

The past is gone, and therefore cannot be changed.  
The present will disappear in a moment but  
there will always be a tomorrow to be shaped as you wish.

S Rajaratnam, founding Foreign Minister of Singapore.  
Speech at the Opening of the National Youth Conference, 16 July 1982.

## INS & OUTS OF TEMASEK

We own and manage our assets with integrity and courage  
as an active investor, a forward looking institution, and a trusted steward

### OUR SOURCES OF FUNDS

**Divestments**  
Net proceeds from asset sales are a major source of funds for us.  
Our divestments have averaged about S\$18 billion annually over the last five years.

**Dividends & Distributions**  
Our portfolio companies are a source of dividends, while investments in funds distribute their returns mostly in cash.  
Our dividends have averaged S\$8 billion annually over the last five years.

**Bank Borrowings**  
We may borrow from banks to meet specific needs.

**Our Shareholder**  
The Minister for Finance<sup>1</sup>, as our shareholder, may inject fresh capital or assets<sup>2</sup>.

**Debt Instruments**  
Our Temasek Bonds give us access to long term funds while we tap our Euro-commercial Paper for short term needs.

### TEMASEK

### Investments & Associated Costs<sup>3</sup>

We invest into long term trends that contribute to a better, smarter and more connected world.  
In the last five years, our investments have averaged about S\$26 billion every year.



### OUR USE OF FUNDS

### Dividends to Shareholder

We pay dividends to our shareholder, the Minister for Finance<sup>1</sup>, as part of our financial discipline.  
Between 2000 and 2015, up to 50% of our dividends, also known as NII<sup>5</sup>, may be spent by the Singapore Government.  
Such contributions helped fund the 2014 Pioneer Generation Package.

**Taxes**  
We pay taxes<sup>4</sup> in various countries.  
Such taxes help fund public services in the respective jurisdictions or add to their surpluses and reserves.

**Endowments for Communities**  
We invest in our communities, through endowment gifts and donations.



### OUR FUNDS COME MAINLY FROM OUR PORTFOLIO

#### WE DO NOT MANAGE

**Singapore CPF savings**  
**Singapore Government reserves**  
**Singapore foreign reserves**

**NII<sup>5</sup>/NIR<sup>6</sup> Contributions<sup>7</sup>**  
From 2016 onwards, Temasek was moved to the NIR<sup>6</sup> framework.  
Up to half of our expected long term returns, less inflation, may be used by the Singapore Government for budget spending.  
NII/NIR Contributions are now the largest source for budget spending at 18% of the 2018 Government Budget.

Scan to explore Temasek's Ins and Outs or visit [www.temasekreview.com.sg/insandouts\\_sut](http://www.temasekreview.com.sg/insandouts_sut)

1 Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate, which owns shares in companies on behalf of the Singapore Government.  
2 This includes the initial S\$354 million portfolio of 35 companies to form Temasek in 1974.  
3 Associated costs include operating and financing expenses; transaction costs such as due diligence, legal, audit, advisory and other fees; fund management fees for funds; and other business costs.  
4 Temasek pays taxes like any normal profitable company, unlike sovereign wealth funds, which may claim sovereign exemption from taxes.  
5 NII is Net Investment Income comprising actual dividends and interest income.  
6 NIR is Net Investment Returns based on expected long term rate of return from net assets, less inflation.  
7 MAS and GIC have been included in the NIR framework since 2009.

## MAKING A DIFFERENCE

At Temasek, we strive to do well as an investor, do right as an institution, and ultimately do good as a steward for the broader community across generations.

