

## NEWS RELEASE

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### First Quarter 2010 CPFIS Performance Reflects Global Market Trends

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**Singapore**, 10 June 2010 – Lipper, a Thomson Reuters company and a leading fund research firm, announced its findings on the performance of unit trusts and investment-linked insurance products (ILPs) that are included under the Central Provident Fund Investment Scheme (CPFIS) as of 31 March 2010. Lipper is the “Funds Tracking Company” (FTC) under the CPF Board’s Guidelines.

During first quarter 2010, the overall performance of CPFIS-included funds showed a gain of 1.53% on average, with a 1.90% gain for CPFIS-included unit trusts, and a 1.19% gain for CPFIS-included investment-linked insurance products.

Equity funds were the best-performing asset class among unit trust portfolios, with a 2.26% gain on average. Mixed asset and bond portfolios also registered modest average gains of 0.81% and 0.74% respectively, on the quarter.

ILP portfolios, on the other hand, were flat to marginally positive across the major asset class allocations. At quarter’s end, bond funds and money market funds – up 0.17% and 0.23% on average, respectively – changed little, while equity and mixed asset funds fared slightly better, returning 1.67% and 0.69% on average.

For the twelve-month period to March 2010, both CPFIS-included unit trusts and CPFIS-included investment-linked insurance products finished up 42.04% on average. CPFIS-included unit trusts advanced 44.25% on the year, while CPFIS-included investment-linked products ended with a gain of 39.99% on average.

For the three-year period to March 2010, CPFIS-included funds registered a -6.50% growth on average, accounted for by a loss of 7.35% on average from CPFIS-included unit trusts and a loss of 5.71% on average from CPFIS-included investment-linked insurance products.

Based on Lipper Leader Fund Ratings, an investor-centric fund evaluation system, three CPFIS-included unit trusts received a rating of ‘5’ (qualifying as Lipper Leaders) in all four metrics – total return, consistent return, preservation, and expense – as of the end of March 2010.

**Rajeev Baddepudi**, Senior Research Analyst, ASEAN for Lipper, said: “CPFIS-included unit trusts and ILPs posted decent gains in the first quarter of 2010 amid global macroeconomic concerns on the one hand and positive growth data on the other. To provide context, returns among global benchmark indices for equities, bonds and commodities were mixed (+2.92%, -1.48%, and -3.92% respectively) during the same period. That said, volatility levels, after declining for the first three months of

2010, have trended up in the months following, and looking ahead we expect markets to remain volatile with price support coming from strong earnings and economic fundamentals in Asia.”

**Michael Lim**, Executive Director of IMAS, said: “Investors experienced two strong growth quarters in the second and third quarters last year, with the markets slowing down noticeably in the last two recent calendar quarters. We are finding out firsthand that what happens in the US, Europe and, closer to home, in China, matters to all investors worldwide. In this regard, we agree with our member firms who essentially advise their clients to focus on the long-term and on diversification in their investments. This long term focus helps to lessen the impact of shorter-term market volatility in portfolios.”

**Koo Chung Chang**, LIA representative, said: "The results show a flat first quarter for 2010, following three quarters of recovery in 2009. From a three-year perspective however, a negative growth outcome could not be avoided. As consumer confidence, positive market conditions and sustained economic recovery in Singapore remain susceptible to negative political or economic developments in major regional economies, investors should be prepared for volatility in the months ahead."

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Notes to Editor:

1. The First Quarter 2010 Performance & Risk-Monitoring Report as well as up-to-date performance data on CPFIS-included unit trusts and ILPs is available on: [www.fundsingapore.com](http://www.fundsingapore.com).

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