

2ND QUARTER 2003 PERFORMANCE AND RISK MONITORING REPORT

For CPFIS-Included Unit Trusts & Investment-Linked Insurance Products



August 4, 2003
Standard & Poor's Fund Services Asia

STANDARD
& POOR'S
Fund Services

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Standard & Poor's Fund Services Asia has been appointed by the Funds Performance Tracking Committee (FPTC), delegatee of the Central Provident Fund Board (CPF) Board, to monitor the performance of all unit trusts and investment-linked insurance products (ILPs) included under the CPF Investment Scheme (CPFIS). This report documents the findings of Standard & Poor's Fund Services for the period ending June 30, 2003 (Q2 2003).

UPDATES ON CPFIS-INCLUDED FUNDS

The number of funds included under the CPFIS has again increased over the past quarter. Below are some summary statistics:

- **Total Number of CPFIS-Included Funds:** As at June 30, 2003, there are altogether 234 unit trusts and 165 investment-linked insurance products (ILPs) included under the CPF Investment Scheme.
- **New Products:** 8 new Unit Trusts and 2 new ILPs have been added to the CPFIS in Q2.
- **De-listed Products:** 1 ILP from the CPFIS, namely AXA Europe Preservation Growth Fund, was closed.
- **Management Group Updates:**
 - OUBAM has terminated their Fund Management Company status under CPFIS on April 1, 2003. With the termination, all the Fund Management Accounts under OUBAM have been transferred to UOBAM.
 - APS Asset Management has been included under CPFIS on May 20, 2003.

1. Equities

Around the World

Sentiment for global equities received a boost in the second quarter with the ending of the Iraqi War and the continued reduction in global interest rates. Pent-up demand for goods was somewhat released with improved orders seen at semiconductor companies leading to a rebound in the share prices of technology issues. This improved outlook coupled with increased appetite for higher beta stocks as bond investors switched to equities, helped turn Q2 into a highly profitably one for equity investors. The S&P 500 rose 14.9% while the Frankfurt Dax, one of the top performing markets in Q2, jumped 32.9%.

In Asia

In keeping with the global trend, Asian markets saw solid gains during the second quarter. SARS, which dogged first quarter performance, proved to be a disease that is relatively quick to contain, and with the economic impact most likely smaller than expected, Asian bourses that had been hard hit by SARS saw decent rebounds. In Hong Kong, the Hang Seng Index rose 10.9% while in Singapore, the STI gained 14.2%. These moves reversed first quarter losses of 7.4% and 5.5% respectively. In contrast, the China exchanges – Shanghai A and B – recorded respective losses of 1.5% and 8.3% after having been in positive territory in the first quarter.

Korea's KOSPI, following two quarters of declines, rebounded 25.1%. Taiwan's TSE, in keeping with the gains seen in technology issues, saw its value rise by 12.7%. One of the best-performing regions remains to be South East Asia with the TIP markets adding to their upswing: Thailand's SET, Indonesia's JCI and the Philippine's Comp rose by 26.7%, 27.0% and 17.6% respectively. The three markets continued their good performance from the first quarter as market reforms and business restructures gain momentum. In addition, investors' improved risk appetite helped whisk up additional interest for the SET, Philippines Comp and JCI. In contrast, Malaysia's KLCI eked out an 8.8% increase as valuations for index components were relatively less attractive with the KLCI having fallen less than its regional counterparts.

Despite lacklustre economic data, Japan's Topix gained 14.6%, pulled up by technology issues. However, the performance of Australia's resource sector-laden S&P ASX 200, merely up 4.9% in the second quarter, reflected investors' move away from defensive issues.

Q2 performance of major equity markets around the world can be found on the following page.

Overview of Global Equity Markets' Performance

Indices	Mar 31, 2003	Jun 30, 2003	Chg
DJIA	7,992.13	8,985.44	12.4%
S&P 500	848.18	974.50	14.9%
FTSE 100	3,613.30	4,031.20	11.6%
DAX	2,423.87	3,220.58	32.9%
Topix	788.00	903.44	14.6%
Hang Seng	8,634.45	9,577.12	10.9%
S&P/ASX 200	2,885.20	3,025.80	4.9%
Shanghai A	1,579.80	1,555.91	-1.5%
Shanghai B	122.47	112.30	-8.3%
Twn Stk Exchg	4,321.22	4,872.15	12.7%
KOSPI	535.70	669.93	25.1%
STI	1,267.82	1,447.89	14.2%
SET	364.55	461.82	26.7%
KLCI	635.72	691.96	8.8%
Jkt Comp	398.00	505.50	27.0%
Philip Comp	1,039.67	1,222.80	17.6%

For more research and analysis on Asian equity markets, please refer to Standard & Poor's Equity Research's Asian website at www.ams.standardandpoors.com.

2. Bonds

Around the World

The first part of the quarter saw the global bond market experience a mad dash for yield, with investors searching frantically for higher returns in such a low interest rate environment and willing to take more risk in order to earn it. This caused a tightening in the spread between the yield offered by government and the higher yields offered by corporate or emerging market bonds. In the US, Europe, and Asia, companies and even countries rushed to satisfy this craving by selling bonds in order to lock in lower absolute interest rates over the longer term than is offered in the bank loan market.

With the war in Iraq priced into bonds in late-March, overall yields of safe-haven US government bonds remained fairly stable throughout April. The Federal Reserve then raised the spectre of deflation on May 6 when it maintained its key Fed Funds rate at 1.25% but switched to an easing bias on concerns that the US economy was sputtering while inflation slowed to just 1.5% in April on an annual basis and unemployment continued to creep higher. The bond market was ecstatic, as this trod on inflation expectations, which drive long-term rates, causing an immense rally across the entire spectrum of bonds. At the short end, interest rates fell as the Fed left the door open to further rate cuts should it be necessary to combat deflation. The strength of the bond rally resonated in mid-May with its ability to shrug off a record \$58 billion debt of Treasury refunding.

The expectation for yet another rate cut at the June 24 FOMC meeting, some players expecting even 50bps as an anaemic recovery was on hand, stoked demand for bonds even further. Thus, when the FOMC announced a 25bp cut to 1.0%, market reaction was decidedly disappointment. Treasury bonds experienced a sharp sell-off, with rise in yields wiping out most of June's gains. Bond yields had already slipped the week before as the deflation argument was dented by the release of May CPI data which came in flat rather than showing a decline as was expected. The 2yr closed at 1.30%, down 18bps for the quarter, while 5yr Treasury bond ended at 2.41%, down 30bps and the 10yr at 3.51%, down from 3.80%. 30yr bonds had also moved up from historic lows, closing at 4.56%, still 26bps lower than at the start of the quarter, and 22bps lower than the start of the year.

JP Morgan Global Government Bond Index, made up of G7 and 7 other European countries rose 3.9% in the second quarter. Significantly more rewarding was the Emerging Markets Global Bond Index, up 10.1% in the 2nd quarter, on top of 6.6% in the 1st. The strong performance by emerging market bonds was due to the search for yield, benefiting Latin American, Eastern European and Asian debt. Weakness in the USD, particularly in April and May, also spurred interest as this made it easier for emerging market countries to service their foreign held bonds, which are usually in USD.

In Europe, the European Central Bank cut borrowing rates 50bps to 2.0% on June 5, the lowest since 1948, in an effort to jumpstart the moribund economies of Euro-countries, to prevent the possibility of deflation and also stem the strength of the euro. The Euro zone has clocked slower growth than the US, compounded by high unemployment and inflation coming close to zero in some of the 12 countries that make up the EU. Several countries are also running deficits which breach the European Union limit of 3% of GDP, hamstringing

their efforts to stimulate their economies fiscally. European bonds have performed well due to these factors, German 10yr Bunds hitting a low yield of 3.46% on June 13 before ending the 2nd quarter at 3.80%, down 24bps. France 10yr OATS ended at 3.85% for Q2, having begun at 4.12%.

Latin American bonds were big benefactors in the search for yield, booking returns of 23% in the first half of the year. Brazil bonds soared 40% in the same time span as markets pegged their hopes on new President Lula da Silva's reform proposals to bolster the economy by overhauling the social security system later this year. However, just before the end of the quarter, profit-taking sapped a portion of returns as investors took their money out with the outlook for the US economy beginning to brighten and potential for further gains in Latam bonds appears limited.

In Asia

The Korean bond market made strong gains as economic growth slowed, consumers trimming spending due to excessive credit card debt and unemployment on the rise and also by ongoing tensions with North Korea. Growth expectations were also hit by the possibility of a decline in exports due to the country's dependence on economies hit by the SARS virus, particularly China. The central bank cut its overnight rate by 25bps to 4.0% on May 13, which further sparked a rally in the bond market and a steady decline in yields, with the 3yr Treasury ending at 4.16%, down from 4.62% at the end of Q1.

The Singapore bond market took its cue from falling US Treasury yields and fears of deflation to fall to historic lows on May 19, with the 5yr Treasury hitting 1.27% while the 10yr was at 1.79%. However, the market soon saw reason for taking profits as the deflation story would not hold in Singapore, causing yields to back up, 5yr Treasuries ending just 7bps lower for the quarter at 1.41% while the 10yr actually rose 23bps to 2.28%, the curve steepening back to +154bps.

The S&P downgrade for the Philippines to BB from BB+ on April 24 caused a knee jerk reaction in its sovereign bonds but they quickly recovered as it had long been expected. Indonesia received an upgrade to B- from CCC+ by S&P, which had also been expected, based on the diminished likelihood that the government will seek further debt restructuring as both fiscal and external positions have improved.

The JGB market started the April-June quarter firmer. Fresh investment money started to flow into the market at the start of Japan's new fiscal year. On the back of geopolitical risks and concerns about continuous deflation at home, Japanese stock markets kept falling in April, and the Nikkei 225 stock index hit its fresh post-bubble low of 7603.76 on April 28. Institutional investors accelerated shifting their funds from stocks to bonds. On April 30, the Bank of Japan decided on additional monetary easing by raising the target for daily liquidity held by private-sector banks at the Bank of Japan to a range of Y22-27 trillion from Y17-22 trillion. The benchmark 10y JGB yield declined to near 0.60% on the decision.

On May 17, Resona Holdings, which owns Japan's fifth largest bank, Resona Bank, applied to the government for public capital injection as the bank's holding company found it difficult to maintain the minimum required capital adequacy ratio of 4%. The JGB market fell on the news, due to the fear that a banking system crisis could reemerge. However, since the government quickly decided to inject about Y2 trillion of capital into Resona, the JGB market soon recovered. On May 20, the Bank of Japan announced additional monetary easing, raising the daily liquidity target to a range of Y27-30 trillion. Awash with extra liquidity, the 10y JGB yield fell to 0.50% by early June. Bullish sentiment was strengthened by the expectation for further rate cuts in the U.S. On June 11, the 10y JGB yield hit a new historical low of 0.43%.

However, the bullish mood changed in the middle of June. The US Treasuries market started to decline on profit taking, and deepened its correction despite a 25bp rate cut by the Fed on June 25. Japanese investors, who were also big holders of US bonds, started to lock in profits with JGBs as well. At the same time, Japan's economic data beat expectations, strengthening the view that the negative impact of the war in Iraq and SARS virus on the Japanese economy was much smaller than initially thought. Japanese stock markets rallied. The 10y JGB yield surged to around 0.85% by June 30, as investors believed the risk of further deflation risk would recede for the near term.

3. Currency

Around the World

The currency markets have seen a change in sentiment develop since the Fed cut rates on June 25. The market concluded that this would be the last cut in the cycle, with an eye on improving growth prospects. The high yielding currencies, including AUD, CAD, GBP and even EUR, where cash has been parked during the bear market, have since then seen a dramatic pull back. The market's attention has turned to currencies set to benefit most from a shift out of cash and bonds into equities, notably the USD and the JPY.

EUR-USD started the quarter around 1.0900, and despite the end of the Iraqi war, continued to strengthen. The new US Treasury Secretary, John Snow, gave the green light to further dollar weakness, by fudging his definition of a 'strong dollar policy'. In contrast, European policy makers appeared untroubled by EUR strength. This encouraged the market to take the EUR-USD as high as 1.1935 at the end of May, breaking above the Jan '99 single currency launch level. The subsequent global liquidation in bonds has seen the EUR pull back sharply against both the USD and the JPY. Japanese investors were considered particularly exposed to European bonds, which has seen EUR-JPY collapse nearly 6% since repatriation flows began in earnest, in the week of Jun 16. The ECB finally cut rates on June 5, by 50 bps. Since then ECB officials have played down prospects of further cuts.

USD-JPY started the quarter around 118.00 and has generally traded in a 115 – 120 range. Despite running a current account surplus of around \$10 bln a month and seeing a huge upswing in capital inflows, the JPY has not been able to strengthen significantly due to persistent intervention by the Bank of Japan including an incredible \$33 bln in May alone. The June Tanked survey saw the headline DI for large manufacturers improve somewhat, to -5 from -10, while there was an eye-catching improvement in Capex. Renewed optimism over the economy together with the impressive rally in the Nikkei since March, resulted in consistent net equity inflows over the last few weeks. Meanwhile, Ministry of Finance's data indicated that net bond repatriation flows exceeded \$25 bln in the 4 weeks to July 11. However, downward pressure on USD-JPY has so far been outgunned by official buying from the BoJ. The market speculates whether the MoF will tolerate a stronger JPY if the Japanese economy truly picks up. However, more recently, tension in North Korea has added some risk to being long JPY.

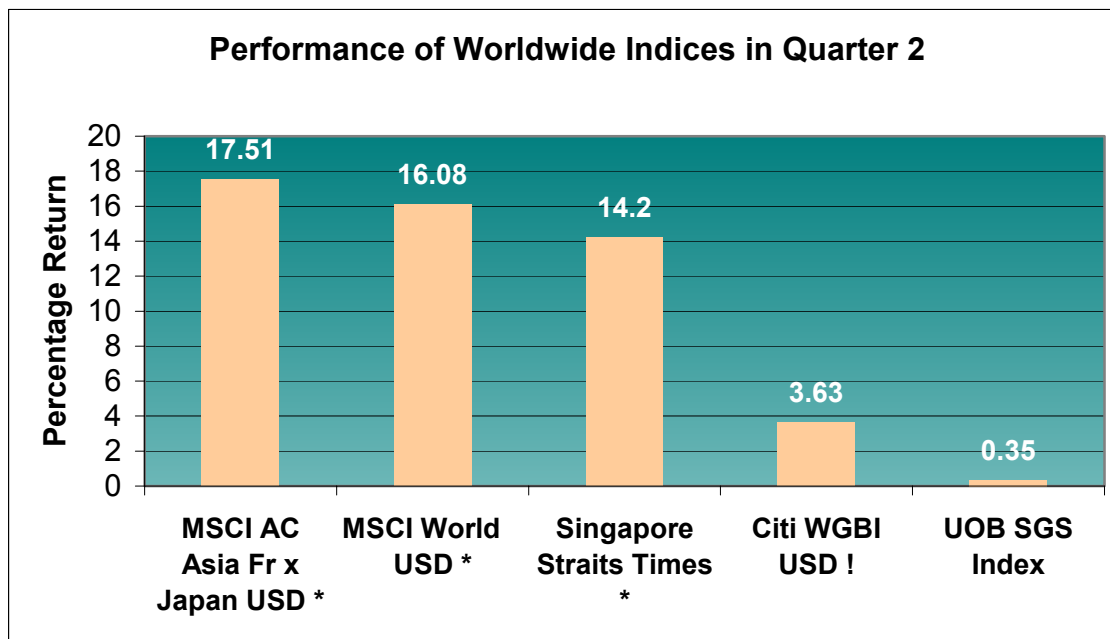
In Asia

Asian currencies generally made impressive gains within the second quarter of 2003. Gains were made primarily on the back of strong inflows to regional equity markets as concerns over the Severe Acute Respiratory Syndrome (SARS) abated and the major part of the combat in Iraq came to an end. Asian central banks were kept busy in the second half of the quarter as they tried to slow down the gains on their local units, though with little success, to preserve export competitiveness and to avoid putting pressure on their fragile economic recoveries.

The Singdollar rallied strongly from its 1.78 levels in April to hit 1.7120 against the USD in mid-May before closing the quarter at 1.7600, little change from its end-March close of 1.7630. On the other hand, the Philippine peso, which had already begun recovering from sharp losses in Q1, extended its gains to 52.0 against the USD by mid-April before ending around 53.40 end-June (end-March 53.50).

Other Asian currencies, however, managed to hold onto their gains with the Thai baht rallying from April highs of 43.20 to 41.40 against the USD before closing at 42.05 (versus end-March close of 42.80). In addition to the above-mentioned factors, the Indonesian rupiah's rally was fuelled even further by the success of its asset sales program, which made it the star performer in the second quarter. The rupiah rallied strongly from highs of 8900 (versus the USD) at end-March to 8200 by end-June, to post a 7.8% gain. The Korean won posted strong gains in Q2 as foreign buying on the local bourse swelled despite increasing worries over the state of the economy. The local unit, which ended Q1 at 1250, rallied strongly to end Q2 at 1194. The Taiwan dollar, which was quoted end-March at 34.65, ended the second quarter firmer at 34.51.

4. Performance of World-wide Indices



The above indices represent the various major financial markets/sectors in the following manner:

- ***Citi WGBI USD (Citigroup World Gov't. Bond Index):*** Global bonds
- ***MSCI World Index:*** Global equities
- ***MSCI AC Far East (FE) ex Japan:*** Asian ex-Japan equities
- ***Singapore Strait Times Index:*** Singapore equities
- ***UOB SGS Index:*** Singapore bonds

The minimum annual interest rates paid by the CPF Board with regards the various accounts are as follows:

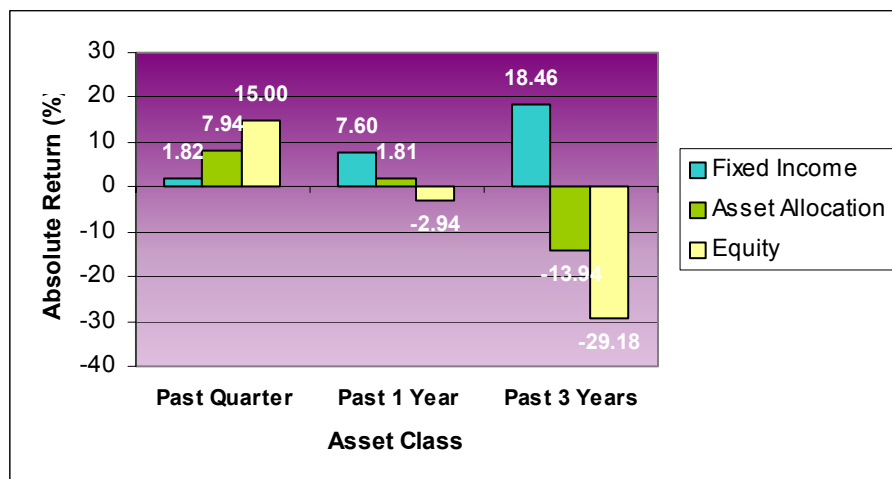
- ***Ordinary:*** 2.5%
- ***Special:*** 4.0%
- ***Medisave:*** 4.0%
- ***Retirement:*** 4.0%

Please note that the above interest rates are based on the 12-month fixed deposit and month-end savings rates of the major local banks and are revised quarterly. The interest is computed monthly, and is credited and compounded annually.

SUMMARY OF ABSOLUTE PERFORMANCE

1. Average Absolute Performance

The average absolute returns of the various asset classes¹ of CPFIS-included unit trusts and ILPs are summarized in the graphs below.



Average Performance of CPFIS-Included Unit Trusts

Over the quarter ended June 30, the average performance of CPFIS-included unit trusts was 12.24%, with equity funds coming out as the best performer, their average return being 15.00% over the period.

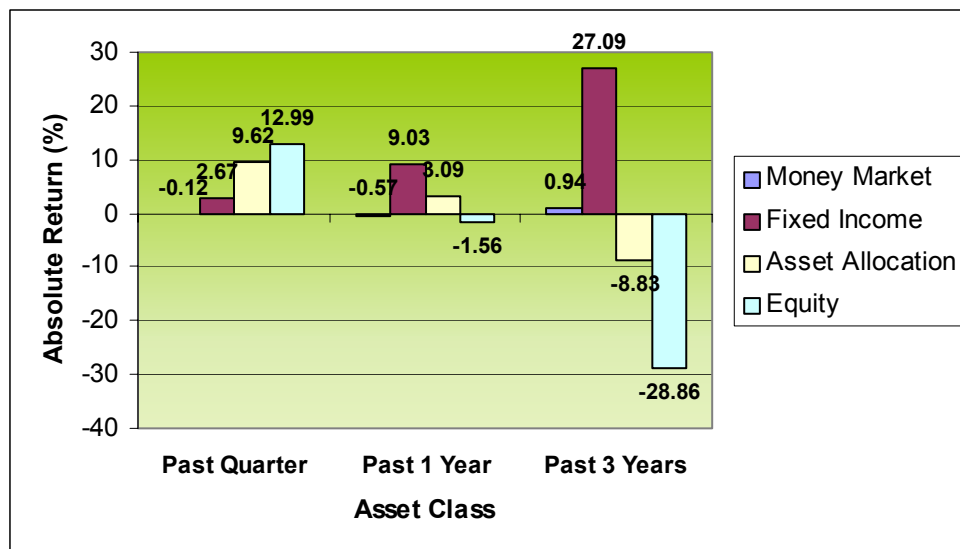
In the longer 1-year period, fixed income funds with an average return of 7.60% performed substantially better than the two other asset classes. Asset allocation funds and equity funds posted a modest gain of 1.81% and slight loss of -2.94% respectively, representing a substantial improvement from Q1. Average return for CPFIS-included unit trusts over the last 12 months up to June 30, 2003 is -1.05%.

With regards to the performance over the past 3 years, a similar pattern prevails with fixed income funds producing the highest average return, 18.46%. Average return generated by CPFIS-included unit trusts over this period is -22.42%.

¹ Definitions of the asset classes are as follows:

- **Money Market:** Funds investing solely in money market or cash instruments with duration ranging from overnight to 12 months. Investments will normally be held in bank deposits, short-term monetary investments (e.g. T. Bills and certificates of deposit).
- **Fixed Income:** Funds investing in excess of 70% in fixed interest securities (corporate, government, index-linked etc.).
- **Asset Allocation:** Funds with a portfolio principally invested in equity, fixed interest and money market securities but typically with no more than 60% in any one asset class.
- **Equity:** Funds investing in excess of 70% in equities or related instruments. Such funds may have an objective of capital and/or income growth; and may be passively (i.e. index tracking) or actively managed.

Average Performance of CPFIS-Included ILPs



As for the performance of CPFIS-included ILPs, the average return in Q2 is 10.78%. Amongst all the 4 asset classes, equity funds have done the best, delivering on average 12.99% in return.

Over the last 12 months up to June 30, fixed income funds have outperformed the other categories with 9.03% in average return. Average returns for equity, asset allocation and money market funds in the same period are -1.56%, 8.09% and -0.57% respectively, with the overall return for CPFIS-included ILPs being, on average, a modest gain of 0.69%.

In the 3-year period ended June 30, the average returns of asset allocation and equity funds are in the negative region, being -8.83% and -28.86% respectively. The performance of the fixed income sector, however, was encouraging over this timeframe with, on average, a return of 27.09%. Money market funds' average returns are also quite stable at 0.94%. The overall performance of CPFIS-included ILPs is -15.54% over the past 3 years.

2. Overview of Average, Best & Worst Performance by Asset Class

The tables highlight the average return for each asset class as well as the returns achieved by the best and worst performer within each asset class. *(All data as of June 30, 2003)*

CPFIS-Included Unit Trusts

Singapore Unit Trusts	Last Quarter Absolute Return (%)	# of Funds	Last Year Absolute Return (%)	# of Funds	Last 3 Years Absolute Return (%)	# of Funds
Fixed Income						
Average Return	1.82	26	7.6	23	18.46	13
Best Performer	6.51		15.81		29.48	
Worst Performer	-0.41		-1.45		8.99	
Asset Allocation						
Average Return	7.94	41	1.81	33	-13.94	17
Best Performer	17.44		8.02		3.48	
Worst Performer	0.32		-4.72		-32.21	
Equity						
Average Return	15	162	-2.94	155	-29.18	100
Best Performer	35.49		33.56		87.43	
Worst Performer	-2.63		-26.45		-83.82	

CPFIS-Included ILPs

Singapore Insurance Linked	Last Quarter Absolute Return (%)	# of Funds	Last Year Absolute Return (%)	# of Funds	Last 3 Years Absolute Return (%)	# of Funds
Money Market						
Average Return	-0.12	4	-0.57	4	0.94	4
Best Performer	0.34		1.3		5.87	
Worst Performer	-0.84		-3.58		-5.79	
Fixed Income						
Average Return	2.67	14	9.03	11	27.09	5
Best Performer	6.6		20.93		40.38	
Worst Performer	0.39		-1.24		14.47	
Asset Allocation						
Average Return	9.62	48	3.09	41	-8.83	12
Best Performer	16.69		10.81		7.26	
Worst Performer	0.32		-2.76		-26.37	
Equity						
Average Return	12.99	95	-1.56	82	-28.86	27
Best Performer	24.69		22.24		7.42	
Worst Performer	0.26		-15.61		-66.25	

For the return performance of individual funds, please refer to the Quantitative Performance Analysis UT and Quantitative Performance Analysis ILP reports.

3. Positive & Negative Returns Distribution for Unit Trusts & ILPs

	Last Quarter	Last 3 Years
Singapore Unit Trusts		
Funds with Positive Returns	219 (96.05%)	27 (20.77%)
Funds with Negative Returns	9 (3.95%)	103 (79.23%)
Singapore Insurance Linked		
Funds with Positive Returns	158 (99.37%)	12 (25.00%)
Funds with Negative Returns	1 (0.63%)	36 (75.00%)

Note: All data is as of June 30, 2003

Over the past quarter ended June 30, 2003, nearly all unit trusts and ILPs included under the CPFIS have produced positive returns.

Over for the longer 3-year period, 20.77% and 25.00% of all CPFIS-included unit trusts and ILPs produced positive returns respectively. The funds that are in the positive territory are mostly from the following categories:

a) CPFIS-Included Unit Trust Universe

- Thai equity markets
- Indonesia equity markets
- Singapore equity markets
- China equity markets
- Global fixed income markets
- Singapore fixed income markets
- Property markets

b) CPFIS-Included ILP Universe

- Asia Pacific ex Japan equity markets
- Singapore Dollar money market
- Global fixed income markets
- Singapore fixed income markets

SUMMARY OF RISK-ADJUSTED PERFORMANCE

1. Risk-Return Analysis over Past 3 Years

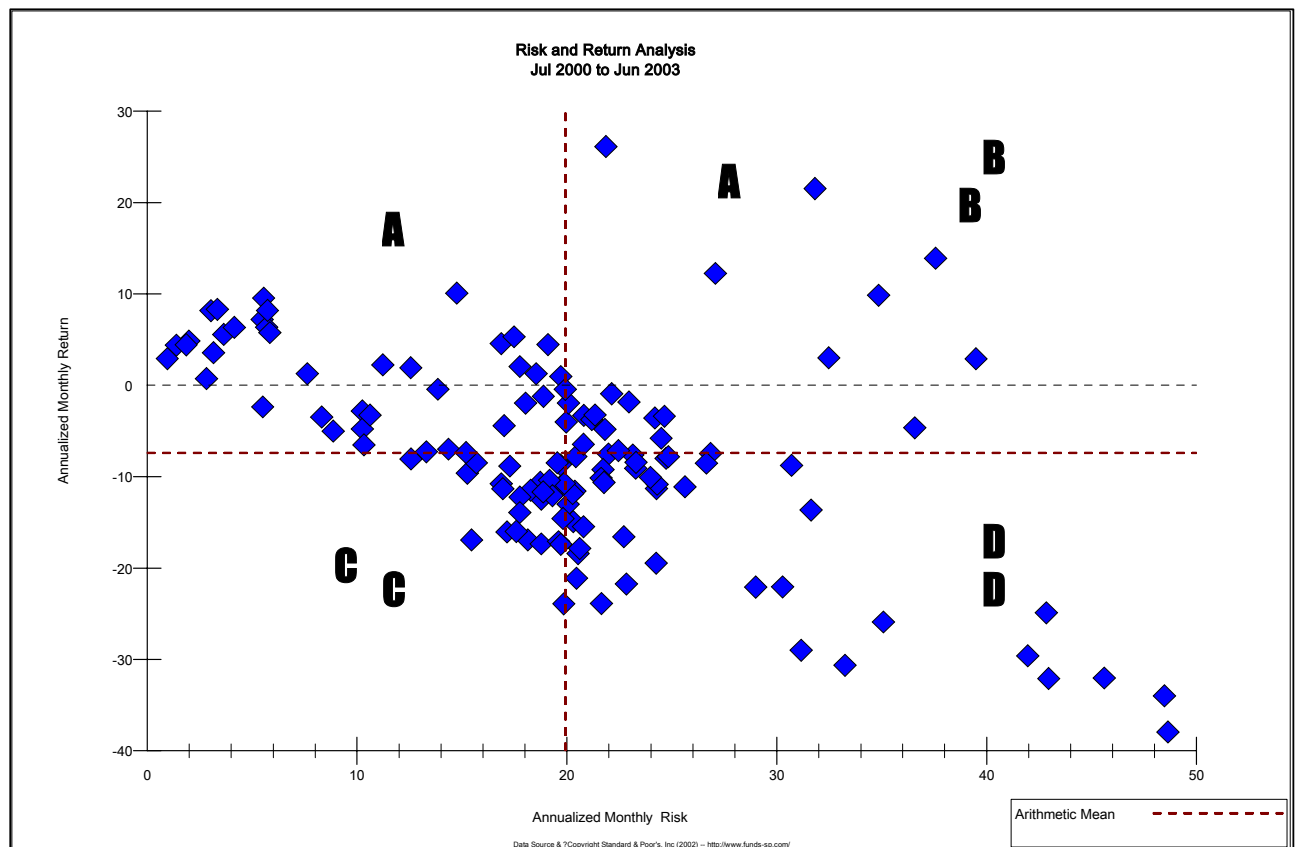
The scatterplots below compare the return performance of CPFIS-included unit trusts and ILPs against their risk level (i.e. volatility). Return performance is shown on the vertical axis and the funds' volatility is on the horizontal axis. Using the median lines (dotted in red) as divider, 4 distinct quadrants will be formed, representing the following:

- **Quadrant A:** Funds with **above-average return** but **below-average risk**
- **Quadrant B:** Funds with **above-average return** and **above-average risk**
- **Quadrant C:** Funds with **below-average return** and **below-average risk**
- **Quadrant D:** Funds with **below-average return** but **above-average risk**

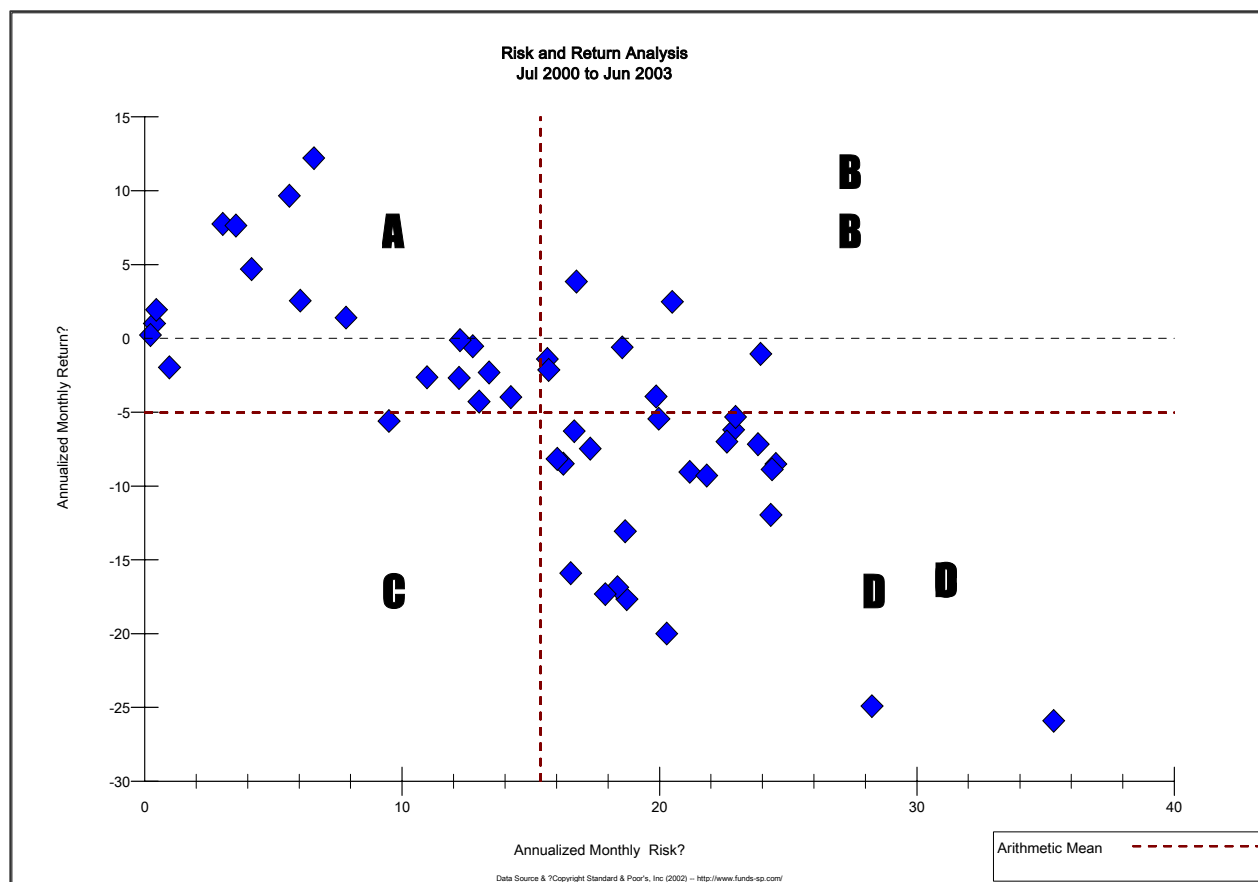
All quadrants with the exception of D are desirable depending on the employee's risk tolerance level and return requirements. Quadrant A might be seen as the most optimal choice where the fund managers have managed to produce relatively high returns while minimizing the funds' volatility.

Over a 3-year period (up to June 30, 2003), out of the entire group of CPFIS-included unit trusts, 29.37% fall into quadrant A while 30.95% of the funds are in quadrant D.

CPFIS-Included Unit Trusts



CPFIS-Included ILPs



Over the past 3 years up to June 30, 2003, 37.50% of the ILPs are in quadrant A while 45.83% of the CPFIS-included ILPs had below-average returns but above-average risk, hence falling into quadrant D.

To see the complete list of funds for each quadrant, please refer to Appendix 1.

PERFORMANCE RANKING: S&P FUND STARS

1. Background

Standard & Poor's Fund Services developed its S&P Fund Stars over a decade ago with two objectives in mind: firstly, to establish a global performance measurement methodology; and secondly, to assist investors in evaluating the return and risk management performance of investment funds.

Since then, S&P Fund Stars has become the industry standard for quantitative performance measurement. The calculation of S&P Fund Stars is robust yet simple and globally applicable: a fund's monthly performance relative to its sector average (i.e. peer average) is calculated for each of the 36 months over the 3 years to date. The average and volatility of these 36 numbers are then converted in a S&P Fund Stars ranking.

The distribution of the S&P Fund Stars is as follows:

★★★★★	Top 10% of the sector
★★★★	Top 11-30% of the sector
★★★	Top 31-50% of the sector
★★	Next 25% of the sector
★	Bottom 25% of the sector

It must be noted that to be eligible for a S&P Fund Stars ranking, the fund must possess a minimum of 3 years' investment history and be in sector where 5 or more funds meet this minimum investment history requirement. The calculation of S&P Fund Stars is based on the entire universe of unit trusts and ILPs that are registered for sale in Singapore and not only limited to CPFIS-included funds.

2. S&P Fund Stars for CPFIS-Included Unit Trusts & ILPs

CPFIS-Included Unit Trusts

S&P Fund Stars	Number of Funds
★★★★★	6
★★★★	23
★★★	24
★★	22
★	19

CPFIS-Included ILPs

S&P Fund Stars	Number of ILPs
★★★★★	2
★★★★	5
★★★	5
★★	5
★	6

3. Full List of CPFIS-Included Unit Trusts & ILPs with S&P Fund Stars

CPFIS Included Unit Trusts

CPFIS - Included Unit Trusts	S&P Fund Stars	General Sector	CPFIS Risk Classification
5 Stars			
Aberdeen Pacific Equity	★★★★★	Equity Asia Pacific ex Japan	Higher Risk
Aberdeen Singapore Equity	★★★★★	Equity Singapore	Higher Risk
HSBC Pan European Growth	★★★★★	Equity Europe	Higher Risk
UOB United Asia	★★★★★	Equity Asia Pacific ex Japan	Higher Risk
UOB United International Growth	★★★★★	Equity Global	Higher Risk
UOB United Millennium 1	★★★★★	Asset Alloc Global Neutral	Medium to High Risk
4 Stars			
Aberdeen Japan Equity	★★★★	Equity Japan	Higher Risk
ACMIF Global Growth Trends A	★★★★	Equity Global	Higher Risk
CitiSelect Asia Tilt Growth	★★★★	Asset Alloc Global Dynamic	Medium to High Risk
CitiSelect Global Growth	★★★★	Asset Alloc Global Dynamic	Medium to High Risk
DBS Shenton Asia Pacific	★★★★	Equity Asia Pacific ex Japan	Higher Risk
DBS Shenton Dynamic Bond	★★★★	Fixed Income Global (Other)	Low to Medium Risk
Dresdner Global Internet	★★★★	Sector - TMT Global	Higher Risk
Eight Portfolio E	★★★★	Equity Global	Higher Risk
Franklin Templeton F-Asian Eq	★★★★	Equity Asia Pacific ex Japan	Higher Risk
Franklin Templeton F-China	★★★★	Equity China (Greater)	Higher Risk
Franklin Templeton F-Glb Eqty	★★★★	Equity Global	Higher Risk
Franklin Templeton F-Global Bal	★★★★	Asset Alloc Global Neutral	Medium to High Risk
Horizon Asia Ex-Japan Equity	★★★★	Equity Asia Pacific ex Japan	Higher Risk
Horizon Japanese Equity	★★★★	Equity Japan	Higher Risk
Infinity European Stock Index	★★★★	Equity Europe	Higher Risk
Infinity US 500 Stock Index	★★★★	Equity USA	Higher Risk
OCBC Savers Capital	★★★★	Equity Malaysia & Singapore	Higher Risk
OCBC Savers Global Bond	★★★★	Fixed Income Global (Other)	Low to Medium Risk
OCBC South East Asia	★★★★	Equity Asia Pacific ex Japan	Higher Risk
Schroder Asian Growth Fund	★★★★	Equity Asia Pacific ex Japan	Higher Risk
Schroder Singapore Trust	★★★★	Equity Singapore	Higher Risk
UOB Unifund	★★★★	Equity Malaysia & Singapore	Higher Risk
UOB United Growth	★★★★	Equity Singapore	Higher Risk
3 Stars			
AIG Int Fds American Equities	★★★	Equity USA	Higher Risk
AIG Int Fds Asian Equities	★★★	Equity Asia Pacific ex Japan	Higher Risk
AIG Int Fds Multi Currency Bond	★★★	Fixed Income Global (Other)	Low to Medium Risk
CitiSelect Asia Tilt Balanced	★★★	Asset Alloc Global Neutral	Medium to High Risk
DBS Shenton Thrift	★★★	Equity Singapore	Higher Risk
Deutsche Asia Premier Trust	★★★	Equity Asia Pacific ex Japan	Higher Risk
Dresdner Global Multimedia	★★★	Sector - TMT Global	Higher Risk
Eight Portfolio B	★★★	Asset Alloc Global Neutral	Medium to High Risk
First State Asia-Pacific Growth	★★★	Equity Asia Pacific ex Japan	Higher Risk
First State Global Tech & Com	★★★	Sector - TMT Global	Higher Risk
First State Regional China	★★★	Equity China (Greater)	Higher Risk
Five Arrows SEA Special Sits	★★★	Equity Asia Pacific ex Japan	Higher Risk
Horizon Global Equity	★★★	Equity Global	Higher Risk
Horizon US Equity	★★★	Equity USA	Higher Risk
Infinity Global Stock Index	★★★	Equity Global	Higher Risk
INVESCO GT Bond	★★★	Fixed Income Global (Other)	Low to Medium Risk
OCBC Savers Global Trust	★★★	Equity Global	Higher Risk

CPFIS - Included Unit Trusts	S&P Fund Stars	General Sector	CPFIS Risk Classification
Schroder European Equity	★★★★	Equity Europe	Higher Risk
Schroder Japanese Equity	★★★★	Equity Japan	Higher Risk
UOB United European Equity	★★★★	Equity Europe	Higher Risk
UOB United Global Technology	★★★★	Sector - TMT Global	Higher Risk
UOB United Japan Growth	★★★★	Equity Japan	Higher Risk
UOB United Millennium 2	★★★★	Asset Alloc Global Neutral	Medium to High Risk
UOB United Millennium 3	★★★★	Asset Alloc Global Dynamic	Higher Risk
2 Stars			
Aberdeen Global Technology	★★	Sector - TMT Global	Higher Risk
CitiSelect Asia Tilt Enhanced Gr	★★	Asset Alloc Global Dynamic	Higher Risk
DBS Japan Growth	★★	Equity Japan	Higher Risk
Deutsche Premier Select	★★	Asset Alloc Global Neutral	Medium to High Risk
Dresdner Intl Prov European Eqty	★★	Equity Europe	Higher Risk
Dresdner Intl Prov Glb Balanced	★★	Asset Alloc Global Neutral	Medium to High Risk
Dresdner Intl Prov Global Tech	★★	Sector - TMT Global	Higher Risk
Eight Portfolio C	★★	Asset Alloc Global Neutral	Medium to High Risk
Eight Portfolio D	★★	Asset Alloc Global Dynamic	Higher Risk
First State Global 100 Growth	★★	Equity Global	Higher Risk
First State Singapore Growth	★★	Equity Malaysia & Singapore	Higher Risk
Five Arrows Global Bond Trust	★★	Fixed Income Global (Other)	Low to Medium Risk
Henderson Global Technology	★★	Sector - TMT Global	Higher Risk
Horizon Singapore Equity	★★	Equity Singapore	Higher Risk
HSBC Global Growth	★★	Equity Global	Higher Risk
Indocam Asia Vision	★★	Equity Asia Pacific ex Japan	Higher Risk
INVESCO GT Asia Enterprise	★★	Equity Asia Pacific ex Japan	Higher Risk
OCBC Asia Pacific	★★	Equity Asia Pacific ex Japan	Higher Risk
OCBC Savers Singapore Trust	★★	Equity Singapore	Higher Risk
Schroder Global Enterprise	★★	Equity Global	Higher Risk
UOB Optimix Worlwide Bond	★★	Fixed Income Global (Other)	Low to Medium Risk
UOB United Greater China	★★	Equity China (Greater)	Higher Risk
1 Star			
ABN AMRO Star Europe Equity	★	Equity Europe	Higher Risk
ABN AMRO Star Global Technology	★	Sector - TMT Global	Higher Risk
Citi Global Bond	★	Fixed Income Global (Other)	Low to Medium Risk
DBS Mendaki Global	★	Equity Global	Higher Risk
DBS Shenton Global Opportunities	★	Equity Global	Higher Risk
Dresdner Asia Tiger	★	Equity Asia Pacific ex Japan	Higher Risk
First State Global Balanced	★	Asset Alloc Global Neutral	Medium to High Risk
Five Arrows Asian Enterprise	★	Equity Asia Pacific ex Japan	Higher Risk
Five Arrows Worldwide Enterprise	★	Equity Global	Higher Risk
Horizon Global Bond SGD	★	Fixed Income Global (Other)	Low to Medium Risk
HSBC Asian Growth	★	Equity Asia Pacific ex Japan	Higher Risk
HSBC Global Fixed Income	★	Fixed Income Global (Other)	Low to Medium Risk
HSBC Japanese Growth	★	Equity Japan	Higher Risk
INVESCO GT Pan European	★	Equity Europe	Higher Risk
OCBC Savers China Growth	★	Equity China (Greater)	Higher Risk
Schroder Balanced Growth	★	Asset Alloc Global Neutral	Medium to High Risk
UOB Optimix Asian Equity	★	Equity Asia Pacific ex Japan	Higher Risk
UOB Optimix Singapore Equity	★	Equity Singapore	Higher Risk
UOB Optimix Worlwide Eqty	★	Equity Global	Higher Risk

CPFIS Included ILPs

CPFIS - Included ILPs	S&P Fund Stars	General Sector	CPFIS Risk Classification
5 Stars			
Asia Premier Growth	★★★★★	Equity Asia Pacific ex Japan	Higher Risk
Prulink Global Equity	★★★★★	Equity Global	Higher Risk
4 Stars			
John Hancock Pacific Finance	★★★★	Equity Asia Pacific ex Japan	Higher Risk
NTUC Global Equity	★★★★	Equity Global	Higher Risk
Prulink Asian Eqty	★★★★	Equity Asia Pacific ex Japan	Higher Risk
Prulink Singapore Cash	★★★★	Money Market SGD	Lower Risk
UOB Lifelink Global	★★★★	Equity Global	Higher Risk
3 Stars			
AIA Regional Equity	★★★	Equity Asia Pacific ex Japan	Higher Risk
Aviva MM Capital Growth	★★★	Equity Asia Pacific ex Japan	Higher Risk
Global Strategic 50 Fd	★★★	Equity Global	Higher Risk
Greatlink Cash	★★★	Money Market SGD	Lower Risk
Manulife Gldn Asia Growth	★★★	Equity Asia Pacific ex Japan	Higher Risk
2 Stars			
AXA Life-Value Growth	★★	Equity Asia Pacific ex Japan	Higher Risk
John Hancock Singapore Cash	★★	Money Market SGD	Lower Risk
John Hancock Worldwide Eqty	★★	Equity Global	Higher Risk
Premium Asia Growth Fd	★★	Equity Asia Pacific ex Japan	Higher Risk
UOB Lifelink Asia	★★	Equity Asia Pacific ex Japan	Higher Risk
1 Star			
Global Leaders Fund	★	Equity Global	Higher Risk
Greatlink Enhancer	★	Equity Asia Pacific ex Japan	Higher Risk
NTUC Takaful	★	Equity Asia Pacific ex Japan	Higher Risk
OAC Premier Link Equity	★	Equity Asia Pacific ex Japan	Higher Risk
OAC Premier Link Money	★	Money Market SGD	Lower Risk
Takaful Global Fund	★	Equity Global	Higher Risk

For details on the methodology of the CPF Risk Classification, please refer to Appendix 3.

FURTHER INFORMATION

Additional information can be found in the appendices:

- *Appendix 1:* Complete List of Funds in Each Quadrant of the Risk/Return Chart
- *Appendix 2:* S&P Fund Stars Methodology
- *Appendix 3:* Investment Terminology Definition

For a soft copy of this report as well as the most-to-date performance data on CPFIS-included unit trusts and ILPs, please visit Life Insurance Association (LIA)'s website at <http://asp.lia.org.sg/NewsPress.asp> or Investment Management Association of Singapore (IMAS)'s website at <http://www.imas.org.sg/fundinfo.html>.

NOTE

All returns are calculated on a bid-to-bid basis in SGD, with gross income re-invested and net of management fees.

DISCLAIMERS

The data provided in this report is for information only and not deemed to be financial advice or offer to sell, or a solicitation or an offer to buy or subscribe to or hold any fund.

Past performance is not indicative of future performance. All investments involve risk – in other words, the price of units and income from them can go down as well as up. Before investing in any fund, investors should carefully read the literature about the fund, including its Explanatory Memorandum.

All data contained in this report has been provided to Standard & Poor's Fund Services by the management groups or insurers who manage the unit trusts or ILPs that are included in the CPFIS. In particular, S&P cannot be held responsible for the accuracy of the benchmark return and expense ratio information supplied by the groups. While Standard & Poor's Fund Services has made reasonable endeavours to ensure the accuracy of all other pieces of information obtained, it does not accept any responsibility with regards to the accuracy or completeness of the information provided or any liability for the investment decisions of investors or any loss arising therefrom.

APPENDIX 1

Complete List of Funds in Each of the Four Quadrants of the Risk/Return Chart

1) CPFIS-Included Unit Trusts

Singapore Unit Trusts	30/06/00 30/06/03 Annual Avg	30/06/00 CPFIS 30/06/03 Risk Ann Volatil Classification	CPFIS General Focus	CPFIS Narrow Focus	S&P Sector General
Quadrant A					
Aberdeen Malaysia Equity	1.62	11.22 Higher Risk	Narrowly Focused	Country-Others	Equity Malaysia
Aberdeen Pacific Equity	3.13	16.86 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Aberdeen Singapore Equity	3.74	17.48 Higher Risk	Narrowly Focused	Singapore	Equity Singapore
AIG Int Fds Multi Currency Bond	7.05	5.48 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Citi Global Bond	5.50	3.65 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
CitiBond Singapore A	4.84	1.99 Lower Risk	Broadly Diversified	N/A	Fixed Income SGD
CitiSelect Asia Tilt Balanced	-3.29	10.25 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
CitiSelect Global Growth	-8.07	13.30 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Dynamic
DBS Shenton Dynamic Bond	8.99	5.58 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Deutsche Lion Bond	4.38	1.38 Lower Risk	Broadly Diversified	N/A	Fixed Income SGD
Deutsche Premier Select	-5.27	10.25 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Dresdner Intl Prov Glb Balanced	-3.79	8.32 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Eight Portfolio A	0.70	2.82 Low to Medium Risk	Broadly Diversified	N/A	Asset Alloc Global Defensive
Eight Portfolio B	-2.51	5.50 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Eight Portfolio C	-5.37	8.86 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Five Arrows Global Bond Trust	6.20	5.69 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Franklin Templeton F-China	0.47	17.76 Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)
Franklin Templeton F-Gbl Sm Co	-0.42	18.53 Higher Risk	Narrowly Focused	Small Cap	Smllr Companies Global
Franklin Templeton F-Glb Eqty	-5.79	17.00 Higher Risk	Broadly Diversified	N/A	Equity Global
Franklin Templeton F-Global Bal	1.15	12.56 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Henderson European Property Sec	8.94	14.75 Higher Risk	Narrowly Focused	Sector-Others	Sector - Prop Shrs Europe
Horizon Global Bond SGD	3.52	3.15 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Horizon Singapore Fixed Inc Enh	4.42	1.86 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income SGD
HSBC Global Fixed Income	4.88	5.77 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
INVESCO GT Bond	8.03	5.73 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
OCBC Savers Capital	-2.90	18.87 Higher Risk	Narrowly Focused	Country-Others	Equity Malaysia & Singapore
OCBC Savers Global Bond	8.13	3.04 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
OCBC Savers Malaysia	2.66	19.09 Higher Risk	Narrowly Focused	Country-Others	Equity Malaysia
OCBC Singapore Balanced	-1.38	13.85 Medium to High Risk	Narrowly Focused	Country	Asset Alloc Singapore Neutral
Schroder Balanced Growth	-7.22	10.26 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Schroder Global Smaller Co's	-3.67	18.01 Higher Risk	Narrowly Focused	Small Cap	Smllr Companies Global
UOB Optimix SGD Fund	2.91	0.95 Lower Risk	Broadly Diversified	N/A	Short Term Bd SGD
UOB Optimix Worldwide Bond	6.25	4.15 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
UOB United Global Capital	-1.11	19.77 Higher Risk	Narrowly Focused	Sector-Others	Sector - Finance Global
UOB United International Bond	7.20	2.93 N/A	N/A	N/A	Fixed Income Global
UOB United Millennium 1	0.99	7.63 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
UOB United Millennium 2	-3.79	10.61 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Quadrant B					
Aberdeen Indonesia Equity	15.86	31.82 Higher Risk	Narrowly Focused	Country-Others	Equity Indonesia
Aberdeen Thailand Equity	23.30	21.86 Higher Risk	Narrowly Focused	Country-Others	Equity Thailand
DBS Shenton Asia Pacific	-8.50	24.49 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
DBS Shenton Thrift	-4.61	22.98 Higher Risk	Narrowly Focused	Singapore	Equity Singapore
First State Regional China	-9.40	22.45 Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)
Franklin Templeton F-Asian Eq	-2.36	19.92 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Franklin Templeton F-Emerg Mkts	-5.32	20.81 Higher Risk	Narrowly Focused	Emerging Markets	Equity Global Emerging Mkts
Franklin Templeton F-Korea	-10.57	36.57 Higher Risk	Narrowly Focused	Country-Others	Equity Korea
Franklin Templeton F-Thailand	3.59	34.85 Higher Risk	Narrowly Focused	Country-Others	Equity Thailand
Horizon Asia Ex-Japan Equity	-5.84	21.19 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Horizon Singapore Equity	-8.45	20.78 Higher Risk	Narrowly Focused	Singapore	Equity Singapore
HSBC Chinese Growth	8.37	27.08 Higher Risk	Narrowly Focused	Greater China	Equity China
HSBC Indian Growth	-2.24	32.47 Higher Risk	Narrowly Focused	Country-Others	Equity India
OCBC Savers Korea	-4.39	39.50 Higher Risk	Narrowly Focused	Country-Others	Equity Korea
OCBC Savers Singapore Trust	-7.03	21.81 Higher Risk	Narrowly Focused	Singapore	Equity Singapore
OCBC Savers Thailand	6.48	37.56 Higher Risk	Narrowly Focused	Country-Others	Equity Thailand
OCBC South East Asia	-5.43	21.34 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Schroder Asian Growth Fund	-6.35	24.54 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Schroder Singapore Trust	-4.08	21.97 Higher Risk	Narrowly Focused	Singapore	Equity Singapore
UOB Unifund	-6.03	19.88 Higher Risk	Narrowly Focused	Singapore	Equity Malaysia & Singapore
UOB United Asia	-6.34	24.17 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
UOB United Growth	-4.42	19.95 Higher Risk	Narrowly Focused	Singapore	Equity Singapore

1) CPFIS-Included Unit Trusts (Con't)

Singapore Unit Trusts	30/06/00 30/06/03 Annual Avg	30/06/00 CPFIS 30/06/03 Risk Ann Volatil Classification	CPFIS General Focus	CPFIS Narrow Focus	S&P Sector General
Quadrant C					
Aberdeen Japan Equity	-17.27	17.14 Higher Risk	Narrowly Focused	Japan	Equity Japan
Aberdeen UK Blue Chip	-12.80	19.66 Higher Risk	Narrowly Focused	UK	Equity United Kingdom
ACMIF Global Growth Trends A	-10.42	19.69 Higher Risk	Broadly Diversified	N/A	Equity Global
CitiSelect Asia Tilt Enhanced Gr	-12.16	18.72 Higher Risk	Broadly Diversified	N/A	Asset Alloc Global Dynamic
DBS Mendaki Global	-25.52	19.86 Higher Risk	Broadly Diversified	N/A	Equity Global
Eight Portfolio D	-8.78	12.57 Higher Risk	Broadly Diversified	N/A	Asset Alloc Global Dynamic
Eight Portfolio E	-12.04	16.87 Higher Risk	Broadly Diversified	N/A	Equity Global
First State Global Balanced	-10.64	15.24 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Five Arrows Worldwide Enterprise	-18.80	18.77 Higher Risk	Broadly Diversified	N/A	Equity Global
Horizon Global Equity	-12.91	18.26 Higher Risk	Broadly Diversified	N/A	Equity Global
Horizon Japanese Equity	-18.66	19.60 Higher Risk	Narrowly Focused	Japan	Equity Japan
Horizon UK Equity	-9.59	15.68 Higher Risk	Narrowly Focused	UK	Equity United Kingdom
HSBC Global Growth	-17.27	17.59 Higher Risk	Broadly Diversified	N/A	Equity Global
HSBC Pan European Growth	-10.18	19.53 Higher Risk	Narrowly Focused	Europe	Equity Europe
Infinity European Stock Index	-12.46	19.87 Higher Risk	Narrowly Focused	Europe	Equity Europe
Infinity Global Stock Index	-13.59	17.76 Higher Risk	Broadly Diversified	N/A	Equity Global
Infinity US 500 Stock Index	-12.00	19.17 Higher Risk	Narrowly Focused	North America	Equity USA
OCBC Savers Global Trust	-15.26	17.75 Higher Risk	Broadly Diversified	N/A	Equity Global
Schroder European Equity	-13.85	19.29 Higher Risk	Narrowly Focused	Europe	Equity Europe
Schroder Japanese Equity	-17.90	15.46 Higher Risk	Narrowly Focused	Japan	Equity Japan
Schroder Pan Asia Fund	-12.76	16.89 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific
UOB Optimix Singapore Equity	-16.42	19.80 Higher Risk	Narrowly Focused	Singapore	Equity Singapore
UOB Optimix Worldwide Eqty	-19.00	19.71 Higher Risk	Broadly Diversified	N/A	Equity Global
UOB United Asia Top 50	-13.21	18.87 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific
UOB United European Equity	-13.97	18.78 Higher Risk	Narrowly Focused	Europe	Equity Europe
UOB United Japan Growth	-18.26	18.14 Higher Risk	Narrowly Focused	Japan	Equity Japan
UOB United Millennium 3	-8.42	15.19 Higher Risk	Broadly Diversified	N/A	Asset Alloc Global Dynamic
UOB United Regional Growth	-10.17	17.27 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific
Quadrant D					
Aberdeen Continental Europe Eqty	-11.44	23.27 Higher Risk	Narrowly Focused	Europe	Equity Europe ex UK
Aberdeen Global Technology	-38.36	42.95 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
ABN AMRO Star Europe Equity	-20.11	20.53 Higher Risk	Narrowly Focused	Europe	Equity Europe
ABN AMRO Star Global Technology	-41.58	48.47 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
ACMIF Asian Technology Portfolio	-25.32	28.99 Higher Risk	Narrowly Focused	Technology	Sector - TMT Asia Pacific
AIG Int Fds American Equities	-13.38	20.37 Higher Risk	Narrowly Focused	North America	Equity USA
AIG Int Fds Asian Equities	-10.01	23.13 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
DBS Japan Growth	-22.87	20.51 Higher Risk	Narrowly Focused	Japan	Equity Japan
DBS Shenton Global Opportunities	-19.57	20.61 Higher Risk	Broadly Diversified	N/A	Equity Global
Deutsche Asia Premier Trust	-9.69	21.98 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Dresdner Asia Tiger	-13.84	24.26 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Dresdner Global Internet	-31.71	42.84 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Dresdner Global Multimedia	-32.44	31.16 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Dresdner Intl Prov European Eqty	-21.79	24.25 Higher Risk	Narrowly Focused	Europe	Equity Europe
Dresdner Intl Prov Global Tech	-34.48	33.25 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
First State Asia Inno & Tech	-25.55	30.27 Higher Risk	Narrowly Focused	Technology	Sector - TMT Asia Pacific
First State Asia-Pacific Growth	-10.68	24.71 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
First State Global Tech & Com	-35.85	41.95 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
First State Singapore Growth	-10.66	24.83 Higher Risk	Narrowly Focused	Singapore	Equity Malaysia & Singapore
Five Arrows Asian Enterprise	-13.38	24.30 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Five Arrows SEA Special Sits	-9.70	20.42 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Franklin Templeton F-Life Sci	-17.87	31.63 Higher Risk	Narrowly Focused	Biotechnology	Sector - Biotechnology
Henderson European	-14.73	20.06 Higher Risk	Narrowly Focused	Europe	Equity Europe ex UK
Henderson Global Technology	-39.08	45.61 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Horizon US Equity	-13.61	20.27 Higher Risk	Narrowly Focused	North America	Equity USA
HSBC Asian Growth	-13.92	25.63 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
HSBC Japanese Growth	-25.65	21.64 Higher Risk	Narrowly Focused	Japan	Equity Japan
HSBC North American Growth	-16.65	20.29 Higher Risk	Narrowly Focused	North America	Equity North America
Indocam Asia Vision	-11.31	21.72 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
INVESCO GT Asia Enterprise	-12.91	30.80 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
INVESCO GT Developing Markets	-10.69	26.85 Higher Risk	Narrowly Focused	Emerging Markets	Equity Global Emerging Mkts
OCBC Asia Pacific	-12.20	21.63 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
OCBC Savers China Growth	-12.68	21.76 Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)
Schroder Emerging Markets	-11.65	26.65 Higher Risk	Narrowly Focused	Emerging Markets	Equity Global Emerging Mkts
Schroder Global Enterprise	-17.43	20.75 Higher Risk	Broadly Diversified	N/A	Equity Global
UOB Optimix Asian Equity	-12.65	23.97 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
UOB Optimix E-Commerce	-45.51	48.64 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
UOB United Global Technology	-30.39	35.07 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
UOB United Greater China	-10.81	23.28 Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)

2) CPFIS-Included ILPs

ILP	30/06/00 30/06/03 Annual Avg	30/06/00 CPF 30/06/03 Classification Ann Volatilit	CPF General Focus	CPF Narrow Focus	General Sector
Quadrant A					
AIA Regional Fixed Income	7.69	3.04 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income SGD
Aviva MM Balanced Growth	-1.33	12.75 Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Asia Pac ex Japan Neutral
Aviva MM Income Growth	2.36	6.04 Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Asia Pac ex Japan Defensive
Greatlink Cash	0.99	0.37 Lower Risk	Broadly Diversified	N/A	Money Market SGD
John Hancock Money Growth Plan	-5.09	12.99 Medium to High Risk	Narrowly Focused	Singapore	Asset Alloc Singapore Neutral
John Hancock Singapore Cash	0.22	0.22 Lower Risk	Broadly Diversified	N/A	Money Market SGD
John Hancock Worldwide Bond	4.61	4.15 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Manulife Gldn Bal Growth	-0.86	12.25 Medium to High Risk	Narrowly Focused	Singapore	Asset Alloc Global Neutral
Manulife Gldn Intl Bond	11.97	6.57 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
NTUC Enhanced	-4.95	14.22 Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Asia Pac ex Japan Dynamic
NTUC Fixed Income	7.57	3.54 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income SGD
NTUC Prime	-3.22	10.97 Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Asia Pac ex Japan Neutral
NTUC Trust	-3.40	12.21 Medium to High Risk	Narrowly Focused	Singapore	Asset Alloc Singapore Neutral
OAC Premier Link Balanced	-3.16	13.38 Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Asia Pac ex Japan Neutral
OAC Premier Link Money	-1.97	0.96 Lower Risk	Broadly Diversified	N/A	Money Market SGD
Prulink Global Bond	9.49	5.62 Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Prulink Global Managed	1.10	7.82 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Prulink Singapore Cash	1.92	0.45 Lower Risk	Broadly Diversified	N/A	Money Market SGD
Quadrant B					
AIA Growth Fd	-2.59	15.64 Medium to High Risk	Narrowly Focused	Singapore	Equity Malaysia & Singapore
Asia Premier Growth	2.42	16.77 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Aviva MM Capital Growth	-5.78	19.86 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Greatlink ASEAN Growth	-2.27	18.55 Higher Risk	Narrowly Focused	Asia	Equity ASEAN
John Hancock Pacific Finance	0.35	20.49 Higher Risk	Narrowly Focused	Sector-Others	Equity Asia Pacific ex Japan
Prulink Asian Eqty	-3.82	23.93 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Prulink Singapore Managed	-3.33	15.70 Medium to High Risk	Narrowly Focused	Singapore	Asset Alloc Singapore Neutral
Quadrant C					
Greatlink Global Supreme	-6.02	9.49 Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Quadrant D					
AIA Regional Equity	-8.57	22.88 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
AXA Life-Fortress	-9.84	23.83 Higher Risk	Narrowly Focused	Singapore	Equity Singapore
AXA Life-Value Growth	-8.85	17.31 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Global Communication Fd	-27.92	28.26 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Global Leaders Fund	-19.10	18.73 Higher Risk	Broadly Diversified	N/A	Equity Global
Global Statagic 50 Fd	-14.54	18.67 Higher Risk	Broadly Diversified	N/A	Equity Global
Greatlink Enhancer	-11.03	21.17 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
John Hancock Global Technology	-30.38	35.31 Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
John Hancock Greater China	-11.15	24.52 Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)
John Hancock Japan Growth	-18.24	18.37 Higher Risk	Narrowly Focused	Japan	Equity Japan
John Hancock Pacific Harvest	-9.70	16.26 Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Global Dynamic
John Hancock Worldwide Eqty	-18.64	17.89 Higher Risk	Broadly Diversified	N/A	Equity Global
Manulife Gldn Asia Growth	-7.72	22.95 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
NTUC Global Equity	-14.50	24.32 Higher Risk	Broadly Diversified	N/A	Equity Global
NTUC Takaful	-17.06	16.55 Higher Risk	Broadly Diversified	N/A	Equity Asia Pacific ex Japan
OAC Premier Link Equity	-11.51	24.38 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Premium Asia Growth Fd	-11.46	21.83 Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Prulink Global Equity	-7.57	16.69 Higher Risk	Broadly Diversified	N/A	Equity Global
Takaful Global Fund	-21.63	20.28 Higher Risk	Broadly Diversified	N/A	Equity Global
UOB Life Asia Fund	N/A	N/A Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
UOB Lifelink Global	-9.33	16.02 Higher Risk	Broadly Diversified	N/A	Equity Global
UOB Lifelink Growth	-7.32	19.97 Higher Risk	Narrowly Focused	Singapore	Equity Malaysia & Singapore

APPENDIX 2

S&P Fund Stars Methodology

To assist investors in evaluating the performance of a fund and the consistency of that performance relative to other funds in the sector, Standard and Poor's Fund Services has developed the S&P Fund Stars based on a fund's relative performance.

The S&P Fund Stars is calculated using a fund's monthly performance relative to its sector average for each of the 36 months over the past 3 years to date. The average and volatility of these 36 numbers is used to calculate the Fund Stars ranking.

To be eligible for the S&P Fund Stars, a fund must possess 3 years of investment history and belong to a sector that contain 5 or more funds all with a minimum investment history of 3 years as well.

S&P Fund Stars Calculation

1. RELATIVE PERFORMANCE

Definition: This is the performance of the fund less the performance of its sector average (average performance of its peers).

Example: If a fund rises 6% in a month and its sector average by 4% in the same month then the fund's relative performance is +2%. This number is calculated for each of the past 36 months.

2. AVERAGE RELATIVE PERFORMANCE

Definition: By calculating the average of the fund's latest 36 monthly relative performance, we are measuring its tendency on average to out- or under-perform the other funds in its sector. The higher the average the more the fund has outperformed its peers over the past 36 months.

3. VOLATILITY OF RELATIVE PERFORMANCE

Definition: Volatility (standard deviation) is a statistical method for measuring how much a series of values deviates (how much it moves up and down) from its average. By calculating the volatility of the fund's 36 monthly relative performance, we are measuring how consistently the fund has performed vis-à-vis its peers. The higher the volatility, the less consistent the fund's performance relative to its peers.

4. RELATIVE RETURN / VOLATILITY RATIO

Definition: By dividing the fund's average relative performance by the volatility of its relative performance, we are measuring its ability to not only outperform its peers but to also do so consistently. The higher the ratio the greater the fund's ability to outperform its peers on a consistent basis.

$\frac{\text{Average monthly relative performance over 3 years}}{\text{Volatility of monthly relative performance over 3 years}} = \text{Relative return / volatility ratio}$

Allocation of the S&P Fund Stars

Suppose a sector contains 100 funds, then the S&P Fund Stars will be allocated as follows:

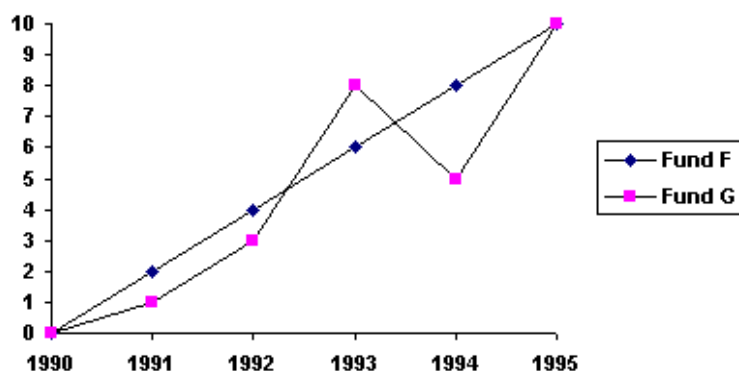
★★★★★	Top 10%	10 funds
★★★★	Top 11-30%	20 funds
★★★	Top 31-50%	20 funds
★★	Next 25%	25 funds
★	Bottom 25%	25 funds

Examples

A fund with a ratio in the top 10% of its sector receives 5 Stars, whilst a fund with a ratio in the bottom 25% of its sector receives a 1 Star.

	Relative Return	Relative Volatility	Ratio	Rank	S&P Fund Stars
Fund A	50%	5	10.0		★★★★★
Fund B	30%	6	5.0		★★★
Fund C	10%	4	2.5		★
Fund D	30%	4	7.5		★★★★
Fund E	40%	6	6.6		★★★★
Fund F	20%	4.5	4.4		★★
Fund G	30%	5	6.0		★★★
Fund H	3.4%	1	3.4		★★
Fund I	2.7%	1	2.7		★★
Fund J	6.0%	3	2.0		★

Funds with identical performance but different volatility will have different ratio. In the example below, the returns of Fund F and Fund G are identical, however our consistency analysis shows that the volatility of G is greater than F, therefore F has a higher S&P Fund Star ranking than G.



	Relative Return	Relative Volatility	Ratio	S&P Fund Stars
Fund F	50%	5	10.0	★★★★
Fund G	50%	6	8.3	★★★

On the other hand, funds with different returns and risk levels can have the same S&P Fund Star ranking. As an illustration, although Funds H and J both have 3 stars, H has a higher return than J, while J has lower volatility.

	Relative Return	Relative Volatility	Ratio	S&P Fund Stars
Fund H	50%	5	10.0	★★★
Fund J	40%	4	10.0	★★★

From this example, we can see that despite their difference in return and volatility, the performance consistency experienced by each of the funds is identical, hence warranting the same S&P Fund Stars ranking.

APPENDIX 3

Investment Terminology Definition

Risk Classification

CPF Board's consultant, Mercer Investment Consulting, has developed a risk classification system for the CPFIS that assigns various risk levels to permitted investments. The unit trusts or ILPs with a greater proportion of their assets invested in the more volatile stock market will have a higher Equity Risk. Conversely, the greater the proportion of the fund's assets that are in bonds and cash, the lower its Equity Risk. Based on their level of Equity Risk, CPFIS-included unit trusts and ILPs will be assigned one of the following risk categories:

- Lower Risk
- Low to Medium Risk
- Medium to High Risk
- Higher Risk

As of June 30, 2003, the distribution of CPFIS-included investments in the 4 different risk categories is as below:

Risk Classification	Unit Trusts	ILPs
Higher Risk	140	79
Medium to High Risk	25	47
Low to Medium Risk	57	32
Lower Risk	4	6

Further information on the CPFIS Risk Classification System can be found in the handbook entitled "CPF Investment Scheme Risk Classification System – Investing to Match your Risk Profile" which can be obtained from any CPF office, agent bank or management group that is included in CPFIS. Alternatively, the handbook can also be downloaded from this link: http://www.cpf.gov.sg/cpf_info/Publication/riskclas.asp.

Quantitative Analysis

- **Expense Ratio:** The operating costs, including management fees, of a CPFIS-include unit trust or ILP expressed as a percentage of the fund's average net assets for a given time period. The expense ratio is furnished to Standard & Poor's Fund Services by the management groups and insurers, and is calculated according to the guidelines set out by the Investment Management Association of Singapore (IMAS).

In accordance to IMAS' guidelines, the expense ratio is calculated as the average of the annualized expense ratios of the two last 6-month periods, stated on an annualized basis. The formula for this calculation is given as follows:

$$\frac{\text{Expenses}}{\text{Net Asset Value}} \times 100\%$$

Items taken as expenses in the above calculation include, but are not limited to:

- Management fee
- Trustee fee
- Administration fee
- Custodian, sub-custodian and depository fees
- Registrar fees
- Printing & distribution costs
- Audit fees
- Amortized expenses
- GST on expenses

On the issue of feeder funds, to ensure their comparability with direct investment funds, the expense ratio should look through the feeder structure and include all expenses incurred at both the Singapore and parent-fund level. The calculation guidelines for feeder funds' expense ratio are as follows:

- Annualized expense ratio for the Singapore feeder fund plus that of the parent-fund
- Both components of the expense ratio should be calculated in accordance to requirements specified above.

For further information, please refer to <http://www.imas.org.sg>

- **Gain/Loss Ratio:** This is the sum of positive percentage fund returns divided by the sum of negative percentage fund returns over the past 3 years to date. The higher the resultant ratio, the greater the proportion of positive returns versus negative returns, hence the better the fund's performance.
- **Information Ratio:** Information Ratio is calculated by taking the monthly difference between a fund's gross return and its benchmark return (in this case the sector average of the S&P sector into which the fund falls), and then dividing that figure by the standard deviation of the monthly differences. This ratio helps investors understand how well the fund has been managed on a risk-adjusted basis relative to its peers.
- **Maximum Loss:** The worst 3-month return produced by a fund over the past 3 years to date.
- **Sharpe Ratio:** Developed by William Sharpe, it is a measurement of a fund's annualized return that is in excess of the risk-free rate (a theoretical interest rate that would be returned on an investment which is completely free of risk) and adjusted for the fund's volatility. The calculation is as follows: (Fund Return – Risk-free Return)/Fund Standard Deviation. From this formula, it can be derived that the higher a fund's Sharpe ratio, the better its returns relative to the amount of investment risk it has taken.

The reason why this relationship between risk and return holds is very simple: the higher a fund's standard deviation, the larger the denominator of the Sharpe ratio, hence a larger numerator (fund's excess return) will be required to have a high Sharpe ratio. Conversely, a fund with moderate returns will have a relatively small numerator, however, should its volatility also be low, the fund's Sharpe ratio can still be quite high.

- ***Standard Deviation:*** A proxy for the risk level of a fund, standard deviation measures the annualized variability of a fund's returns. A high standard deviation indicates that a fund's returns have been volatile while a low figure would be the reverse.

END OF REPORT