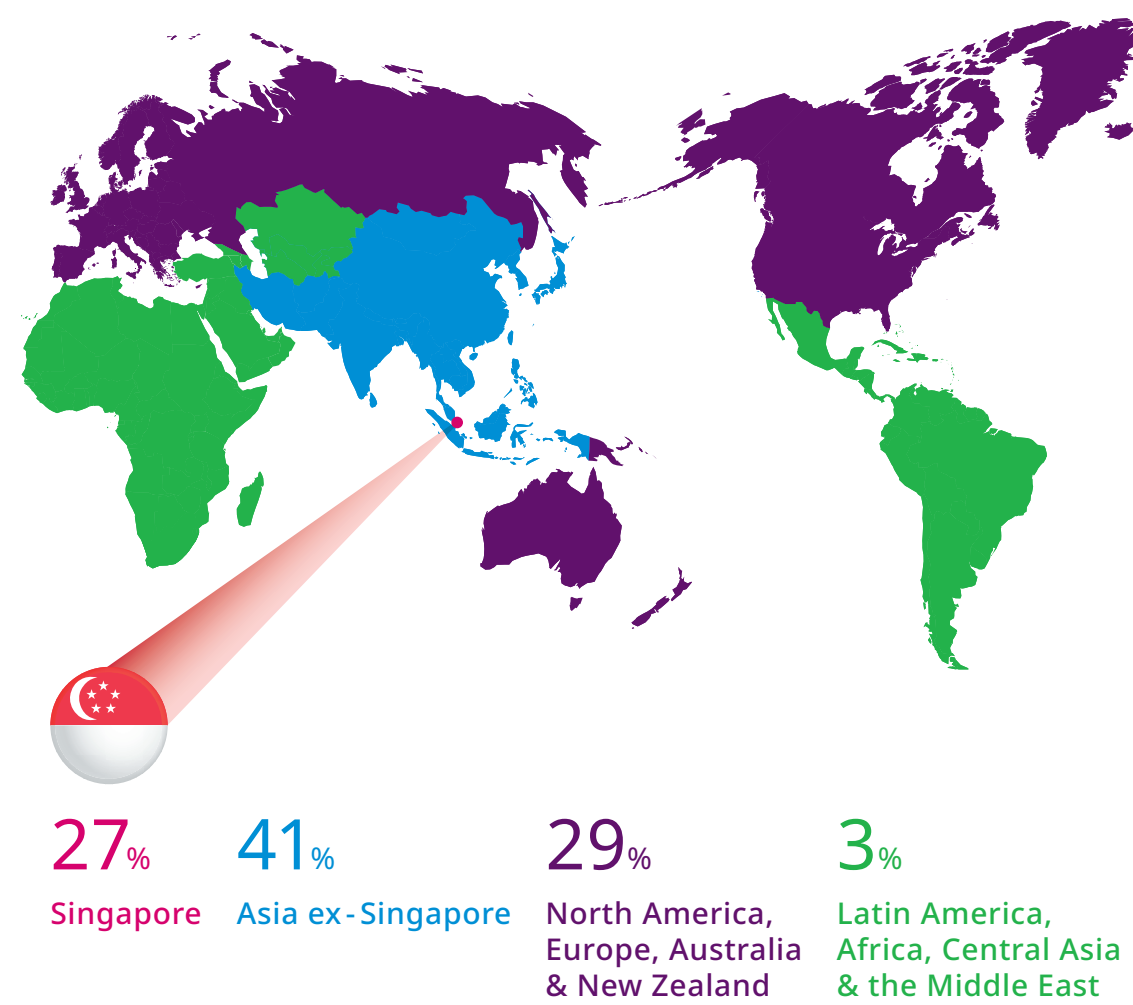


#### Sector<sup>9,10</sup> (%)

Sector	2018	2017	2016
Financial Services	26	25	23
Telecommunications, Media & Technology	21	23	25
Consumer & Real Estate	16	17	17
Transportation & Industrials	16	17	18
Life Sciences & Agribusiness	6	4	4
Energy & Resources	3	3	3
Multi-sector Funds	8	8	7
Others (including Credit)	4	3	3

1 Source: Business and Sustainable Development Commission, *Better Business, Better World*, January 2017. 2 Under the Singapore Minister for Finance (Incorporation Act (Chapter 183), Temasek's shareholder, the Minister for Finance, is a body corporate. 3 Calculated using our Total Shareholder Return (%), which includes dividends paid to our shareholder and excludes capital injections from our shareholder.

#### Global Exposure<sup>8,9</sup>

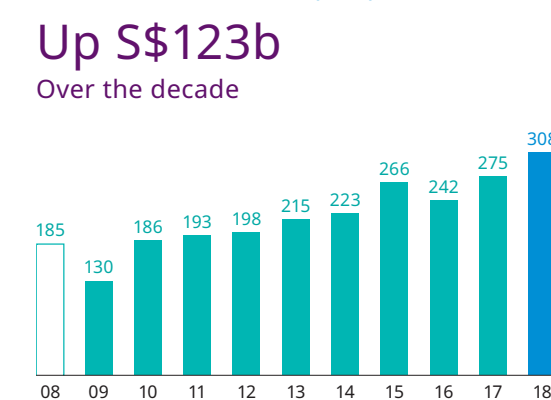


#### Geography<sup>9,10</sup> (%)

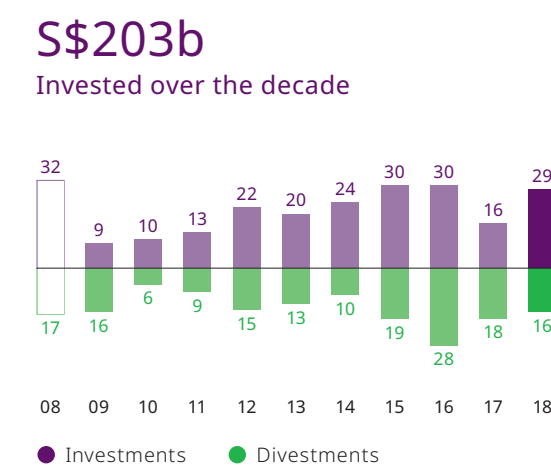
Geography	2018	2017	2016
Singapore	27	29	29
China	26	25	25
Rest of Asia	15	14	15
North America	13	12	10
Europe	9	8	8
Australia & New Zealand	7	8	9
Africa, Central Asia & the Middle East	2	2	2
Latin America	1	2	2

4 Incorporation of Temasek on 25 June 1974. 5 Financial year '75 began on 25 June 1974 and ended 31 December 1975. 6 Financial year-end was changed from 31 December before 1993 to 31 March from 1994 onwards. 7 From the financial year ended 31 March 2006, the accounting standards require sub-20% investments to be marked to market.

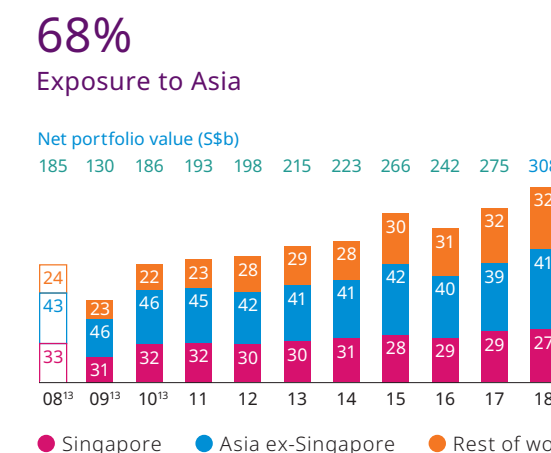
#### Net Portfolio Value<sup>10</sup> (S\$b)



#### Investments & Divestments<sup>12</sup> (S\$b)

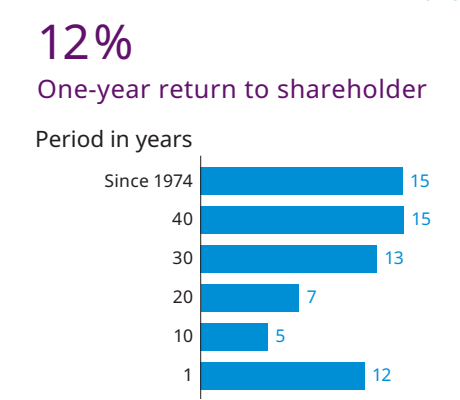


#### Portfolio by Geography<sup>9,10</sup> (%)

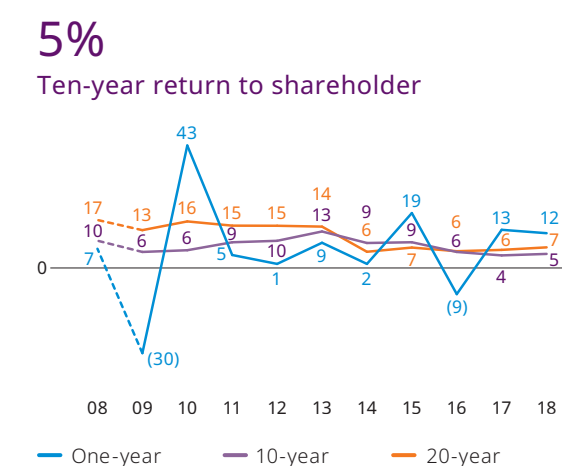


8 As at 31 March 2018. 9 Distribution based on underlying assets. 10 As at 31 March. 11 Exchange rates as at 31 March 2018. 12 For year ended 31 March. 13 Restated on a comparative basis.

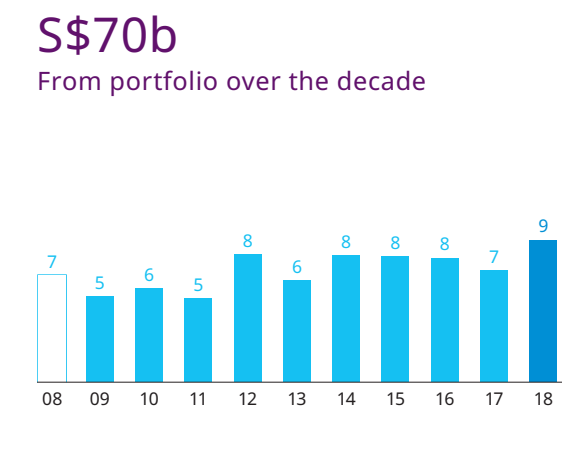
#### S\$ Total Shareholder Return<sup>8</sup> (%)



#### Rolling S\$ Total Shareholder Return<sup>10</sup> (%)



#### Dividend Income<sup>12</sup> (S\$b)



### Our Public Markers

Our *Temasek Review*, Credit Profile, and Temasek Bonds are public markers that anchor our commitment as a robust and disciplined institution.



**Temasek Review** highlights our portfolio and performance.

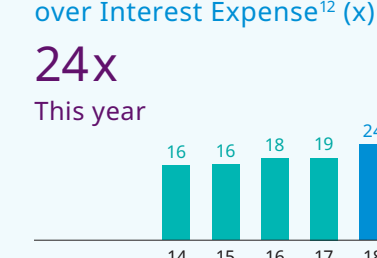


**Temasek's credit ratios** provide a snapshot of our credit quality.

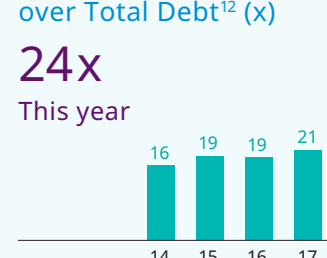


**Temasek Bonds** signal our credit quality via their credit spreads.

#### Dividend Income over Interest Expense<sup>12</sup> (x)



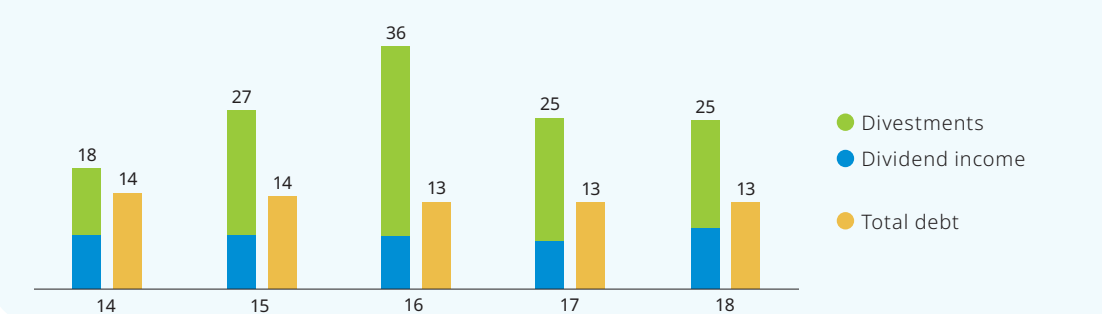
#### Net Portfolio Value over Total Debt<sup>12</sup> (x)



### Instilling Discipline and Balancing Risks

We organise our finances for a resilient but flexible balance sheet. Our funds come primarily from divestment proceeds, dividends, as well as distributions from our portfolio. These are supplemented by our Temasek Bonds and Euro-commercial Paper. We plan proactively for a well distributed debt maturity profile, and ensure that our cash flows can adequately cover our non-discretionary expenses.

#### Key Recurring Income vs Total Debt<sup>12</sup> (S\$b)



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