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PRESS RELEASE

Performance of CPFIS Investments Stayed Strong In Q3

Singapore, 26 November 2009 – Lipper, a Thomson Reuters company and a leading fund research firm, today released the results of a quarterly survey conducted with the Investment Management Association of Singapore (IMAS) and the Life Insurance Association of Singapore (LIAS) announcing the performance of unit trusts and investment-linked insurance products (ILPs) that are included under the Central Provident Fund Investment Scheme (CPFIS) as of 30 September 2009.

The overall performance of CPFIS-included funds showed an average growth of 12.1% in the third quarter 2009, with a 12.8% increase for CPFIS-included unit trusts, and an 11.4% gain for CPFIS-included ILPs. This double-digit growth over the last quarter has helped fully negate the losses of the nine months prior, bringing average returns over the past 1 year into positive territory with a growth of 9.7% for unit trusts and 9.3% for ILPs. This translates into average returns of 9.5% for all CPFIS-included fund products during the same period.

The best performing classification for the CPFIS-included unit trusts in Q3 was the Equity Sector Real Estate Europe sector, which gained 26.7% on average. The best performer for the CPFIS-ILPs was the Equity Emerging Markets Europe sector, which posted an increase of 27.8% in Q3.

For the first nine months of 2009, CPFIS-included funds registered a 32.9% growth on average, accounted for by gains of 34.7% on average from CPFIS-included unit trusts and 31.1% on average from CPFIS-included ILPs.

Among CPFIS-included unit trusts, the Equity Indonesia sector was consistently the best performer for the first nine months and over last year, gaining 84.2% and 39.2% on average, respectively.

The best performer among CPFIS-included ILPs over the last nine months and last year was the Equity Asia Pacific Small- and Mid-Capital sector, which saw a return of 73.4% and 39%, respectively.

For the three-year period leading up to September 2009, CPFIS-included funds registered a 3.6% decrease on average, accounted for by a loss of 5.3% on average from CPFIS-included unit trusts and a loss of 2.3% on average from CPFIS-included investment-linked insurance products.

While global macro-economic conditions continued to improve — as evidenced by slowing unemployment and GDP-contraction rates, and rising consumer and business confidence — market movements during the quarter were characterized by bullish trends in July, then a brief correction among emerging markets in August, followed by a return to healthy gains in September. As a result, the MSCI World Index rose 14.5% on the quarter, slightly underperforming relative to the previous quarter. To further illustrate, the MSCI Emerging Markets Index returned 28.4% during Q2 2009 versus 15.3% for Q3 2009.

Rajeev Baddepudi, Lipper Senior Research Analyst of ASEAN said, “The sharpest correction in August was among China stocks, down 21.81%, after global market- leading returns and soaring valuations for the first 7 months of 2009 and amid speculation that the government might step up efforts to staunch the excessive flows into property/stocks. The correction in Chinese equities had a ripple-effect on the equity markets in Hong Kong, Singapore (owing to China stocks listed here) and Taiwan as well. As expected, however, the correction was short-lived, and emerging market equities roared back into positive territory in September, especially in the BRIC contingent, with stronger domestic currencies vis-à-vis the US dollar lending further support.”



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Michael Lim, Executive Director of IMAS said: "The performances in the financial markets have been encouraging. However, we should continually review and learn the lessons of the global financial crisis as strong markets can only be sustained when public trust and confidence are in place."

Koo Chung Chang, LIA representative on the Fund Performance Tracking Committee, said: "We are observing a trend of people starting to move into Single Premium ILPs to position themselves for the expected upswings. This demonstrates a return of confidence in the markets."

Based on Lipper Leader Fund Ratings, an investor-centric fund evaluation system, only one CPFIS-included unit trust and no CPFIS-included ILP received a rating of '5' (a Lipper Leader) in all four metrics, including Consistent Return, Total Return, Preservation and Expenses as of the end of September 2009.

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Notes to Editor:

1. The Third Quarter 2009 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.
2. Lipper Leader scores are based on relative rather than absolute measures, and do not constitute a recommendation to buy or sell mutual funds. Some peer groups and asset classes are inherently more volatile than others, and even Lipper Leader funds in more volatile asset classes or peer groups may not be appropriate for risk-averse investors and those with shorter-term goals.
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