

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 Finance¹, as our shareholder, may inject fresh capital or assets².

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 Costs³

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 Finance¹, as part of our financial discipline.
Between 2000 and 2015, up to 50% of our dividends, also known as NII⁵, may be spent by the Singapore Government.
Such contributions helped fund the 2014 Pioneer Generation Package.



Taxes
We pay taxes⁴ 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

NII⁵/NIR⁶ Contributions⁷
From 2016 onwards, Temasek was moved to the NIR⁶ 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.

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.

Scan to explore Temasek's Ins and Outs or visit www.temasekreview.com.sg/insandouts_sut

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.

