



Shaping Tomorrow

Temasek Review Highlights 2018 as at 31 March 2018

Delivering Sustainable Value Realising Inclusive Growth

Agility, Alignment and Accountability are our watchwords, as we shape our portfolio steadily for a better, smarter and more connected world.

Our net portfolio value was a record S\$308 billion as at 31 March 2018, up S\$33 billion from a year earlier. Two-thirds of our underlying exposure is to Asia.

Investing for a Sustainable Tomorrow

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

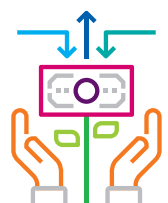
Six Global and Secular Trends Changing Business and Society

Committed to Do well



LONGER LIFESPANS

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



RISING AFFLUENCE

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



SUSTAINABLE LIVING

Increasingly eco-conscious solutions will create up to US\$12 trillion¹ of business opportunities by 2030



SMARTER SYSTEMS

Artificial intelligence and robotics are enabling groundbreaking capabilities



SHARING ECONOMY

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



MORE CONNECTED WORLD

Digital connectivity and solutions are redefining how we communicate and interact around the world

Acting Today with Tomorrow in Mind

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.

Determined to Do right

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.



We do not manage the foreign reserves of Singapore, the budget surpluses of the Singapore Government or Central Provident Fund savings.



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



Relating to Our Shareholder²
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.



Enabling Communities

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.

Inspired to Do good

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



Building human and social capital



Uplifting the underprivileged in Singapore



Facilitating dialogues among people and nations



Fostering learning and growth for our young



Developing innovative solutions to improve lives



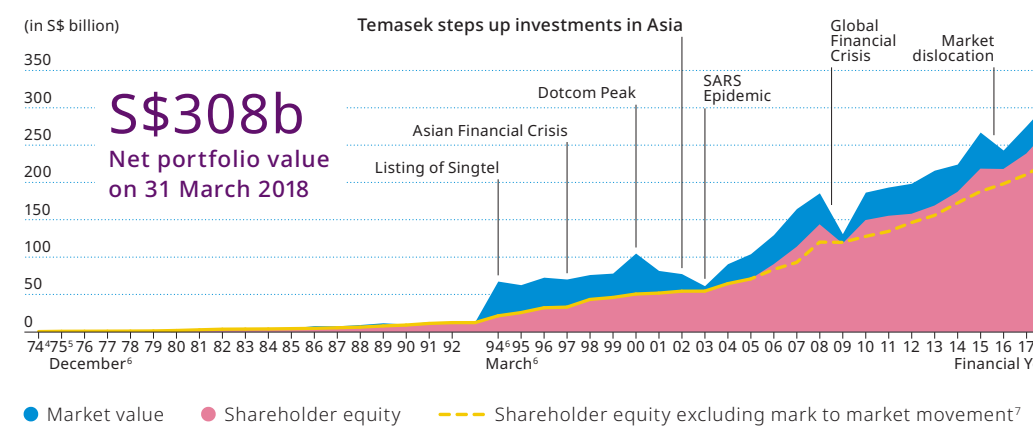
Championing sustainable solutions



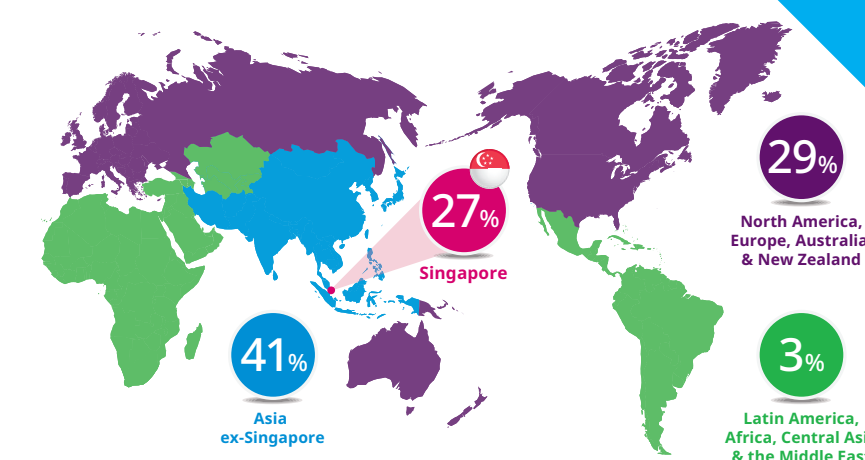
Promoting sound stewardship and good governance

Temasek Net Portfolio Value since Inception

S\$1,000 invested in the trough of the SARS epidemic in 2003 would be worth S\$4,665 in March 2018.³



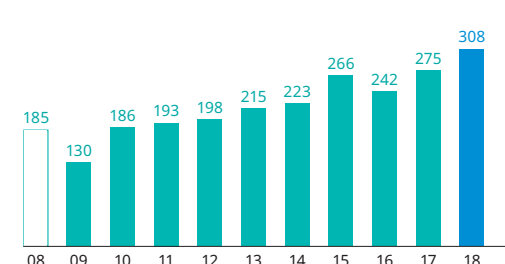
Global Exposure^{9,9}



Performance

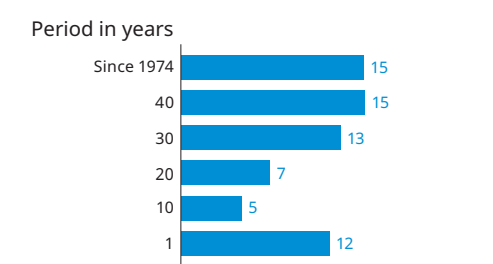
Net Portfolio Value¹⁰ (S\$b)

Up S\$123b Over the decade



S\$ Total Shareholder Return⁸ (%)

12% One-year return to shareholder

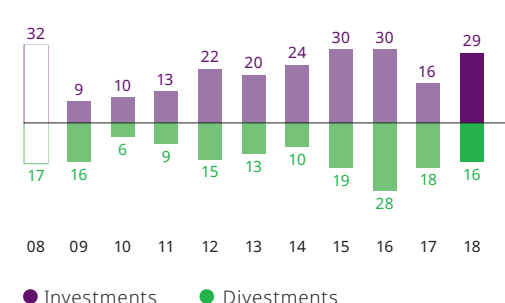


Sector^{9,10} (%)

	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

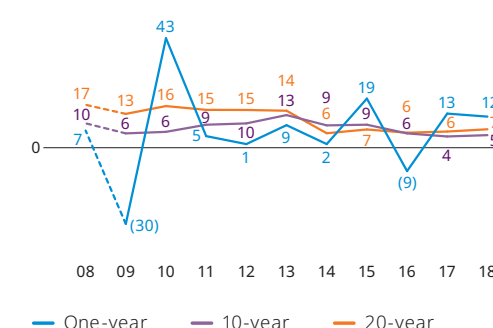
Investments & Divestments¹¹ (S\$b)

S\$203b Invested over the decade



Rolling S\$ Total Shareholder Return¹⁰ (%)

5% Ten-year return to shareholder

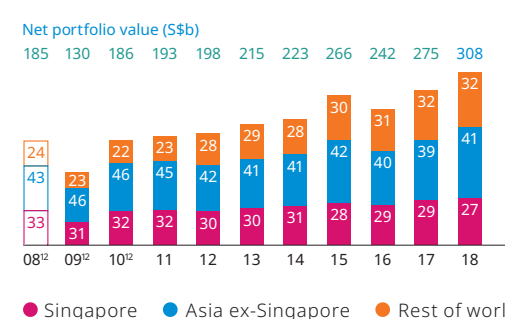


Single Name¹⁰ (%)

	2018	2017	2016
Singapore Telecommunications Limited	9	12	13
DBS Group Holdings Ltd	7	5	5
China Construction Bank Corporation	4	4	4
Rest of portfolio	80	79	78

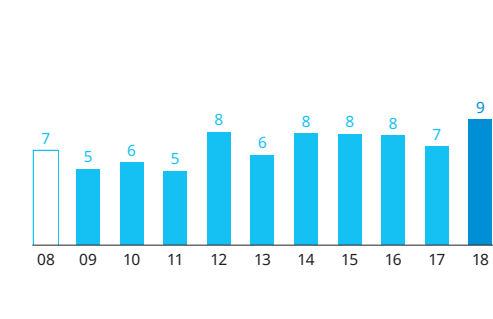
Portfolio by Geography^{9,10} (%)

68% Exposure to Asia



Dividend Income¹¹ (S\$b)

S\$70b From portfolio over the decade



Currency^{10,14} (%)

	2018	2017	2016
Singapore dollars	53	60	58
US dollars	24	19	19
Hong Kong dollars	12	12	13
Korean won	2	-	1
Indian rupees	2	2	2
Others	7	7	7

Liquidity¹⁰ (%)

	2018	2017	2016
Liquid & sub-20% listed assets ¹⁵	36	33	31
Listed large blocs (≥ 20% and < 50% share)	10	9	10
Listed large blocs (≥ 50% share)	15	18	20
Unlisted assets	39	40	39

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.
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.
8 As at 31 March 2018.
9 Distribution based on underlying assets.
10 As at 31 March.
11 For year ended 31 March.
12 Restated on a comparative basis.
13 Exchange rates as at 31 March 2018.
14 Distribution based on currency of denomination.
15 Mainly cash and cash equivalents, and sub-20% listed assets.

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.

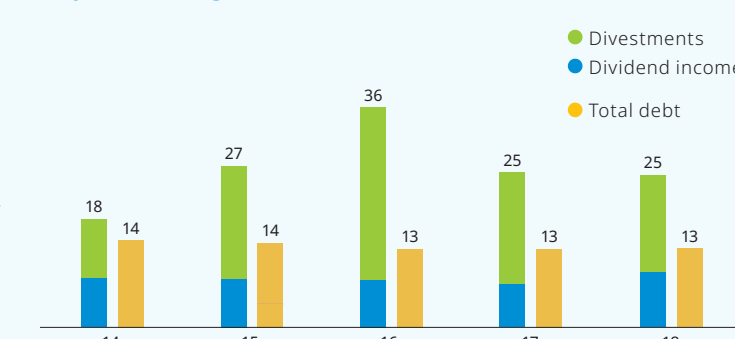
Instilling Discipline and Balancing Risks

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.

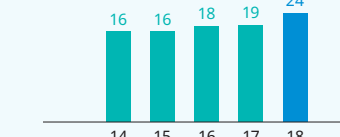
We plan proactively for a well distributed debt maturity profile, and ensure that our cash flows can adequately cover our non-discretionary expenses.

Key Recurring Income vs Total Debt¹¹ (S\$b)



Dividend Income over Interest Expense¹¹ (x)

24x This year



Net Portfolio Value over Total Debt¹¹ (x)

24x This year

