

# 4TH QUARTER 2003 PERFORMANCE AND RISK MONITORING REPORT

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



February 06, 2004  
**Standard & Poor's Fund Services Asia**

**STANDARD  
& POOR'S**  
*Fund Services*

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*Appendix 1: Complete List of Funds in Each Quadrant of the Risk/Return Chart*

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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 Board (CPF) Board, to monitor the performance of all unit trusts and investment-linked insurance products included under the CPF Investment Scheme (CPFIS). This report documents the findings of Standard & Poor's Fund Services for the period ending December 31, 2003 (Q4 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 December, 2003, there are altogether 224 unit trusts and 164 investment-linked insurance products (ILPs) included under the CPF Investment Scheme.
- ***New Products:*** 1 new Unit Trusts and 1 new ILPs have been added to the CPFIS in Q4.
- ***De-listed Products:*** 2 Unit Trusts and 6 ILPs were de-listed from the CPFIS in Q4.
- ***Management Group Updates:*** Legg Mason Asset Management (Asia) Pte Ltd has been included in the CPFIS with effect from 31 Dec 2003,

## MARKET REVIEW BY STANDARD & POOR'S

### 1. Equities

#### *Around the World*

2003 was an excellent year for global equity markets with major indices ending the year sharply higher. The markets started the year on a weak footing, but recovered strongly thereafter as geopolitical concerns subsided and the global economic outlook improved. Technology issues rallied as a pick-up in orders at semiconductor companies led to a more positive outlook for the sector. After falling into negative territory in the first quarter, most markets chalked up steady gains in the subsequent quarters to end the year at, or close to, their respective highs of the year.

The US broader market S&P 500 rose 26.4%, the Dow Jones Industrial rose 25.3%, London's FTSE rose 13.6% and Frankfurt's DAX rose 37.1% in 2003. The DAX was the top performer among the major markets in the fourth quarter, rising by 21.8% to close at its highest level for the year.

#### *In Asia*

Most Asian markets tracked the global markets to end the year sharply higher. Initial jitters from the SARS fallout were shrugged off as the outbreak proved to be quickly contained. In keeping with the global trend, most Asian markets made steady gains for the rest of the year after a weak first quarter.

The TIP markets – Thailand, Indonesia and the Philippines - were the biggest winners in the region in 2003, aided by investors' improved risk appetite. Thailand's SET continued to be the best performer in the region over the past quarter and the past year, up 33.4% and 116.6% over the respective periods, as investors remained positive on the country's economic reforms.

Within North Asia, Hong Kong's Hang Seng and Taiwan's TSE were the top performers last year, rising by 34.9% and 32.3% respectively. The establishment of closer trade ties with Mainland China boosted sentiment in Hong Kong, while technology issues drove Taiwan's TSE higher. In contrast, Australia's S&P/ASX200 rose at a more modest pace of 9.7%, reflecting a shift away from defensive issues.

The Shanghai B Index bucked the regional trend, declining by 7.6% in 2003 to again end the year as the worst performer in the region. Although Shanghai B gained 5.9% in the fourth quarter, the rebound was insufficient to offset losses in the preceding two quarters.

	<b>Dec 31, 2002</b>	<b>Sept 30, 2003</b>	<b>Dec 31, 2003</b>	<b>YoY chg</b>	<b>QoQ chg</b>
DJIA	8,341.6	9,275.1	10,453.9	25.3%	12.7%
S&P 500	879.8	996.0	1,111.9	26.4%	11.6%
FTSE 100	3,940.4	4,091.3	4,476.9	13.6%	9.4%
DAX	2,892.6	3,256.8	3,965.2	37.1%	21.8%
Topix	843.3	1,018.8	1,043.7	23.8%	2.4%
Hang Seng	9,321.3	11,229.9	12,575.9	34.9%	12.0%
S&P/ASX 200	3,007.1	3,169.5	3,299.8	9.7%	4.1%
Shanghai A	1,419.1	1,432.4	1,569.1	10.6%	9.5%
Shanghai B	113.5	99.1	104.9	(7.6%)	5.9%
Twn Stk Exchg	4,452.5	5,611.4	5,890.7	32.3%	5.0%
KOSPI	627.6	697.5	810.7	29.2%	16.2%
STI	1,341.1	1,630.8	1,764.5	31.6%	8.2%
SET	356.5	579.0	772.2	116.6%	33.4%
KLCI	646.3	733.5	793.9	22.8%	8.2%
Jkt Comp	424.9	597.7	691.9	62.8%	15.8%
Philip Comp	1,018.4	1,297.4	1,442.4	41.6%	11.2%

*For more research and analysis on Asian equity markets, please refer to Standard & Poor's Asian Equity Research's website at [www.ams.standardandpoors.com](http://www.ams.standardandpoors.com).*

## 2. Bonds

### *Around the World*

Bond markets turned bullish in last few weeks of 2003, as continued low inflation reports and somewhat weaker economic data brought yields down. Equity markets, in contrast, continued to forge ahead on good earnings reports. Bond yields in the United States peaked in December, near 4.5% for the 10-year Treasury note, but have since come back down to 4.0%. Most other governments' bonds have followed a similar pattern. Yields have been nearly flat over the last quarter, with the autumn increases offset by the recent drop.

The Federal Reserve has clearly signaled its intent to hold the federal funds rate stable at 1% for the near future. Recent speeches by Chairman Greenspan and Vice-Chairman Ferguson have indicated the Fed expects strong productivity growth to continue to hold down inflation. The dollar is not a worry, according to the Chairman, and therefore will not cause any change in Fed policy.

Also stifling interest in US Treasuries is the onslaught of new supply due to the ever-growing budget deficit, which hit \$374 bln for the fiscal year ending September 2003, with the gap estimated to be over \$500 bln for the year ending September 2004. The Treasury ramped up issuance this year to \$640 bln, up from \$480 bln in 2002. One area of support for bonds has been concern over terrorist attacks, with the US raising its terror alert to its second highest level late in December on fears of attacks over the holidays. However, this just dented the trend of rising bond yields.

Standard & Poor's expects yields to rise in 2004, as a growing economy demands more funds, the federal deficit widens, and international capital becomes harder to attract. The 10-year Treasury yield is expected to rise to 5% by yearend. The Fed will begin to raise short-term interest rates in midyear, unless employment continues to lag. In the latter case, a rate rise could wait until after the November election.

European bond yields have followed US yields closely, in spite of the drop in the dollar. Euro 10-year governments are currently yielding just a bit more than 10-year US Treasuries, with Bunds at 4.15%. The spread has been stable for most of last year. This has been in spite of the sharp rise in the euro against the dollar, which would have been expected to create some arbitrage, especially given that most observers expect the euro to rise farther. Spreads within the Eurozone have largely disappeared, although Italy is still paying a small 15 basis point premium.

The spreads are greater at the short end of the maturity spectrum. The European Central Bank (ECB) is holding its intervention rate at 2%, a percentage point higher than the Fed. However, this is much less of a spread than what most expect the dollar to drop. Real GDP rose a meager 0.5% in the Eurozone last year and S&P expects a mild acceleration, to 1.7%, in 2004. The ECB was late in lowering interest rates, in part because it feared the weakness of the euro. Now with the euro is strengthening, it would be logical for the ECB to loosen relative to the Fed to stem the rise. That logic does not seem likely to be followed, however.

The European Commission has decided to take the member countries to court for breaking the Stability and Growth Pact limit on deficits of 3% of GDP. So far, the market's assumption is this action will not be effective in curbing government borrowing.

Europe's private bond market continues to expand rapidly, as investors seek higher yields and corporations try to cut borrowing costs. The wider capital market has been a success in shifting corporate funding from private deals with banks to the public market.

The Bank of England was the first major central bank to raise interest rates. British interest rates are now the highest of any major industrial country at both ends of the yield curve, although the 10-year spread over euro yields is only 50 basis points (4.7% for 10-year gilts). The UK economy rose 2.1% last year and Standard & Poor's expects a 2.8% growth in 2004. Another tightening is probable, but not until after the Fed moves.

Japanese bond yields rose sharply in mid-2003, peaking near 1.7% in September, but have now stabilized near 1.3% (10-year). Japan continues to have the largest government deficit (as a share of GDP) of any of the major industrial countries, near 8%. The bounce back in bond yields, from lows near 0.7%, reflected revived confidence in the economy, which performed far better than expected in 2003. For the full year, real GDP is likely to rise 2.8%, nearly tripling expectations a year ago. S&P expects real GDP to rise 2.5% in 2004.

The Bank of Japan has been following a zero-interest-rate policy, which S&P expects to continue for the foreseeable future. Unemployment remains high by Japanese standards, and deflation is continuing, albeit at a reduced rate. The stronger yen will actually reduce inflation in Japan, adding more pressure to hold to a zero interest rate.

### ***In Asia***

Several countries in the Asian region received positive ratings changes. S&P raised Malaysia to A- from BBB+ while Moody's upgraded China to A2 from A3 and Hong Kong to A1 from A3. Thailand was given a double notch upgrade by Moody's to Baa1 from Baa3, bringing its rating one notch higher than S&P's BBB. Indonesia was moved up to B from B- by S&P, now on par with Moody's B2 rating.

The Korean bond market had to deal with yet another financial scandal, this time the liquidity crisis at the credit card companies, particularly LG Card, as poor risk controls caused many to lend wantonly to consumers who are having difficulty repaying their debts. This also dampened interest in debt, particularly corporate debt as credit card companies had been large issuers. A steady stream of improving economic data swayed market interest towards stocks, decreasing demand for bonds as the economy began to show growth based on rising industrial production data and exports. Strong US payrolls data released in December caused yields on 3yr Treasury bonds to jump to 5.06%, a high for the quarter, as market players believed that the Korean economy would be able to grow more quickly on the basis of exports to meet improving demand from the US. The 3yr bond ended the quarter up 73bps at 4.84%, but slightly lower than the start of the year of 5.11%.

The Singapore bond market also fell for the first time in four years, with the yield on 10yr government securities rising to 3.75%, up 21bps for the quarter, but even worse for the year, up 120bps from 2.55% at the beginning of 2003. The 5yr bond rose 24bps to 2.74%, or 100bps (1%) from the start of the year. In spite of all the doom and gloom of 2003 brought on by SARS, dramatic declines in tourism, terrorism in the region, and high unemployment, optimism prevailed that the global rebound led by the US in the second half of the year would also reverse the fortunes of Singapore, prompting the stock market to gain 32%, its first annual rise in 4 years. This shunted bonds to the backburner, prompting prices to fall and yields to rise, as their low returns were unappealing when compared to stocks and the brightening prospects for the economy.



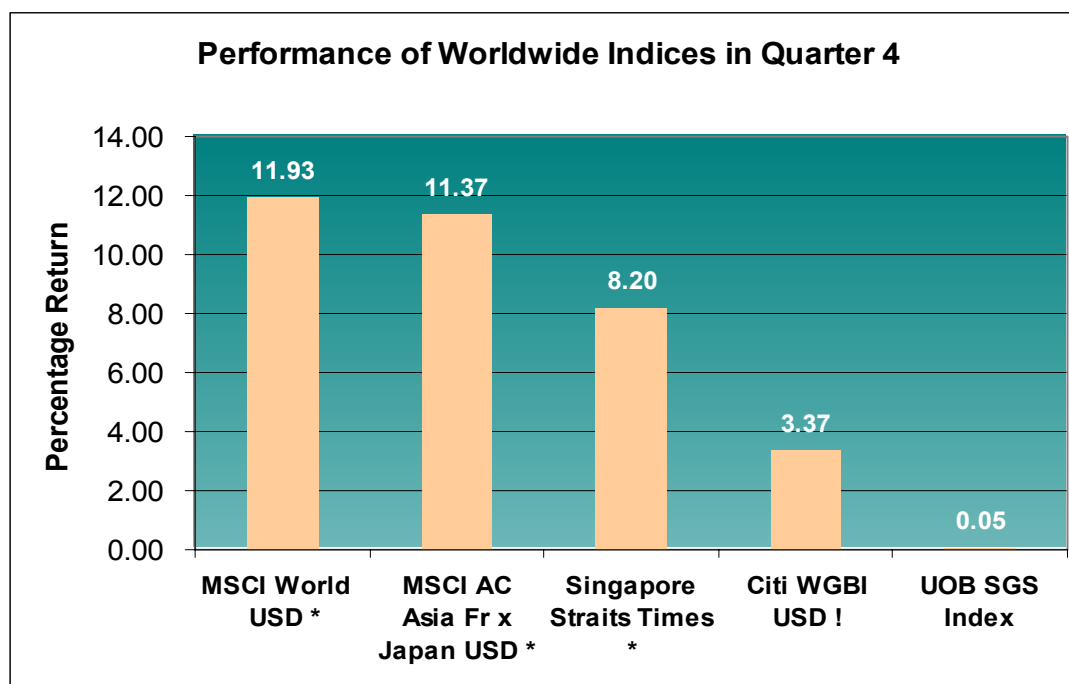
### 3. Currency

Strong economic data in the US has not been matched by higher short-term yields, keeping the pressure on the dollar in line with focus on the twin US deficits. Usd/Jpy has fallen to three-year lows around 106, despite exceptionally heavy intervention by the MoF amounting to \$187 bln in total for 2003. Helping to underpin Jpy strength, foreign appetite for Japanese equities remains firm, with weekly net inflows averaging \$2.39 bln since April 14. Of note, the BoJ surprised the market by easing monetary policy on January 20. They lifted the target for the daily current A/C balance to Y30-35 tln from Y27-32 tln, leaving additional room for the BoJ to "unsterilize" the MoF's Jpy selling intervention.

Nevertheless, the Eur is once again bearing the brunt of the dollar adjustment, with Eur/Usd pushing to fresh all time highs at 1.2899 on January 12. This has prompted verbal intervention from European policymakers, with ECB President Jean-Claude Trichet expressing concern over FX volatility and "brutal" moves at the recent BIS meeting. Subsequently, Eurozone Finance Ministers indicated they were concerned about excessive volatility. However, European policymakers do not yet appear ready to back up verbal intervention with policy action, suggesting that the pressure will remain on the dollar.

The focus is now on the G7 meeting in Florida on February 6/7. The last G7 in March called for greater flexibility in exchange rates, seen aimed at Japan and China. Although Japan has since tolerated a somewhat stronger JPY, European policymakers are expected to be more forceful in pressing their Asian counterparts to share a greater burden of the dollar adjustment. The market is also gearing up for the January 27/28 FOMC meeting, although softness in the December non-farm payrolls has seen market expectations for the first rate hike pushed back until August.

#### 4. Performance of World-wide Indices Based on SGD



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

- ***Citi WGBI (Citigroup World Gov't. Bond Index) Index:*** Global bonds
- ***MSCI World Index:*** Global equities
- ***MSCI AC Asia Fr x Japan Index:*** 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:

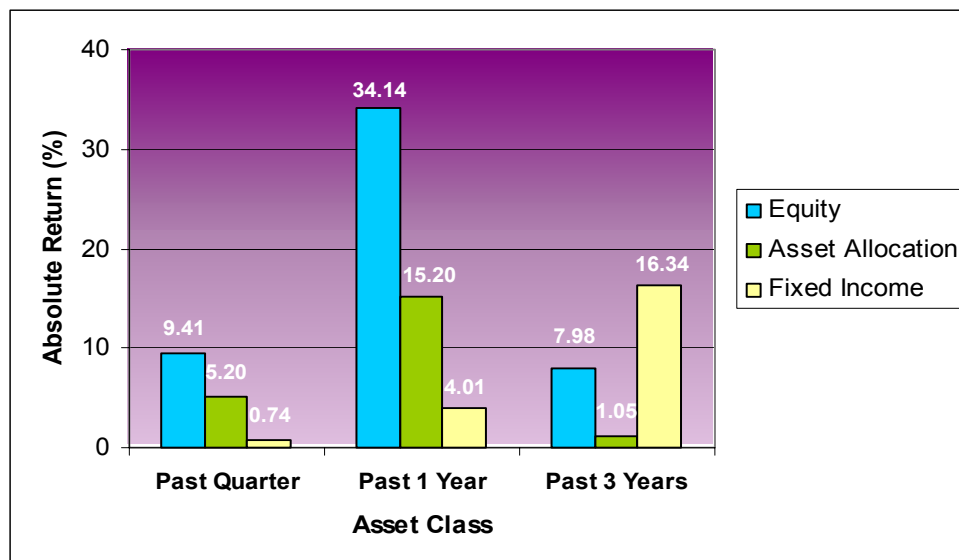
- ***Ordinary:*** 2.5%
- ***Special:*** 4.0%
- ***Medisave:*** 4.0%
- ***Retirement:*** 4.0%

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 classes<sup>1</sup> of CPFIS-included unit trusts and ILPs are summarized in the graphs below.



#### Average Performance of CPFIS-Included Unit Trusts

Over the quarter ended December 31, the average performance of CPFIS-included unit trusts was 7.77%, with equity funds coming out as the best performer, their average return being 9.41 % over the period.

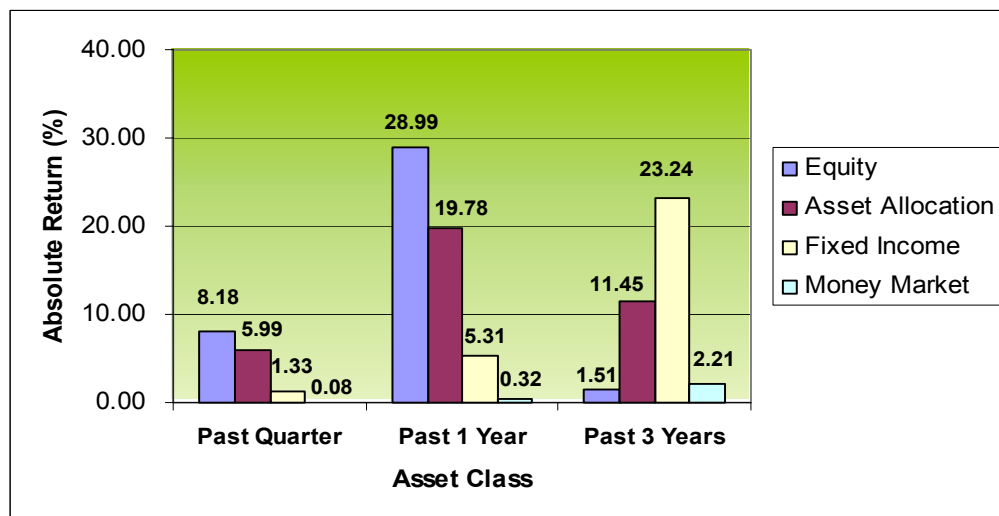
In the longer 1-year period, equity funds with an average return of 34.14% far exceeded the performance of the two other asset classes again. Asset allocation funds and fixed income funds posted returns of 15.20% and 4.01% respectively. Average return for CPFIS-included unit trusts over the last 12 months up to December 31, 2003 is 27.8%.

With regards to the performance over the past 3 years, fixed income funds remain the best performer with an average return of 16.34%. Average return generated by CPFIS-included unit trusts over this period is 7.99%

<sup>1</sup> 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 Q4 is 6.73%. Amongst all the 4 asset classes, equity funds have done the best, delivering, on average, 8.18% in return.

Over the last 12 months up to December 31, equity funds have again outperformed the other categories with 28.99% in average return. Average returns for asset allocation, fixed income and money market funds in the same period are 19.78%, 5.31% and 0.32% respectively, with the overall return for CPFIS-included ILPs being, on average, a gain of 23.60%.

In the 3-year period ended December 31, the average returns of equity funds at last became positive, being 1.51%. The performance of the fixed income sector remained impressive over this timeframe with, on average, a return of 23.24%. Asset allocation and money market funds' average returns are 11.45% and 2.21% respectively. The overall performance of CPFIS-included ILPs is 5.62% 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 Dec 31, 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
<b>Equity</b>						
Average Return	9.41	158	34.14	154	7.98	107
Best Performer	45.94		155.44		258.61	
Worst Performer	-4.82		-3.40		-69.99	
<b>Asset Allocation</b>						
Average Return	5.20	38	15.20	36	1.05	17
Best Performer	10.57		39.09		15.25	
Worst Performer	-0.44		-2.44		-8.43	
<b>Fixed Income</b>						
Average Return	0.74	23	4.01	22	16.34	13
Best Performer	3.36		13.00		29.19	
Worst Performer	-1.68		-1.68		6.67	

### 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
<b>Equity</b>						
Average Return	8.18	95	28.99	89	1.51	36
Best Performer	30.95		79.30		61.05	
Worst Performer	-1.76		-0.64		-57.62	
<b>Asset Allocation</b>						
Average Return	5.99	50	19.78	45	11.45	12
Best Performer	11.51		42.08		24.40	
Worst Performer	0.11		0.87		-5.80	
<b>Fixed Income</b>						
Average Return	1.33	15	5.31	13	23.24	5
Best Performer	3.70		14.69		38.30	
Worst Performer	-1.42		-1.48		11.82	
<b>Money Market</b>						
Average Return	0.08	3	0.32	3	2.21	3
Best Performer	0.32		1.04		4.54	
Worst Performer	-0.06		-0.25		-0.05	

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
<b>Singapore Unit Trusts</b>		
Funds with Positive Returns	188 (88.26%)	73 (53.28%)
Funds with Negative Returns	25 (11.74%)	64 (46.72%)
<b>Singapore Insurance Linked</b>		
Funds with Positive Returns	145 (90.62%)	37 (66.07%)
Funds with Negative Returns	15 (9.38%)	19 (33.93%)

*Note: All data is as of Dec 31, 2003*

Over the past quarter ended December 31, 2003, the percentage of funds with positive returns is 88.26% for unit trusts and 90.62% for ILPs, and the majority of this group of positive-return performer fall into the equity and asset allocation fund categories.

Over for the longer 3-year period, 53.28% and 66.07% of all CPFIS-included unit trusts and ILPs respectively produced positive returns. The funds that are in the positive territory are mostly from the following categories:

a) CPFIS-Included Unit Trust Universe

- Asia Pacific ex Japan equity markets
- Global fixed income markets
- Asset allocation neutral funds that are invested globally

b) CPFIS-Included ILP Universe

- Asia Pacific ex Japan equity markets
- Asset allocation neutral funds that are invested globally
- Malaysia and Singapore equity markets
- Global fixed income markets

## SUMMARY OF RISK-ADJUSTED PERFORMANCE

### 1. Risk-Return Analysis over Past 3 Years

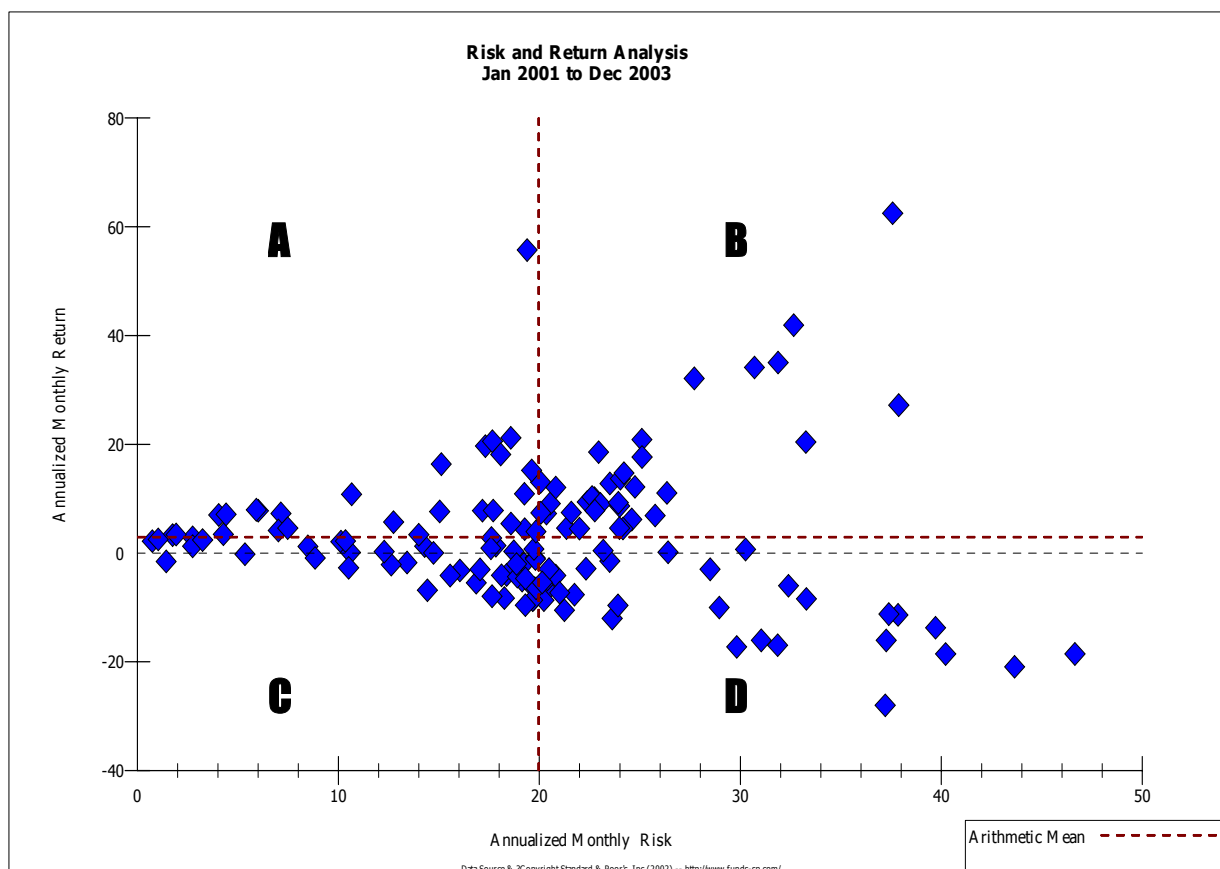
The scatterplots below compare the return performance of CPFIS-included unit trusts and ILPs against their risk level (i.e. volatility). Return performance is shown on the vertical axis and the funds' volatility is on the horizontal axis. Using the median lines (dotted in red) as divider, 4 distinct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

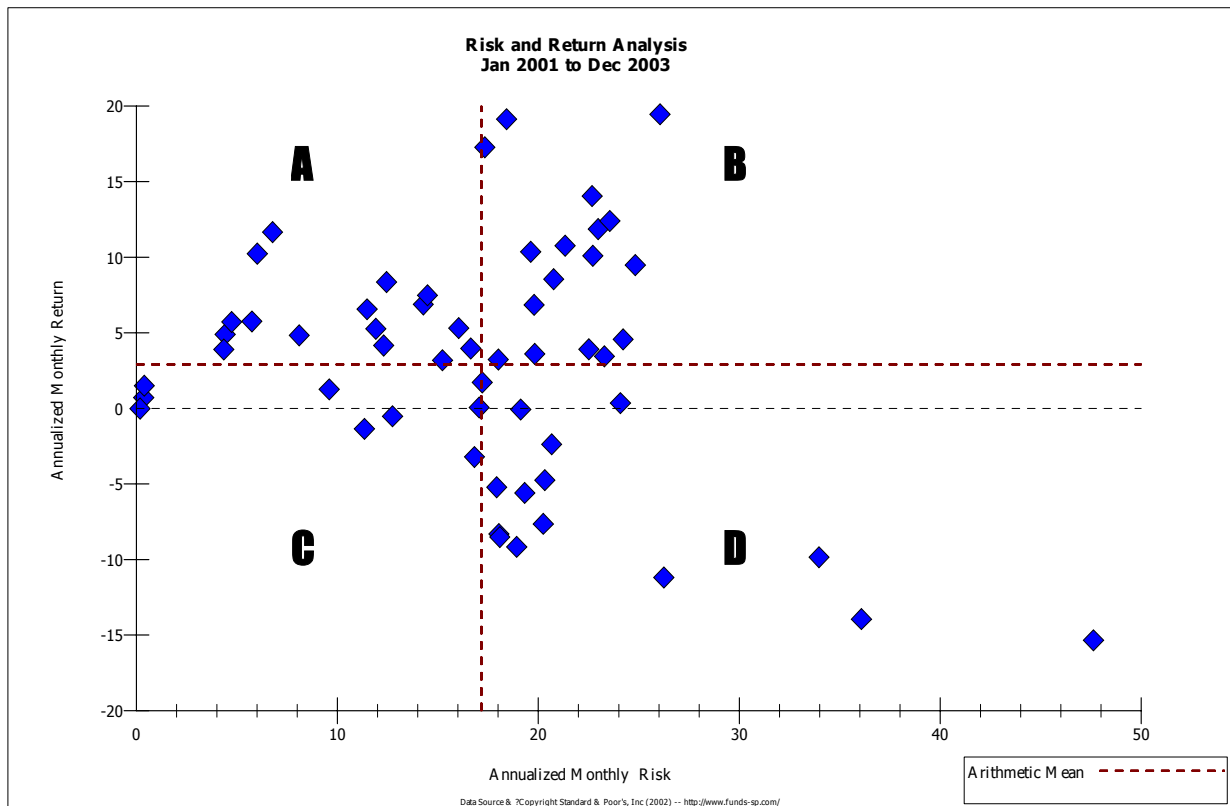
All quadrants with the exception of D are desirable depending on the employee's risk tolerance level and return requirements. Quadrant A might be seen as the most optimal choice where the fund managers have managed to produce relatively higher returns while minimizing the funds' volatility.

Over a 3-year period (up to December 31, 2003), out of the entire group of CPFIS-included unit trusts, 19.85% fall into quadrant A while 22.79% of the funds are in quadrant D.

#### CPFIS-Included Unit Trusts



## CPFIS-Included ILPs



Over the past 3 years up to December 31, 2003, 28.57% of the ILPs are in quadrant A while 26.79% 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
★★★★★	3
★★★★	26
★★★	28
★★	25
★	19

#### CPFIS-Included ILPs

S&P Fund Stars	Number of ILPs
★★★★★	2
★★★★	5
★★★	6
★★	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
<b>5 Stars</b>			
DBS Shenton Asia Pacific	★★★★★	Equity Asia Pacific ex Japan	Higher Risk
DBS Shenton Thrift	★★★★★	Equity Singapore	Higher Risk
UOB United International Growth	★★★★★	Equity Global	Higher Risk
<b>4 Stars</b>			
Aberdeen Pacific Equity	★★★★	Equity Asia Pacific ex Japan	Higher Risk
ACMIF Global Growth Trends A	★★★★	Equity Global	Higher Risk
CitiSelect Asia Tilt Growth	★★★★	Asset Alloc Global Dynamic	Medium to High Risk
DBS Shenton Dynamic Bond	★★★★	Fixed Income Global	Low to Medium Risk
DBS Shenton Global Opportunities	★★★★	Equity Global	Higher Risk
First State Global Tech & Com	★★★★	Sector - TMT Global	Higher Risk
First State Regional China	★★★★	Equity China (Greater)	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
HSBC Pan European Growth	★★★★	Equity Europe	Higher Risk
Infinity European Stock Index	★★★★	Equity Europe	Higher Risk
Infinity US 500 Stock Index	★★★★	Equity USA	Higher Risk
OCBC Savers Global Bond A	★★★★	Fixed Income Global	Low to Medium Risk
OCBC Savers Singapore Trust	★★★★	Equity Singapore	Higher Risk
OCBC Singapore/Malaysia Fd	★★★★	Equity Malaysia & Singapore	Higher 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 Asia	★★★★	Equity Asia Pacific ex Japan	Higher Risk
UOB United Global Healthcare	★★★★	Sector - Healthcare Global	Higher Risk
UOB United Global Technology	★★★★	Sector - TMT Global	Higher Risk
UOB United Millennium 1	★★★★	Asset Alloc Global Neutral	Medium to High Risk
UOB United Millennium 3	★★★★	Asset Alloc Global Dynamic	Higher Risk
<b>3 Stars</b>			
Aberdeen Singapore Equity	★★★	Equity Singapore	Higher Risk
ACMIF International HealthCare A	★★★	Sector - Healthcare Global	Higher Risk
AIG Int Fds Asian Equities	★★★	Equity Asia Pacific ex Japan	Higher Risk
AIG Int Fds Multi Currency Bond	★★★	Fixed Income Global	Low to Medium Risk
CitiSelect Asia Tilt Balanced	★★★	Asset Alloc Global Neutral	Medium to High Risk
CitiSelect Asia Tilt Enhanced Gr	★★★	Asset Alloc Global Dynamic	Higher Risk
COM Global Infotechnology	★★★	Sector - TMT Global	Higher Risk
Dresdner Global Internet	★★★	Sector - TMT Global	Higher Risk
Dresdner Intl Prov Glb Balanced	★★★	Asset Alloc Global Neutral	Medium to High Risk
Eight Portfolio E	★★★	Equity Global	Higher Risk
First State Asia-Pacific Growth	★★★	Equity Asia Pacific ex Japan	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	Low to Medium Risk
Franklin Templeton F-US Agg Grth	★★★	Equity USA	Higher Risk
Horizon Asia Ex-Japan Equity	★★★	Equity Asia Pacific ex Japan	Higher Risk
Horizon Global Equity	★★★	Equity Global	Higher Risk
Horizon Japanese Equity	★★★	Equity Japan	Higher Risk
Horizon US Equity	★★★	Equity USA	Higher Risk
HSBC Global Fixed Income	★★★	Fixed Income Global	Low to Medium Risk
Indocam Asia Vision	★★★	Equity Asia Pacific ex Japan	Higher Risk
Infinity Global Stock Index	★★★	Equity Global	Higher Risk

**CPFIS Included Unit Trusts (Con't)**

CPFIS - Included Unit Trusts	S&P Fund Stars	General Sector	CPFIS Risk Classification
<b>3 Stars</b>			
Schroder European Equity	★★★★	Equity Europe	Higher Risk
UOB United European Equity	★★★★	Equity Europe	Higher Risk
UOB United Growth	★★★★	Equity Singapore	Higher Risk
UOB United Japan Growth	★★★★	Equity Japan	Higher Risk
UOB United Millennium 2	★★★★	Asset Alloc Global Neutral	Medium to High Risk
UOB United Regional Growth	★★★★	Equity Asia Pacific	Higher Risk
<b>2 Stars</b>			
ABN AMRO Star Global Technology	★★	Sector - TMT Global	Higher Risk
AIG Int Fds American Equities	★★	Equity USA	Higher Risk
CitiSelect Global Growth	★★	Asset Alloc Global Dynamic	Medium to High Risk
DBS Japan Growth	★★	Equity Japan	Higher Risk
DBS Mendaki Global	★★	Equity Global	Higher Risk
Deutsche Asia Premier Trust	★★	Equity Asia Pacific ex Japan	Higher Risk
Deutsche Premier Select	★★	Asset Alloc Global Neutral	Medium to High Risk
Dresdner Global Multimedia	★★	Sector - TMT Global	Higher Risk
Dresdner Intl Prov European Eqty	★★	Equity Europe	Higher Risk
Dresdner Intl Prov Global Tech	★★	Sector - TMT Global	Higher Risk
Eight Portfolio B	★★	Asset Alloc Global Neutral	Medium to High Risk
Eight Portfolio D	★★	Asset Alloc Global Dynamic	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 SEA Special Sits	★★	Equity Asia Pacific ex Japan	Higher Risk
Henderson Pacific Dragon	★★	Equity Asia Pacific ex Japan	Higher Risk
Horizon Singapore Equity	★★	Equity Singapore	Higher Risk
HSBC Global Growth	★★	Equity Global	Higher Risk
HSBC Global Technology Growth	★★	Sector - TMT Global	Higher Risk
OCBC Savers China Growth	★★	Equity China (Greater)	Higher Risk
Schroder Global Enterprise	★★	Equity Global	Higher Risk
Schroder Japanese Equity	★★	Equity Japan	Higher Risk
UOB Optimix Worlwide Bond	★★	Fixed Income Global	Low to Medium Risk
UOB United Asia Top 50	★★	Equity Asia Pacific	Higher Risk
UOB United Greater China	★★	Equity China (Greater)	Higher Risk
<b>1 Star</b>			
Aberdeen Global Technology	★	Sector - TMT Global	Higher Risk
Aberdeen Japan Equity	★	Equity Japan	Higher Risk
ABN AMRO Star Europe Equity	★	Equity Europe	Higher Risk
AIG Int Fds Pan European Equity	★	Equity Europe	Higher Risk
Citi Global Bond	★	Fixed Income Global	Low to Medium Risk
Dresdner Asia Tiger	★	Equity Asia Pacific ex Japan	Higher Risk
Dresdner Intl Prov Glb Software	★	Sector - TMT Global	Higher Risk
Eight Portfolio C	★	Asset Alloc Global Neutral	Medium to High Risk
Five Arrows Worldwide Enterprise	★	Equity Global	Higher Risk
Henderson Global Technology	★	Sector - TMT Global	Higher Risk
Horizon Global Bond SGD	★	Fixed Income Global	Low to Medium Risk
HSBC Asian Growth	★	Equity Asia Pacific ex Japan	Higher Risk
HSBC Japanese Growth	★	Equity Japan	Higher Risk
OCBC Asia Pacific	★	Equity Asia Pacific ex Japan	Higher Risk
Schroder Balanced Growth	★	Asset Alloc Global Neutral	Medium to High Risk
Schroder Pan Asia Fund	★	Equity Asia Pacific	Higher 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
<b>5 Stars</b>			
Asia Premier Growth	★★★★★	Equity Asia Pacific ex Japan	Higher Risk
UOB Lifelink Global	★★★★★	Equity Global	Higher Risk
<b>4 Stars</b>			
Manulife Gldn Asia Growth	★★★★	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 Global Equity	★★★★	Equity Global	Higher Risk
Prulink Global Managed	★★★★	Asset Alloc Global Neutral	Medium to High Risk
<b>3 Stars</b>			
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 Global 100 Growth	★★★	Equity Global	Higher Risk
John Hancock Pacific Finance	★★★	Equity Asia Pacific ex Japan	Higher Risk
Manulife Gldn Bal Growth	★★★	Asset Alloc Global Neutral	Medium to High Risk
<b>2 Stars</b>			
Greatlink Enhancer	★★	Equity Asia Pacific ex Japan	Higher Risk
Greatlink Global Supreme	★★	Asset Alloc Global Neutral	Medium to High Risk
John Hancock Worldwide Eqty	★★	Equity Global	Higher Risk
Manulife Gldn SEA Spc Situtn	★★	Equity Asia Pacific ex Japan	Higher Risk
UOB Lifelink Asia	★★	Equity Asia Pacific ex Japan	Higher Risk
<b>1 Star</b>			
AIA Global Balanced	★	Asset Alloc Global Neutral	Medium to High Risk
AXA Life-Value Growth	★	Equity Asia Pacific ex Japan	Higher Risk
Global Leaders Fund	★	Equity Global	Higher Risk
NTUC Takaful	★	Equity Asia Pacific ex Japan	Higher Risk
Premium Asia Growth Fd	★	Equity Asia Pacific ex Japan	Higher Risk
Takaful Global Fund	★	Equity Global	Higher Risk

For details on the methodology of the CPFIS 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 [www.fundsingapore.com](http://www.fundsingapore.com).

### NOTE

All returns are calculated on a bid-to-bid basis in SGD, with gross income re-invested.

### 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, you 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. While Standard & Poor's Fund Services has made reasonable endeavours to ensure the accuracy of the 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

### CPFIS- Included Unit Trusts

Singapore Unit Trusts	29/12/2000 31/12/2003 Annual Avg	29/12/2000 31/12/2003 Ann Volatil	CPFIS Risk Classification	CPFIS General Focus	CPFIS Narrow Focus	S&P Sector General Name
<b>Quadrant A</b>						
Aberdeen Malaysia Equity	10.79	10.65	Higher Risk	Narrowly Focused	Country-Others	Equity Malaysia
Aberdeen Pacific Equity	19.66	17.32	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Aberdeen Singapore Equity	7.78	17.17	Higher Risk	Narrowly Focused	Singapore	Equity Singapore
Aberdeen Thailand Equity	55.72	19.39	Higher Risk	Narrowly Focused	Country-Others	Equity Thailand
AIG Int Fds Multi Currency Bond	7.76	6.02	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Citi Global Bond	3.45	4.28	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
DBS Shenton Dynamic Bond	7.28	7.14	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Deutsche Lion Bond	3.3	1.75	Lower Risk	Broadly Diversified	N/A	Fixed Income SGD
Five Arrows Global Bond Trust	7.94	5.92	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Franklin Templeton F-Asian Eq	20.55	17.67	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Franklin Templeton F-China	18.13	18.07	Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)
Franklin Templeton F-Gbl Sm Co	10.9	19.26	Higher Risk	Narrowly Focused	Small Cap	Smllr Companies Global
Franklin Templeton F-Global Bal	5.67	12.74	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Henderson European Property Sec	16.35	15.12	Higher Risk	Narrowly Focused	Sector-Others	Sector - Prop Shrs Europe
Horizon Singapore Fixed Inc Enh	3.4	1.93	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income SGD
HSBC Global Fixed Income	4.14	7.01	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
OCBC Savers Global Bond A	6.99	4.04	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
OCBC Savers Malaysia	21.18	18.58	Higher Risk	Narrowly Focused	Country-Others	Equity Malaysia
OCBC Singapore Balanced	3.37	14	Medium to High Risk	Narrowly Focused	Country	Asset Alloc Singapore Neutral
OCBC Singapore/Malaysia Fd	15.19	19.61	Higher Risk	Narrowly Focused	Country-Others	Equity Malaysia & Singapore
UOB Optimix Worldwide Bond	7.11	4.41	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
UOB United Asia Top 50	4.41	19.27	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific
UOB United Global Healthcare	7.64	15.04	Higher Risk	Narrowly Focused	Healthcare	Sector - Healthcare Global
UOB United Growth	3.95	19.83	Higher Risk	Narrowly Focused	Singapore	Equity Singapore
UOB United International Growth	5.43	18.59	Higher Risk	Broadly Diversified	N/A	Equity Global
UOB United Millennium 1	4.56	7.48	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
UOB United Regional Growth	7.81	17.7	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific
<b>Quadrant B</b>						
Aberdeen Indonesia Equity	34.13	30.7	Higher Risk	Narrowly Focused	Country-Others	Equity Indonesia
AIG Int Fds Asian Equities	10.1	22.74	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
DBS Shenton Asia Pacific	20.84	25.1	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
DBS Shenton Thrift	17.65	25.11	Higher Risk	Narrowly Focused	Singapore	Equity Singapore
Deutsche Asia Premier Trust	9.39	22.39	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Dresdner Asia Tiger	6.16	24.59	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
First State Asia-Pacific Growth	12.16	24.75	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
First State Regional China	12.79	23.51	Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)
First State Singapore Growth	4.51	24.15	Higher Risk	Narrowly Focused	Singapore	Equity Malaysia & Singapore
Five Arrows Asian Enterprise	8.66	23.99	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Five Arrows SEA Special Sits	7.27	20.35	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Franklin Templeton F-Emerg Mkts	13.03	20.06	Higher Risk	Narrowly Focused	Emerging Markets	Equity Global Emerging Mkts
Franklin Templeton F-Korea	20.42	33.26	Higher Risk	Narrowly Focused	Country-Others	Equity Korea
Franklin Templeton F-Thailand	41.9	32.65	Higher Risk	Narrowly Focused	Country-Others	Equity Thailand
Henderson Pacific Dragon	9.09	20.54	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Horizon Asia Ex-Japan Equity	12.05	20.82	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Horizon Singapore Equity	4.56	21.35	Higher Risk	Narrowly Focused	Singapore	Equity Singapore
HSBC Asian Growth	6.89	25.76	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
HSBC Chinese Growth	32.12	27.7	Higher Risk	Narrowly Focused	Greater China	Equity China
HSBC Indian Growth	35.02	31.88	Higher Risk	Narrowly Focused	Country-Others	Equity India
Indocam Asia Vision	10.29	22.62	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
OCBC Asia Pacific	7.45	21.59	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
OCBC Savers China Growth	9.03	23.04	Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)
OCBC Savers Korea	27.2	37.88	Higher Risk	Narrowly Focused	Country-Others	Equity Korea
OCBC Savers Singapore Trust	7.8	22.76	Higher Risk	Narrowly Focused	Singapore	Equity Singapore
OCBC Savers Thailand	62.47	37.58	Higher Risk	Narrowly Focused	Country-Others	Equity Thailand
OCBC South East Asia	18.55	22.95	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Schroder Asian Growth Fund	13.69	24.03	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Schroder Emerging Markets	11.05	26.34	Higher Risk	Narrowly Focused	Emerging Markets	Equity Global Emerging Mkts
Schroder Singapore Trust	4.48	21.99	Higher Risk	Narrowly Focused	Singapore	Equity Singapore
UOB Optimix Asian Equity	4.58	23.99	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
UOB Unifund	7.38	20.07	Higher Risk	Narrowly Focused	Singapore	Equity Malaysia & Singapore
UOB United Asia	14.71	24.21	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
UOB United Greater China	9.24	23.93	Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)



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

Singapore Unit Trusts	29/12/2000 31/12/2003 Annual Avg	29/12/2000 31/12/2003 Ann Volatil	CPFIS Risk Classification	CPFIS General Focus	CPFIS Narrow Focus	S&P Sector General Name
<b>Quadrant C</b>						
Aberdeen Japan Equity	-5.48	16.86	Higher Risk	Narrowly Focused	Japan	Equity Japan
Aberdeen UK Blue Chip	-5.05	19.14	Higher Risk	Narrowly Focused	UK	Equity United Kingdom
ACMIF Global Growth Trends A	-1.97	19.23	Higher Risk	Broadly Diversified	N/A	Equity Global
ACMIF International HealthCare A	-6.85	14.43	Higher Risk	Narrowly Focused	Healthcare	Sector - Healthcare Global
AIG Int Fds Pan European Equity	-8.54	19.71	Higher Risk	Narrowly Focused	Europe	Equity Europe
CitiBond Singapore A	2.87	2.75	Lower Risk	Broadly Diversified	N/A	Fixed Income SGD
CitiSelect Asia Tilt Balanced	2.08	10.12	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
CitiSelect Asia Tilt Enhanced Gr	0.31	18.73	Higher Risk	Broadly Diversified	N/A	Asset Alloc Global Dynamic
CitiSelect Asia Tilt Growth	1.26	14.29	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Dynamic
CitiSelect Global Growth	-1.75	13.41	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Dynamic
DBS Enhanced Income SGD	2.18	0.74	Lower Risk	Broadly Diversified	N/A	Short Term Bd SGD
Deutsche Premier Select	0.09	10.6	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Dresdner Intl Prov Glb Balanced	1.22	8.48	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Eight Portfolio A	1.25	2.75	Low to Medium Risk	Broadly Diversified	N/A	Asset Alloc Global Defensive
Eight Portfolio B	-0.22	5.35	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Eight Portfolio C	-0.92	8.84	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Eight Portfolio D	-2.13	12.63	Higher Risk	Broadly Diversified	N/A	Asset Alloc Global Dynamic
Eight Portfolio E	-3.02	17.05	Higher Risk	Broadly Diversified	N/A	Equity Global
First State Global Balanced	0.25	12.28	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Five Arrows Worldwide Enterprise	-8.29	18.25	Higher Risk	Broadly Diversified	N/A	Equity Global
Franklin Templeton F-Glb Eqty	1.35	17.84	Higher Risk	Broadly Diversified	N/A	Equity Global
Horizon Global Bond SGD	2.38	3.24	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Horizon Global Equity	-4.02	18.37	Higher Risk	Broadly Diversified	N/A	Equity Global
Horizon Japanese Equity	-0.9	19.79	Higher Risk	Narrowly Focused	Japan	Equity Japan
Horizon UK Equity	-3.22	16.05	Higher Risk	Narrowly Focused	UK	Equity United Kingdom
Horizon US Equity	-6.47	19.74	Higher Risk	Narrowly Focused	North America	Equity USA
HSBC Global Growth	-7.95	17.65	Higher Risk	Broadly Diversified	N/A	Equity Global
HSBC North American Growth	-8.65	19.66	Higher Risk	Narrowly Focused	North America	Equity North America
HSBC Pan European Growth	-1.11	19.8	Higher Risk	Narrowly Focused	Europe	Equity Europe
Infinity Global Stock Index	-4.1	18.11	Higher Risk	Broadly Diversified	N/A	Equity Global
Infinity US 500 Stock Index	-4.36	18.9	Higher Risk	Narrowly Focused	North America	Equity USA
Schroder Balanced Growth	-2.72	10.51	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Schroder European Equity	-6.49	19.83	Higher Risk	Narrowly Focused	Europe	Equity Europe
Schroder Global Smaller Co's	2.76	17.62	Higher Risk	Narrowly Focused	Small Cap	Smllr Companies Global
Schroder Japanese Equity	-4.14	15.56	Higher Risk	Narrowly Focused	Japan	Equity Japan
Schroder Pan Asia Fund	0.88	17.58	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific
UOB Optimix Co Clk S&P500 SGD	-1.54	1.43	Low to Medium Risk	Narrowly Focused	Regional	Floor Funds USA
UOB Optimix SGD Fund	2.5	1.03	Lower Risk	Broadly Diversified	N/A	Short Term Bd SGD
UOB Optimix Worldwide Eqty	-9.59	19.3	Higher Risk	Broadly Diversified	N/A	Equity Global
UOB United European Equity	-4.68	19.31	Higher Risk	Narrowly Focused	Europe	Equity Europe
UOB United Global Capital	0.75	19.73	Higher Risk	Narrowly Focused	Sector-Others	Sector - Finance Global
UOB United Japan Growth	-2.02	18.87	Higher Risk	Narrowly Focused	Japan	Equity Japan
UOB United Millennium 2	2.21	10.35	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
UOB United Millennium 3	0.03	14.74	Higher Risk	Broadly Diversified	N/A	Asset Alloc Global Dynamic
<b>Quadrant D</b>						
Aberdeen Continental Euro	-1.5	23.5	Higher Risk	Narrowly Focused	Europe	Equity Europe ex UK
Aberdeen Global Technolog	-18.58	40.22	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
ABN AMRO Star Europe Equi	-10.53	21.25	Higher Risk	Narrowly Focused	Europe	Equity Europe
ABN AMRO Star Global Tech	-18.57	46.65	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
ACMIF Asian Technology Po	0.14	26.4	Higher Risk	Narrowly Focused	Technology	Sector - TMT Asia Pacific
AIG Int Fds American Equi	-6.8	20.38	Higher Risk	Narrowly Focused	North America	Equity USA
COM Global Infotechnology	-11.38	37.84	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
DBS Japan Growth	-3.8	20.59	Higher Risk	Narrowly Focused	Japan	Equity Japan
DBS Mendaki Global	-7.66	21.74	Higher Risk	Broadly Diversified	N/A	Equity Global
DBS Shenton Global Opport	0.43	23.17	Higher Risk	Broadly Diversified	N/A	Equity Global
Dresdner Global Internet	-13.76	39.71	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Dresdner Global Multimedi	-17.27	29.82	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Dresdner Intl Global Biot	-12.04	23.62	Higher Risk	Narrowly Focused	Biotechnology	Sector - Biotechnology
Dresdner Intl Prov Europe	-9.65	23.91	Higher Risk	Narrowly Focused	Europe	Equity Europe
Dresdner Intl Prov Glb So	-28.01	37.21	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Dresdner Intl Prov Global	-16.96	31.85	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
First State Asia Inno & T	-2.99	28.49	Higher Risk	Narrowly Focused	Technology	Sector - TMT Asia Pacific
First State Global Tech &	-11.23	37.39	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Franklin Templeton F-Life	-10.02	28.95	Higher Risk	Narrowly Focused	Biotechnology	Sector - Biotechnology
Franklin Templeton F-US A	-6.01	32.39	Higher Risk	Narrowly Focused	North America	Equity USA
Henderson European	-4.16	20.82	Higher Risk	Narrowly Focused	Europe	Equity Europe ex UK
Henderson Global Technolo	-20.93	43.64	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Horizon European Equity	-2.89	22.32	Higher Risk	Narrowly Focused	Regional	Equity Europe ex UK
HSBC Global Technology Gr	-16.07	20.23	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
HSBC Japanese Growth	-8.68	20.23	Higher Risk	Narrowly Focused	Japan	Equity Japan
Infinity European Stock I	-2.93	20.48	Higher Risk	Narrowly Focused	Europe	Equity Europe
Schroder Global Enterpris	-7.3	21.01	Higher Risk	Broadly Diversified	N/A	Equity Global
SGAM Asian New Economy Fu	0.66	30.26	Higher Risk	Narrowly Focused	Asia	Sector - TMT Asia Pacific ex Japan
UBS (SG) IF-Biotech	-16.07	31.04	Higher Risk	Narrowly Focused	Biotechnology	Sector - Biotechnology
UOB Optimix Singapore Equ	-5.43	20.14	Higher Risk	Narrowly Focused	Singapore	Equity Singapore
UOB United Global Technol	-8.43	33.29	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global

## CPFIS-Included ILPs

Singapore Insurance Linked	29/12/2000 31/12/2003 Annual Avg	29/12/2000 31/12/2003 Ann Volatil	CPFIS Classification	CPFIS General Focus	CPFIS Narrow Focus	S&P Sector General Name
<b>Quadrant A</b>						
AIA Growth Fd	5.31	16.04	Medium to High Risk	Narrowly Focused	Singapore	Equity Malaysia & Singapore
AIA Regional Fixed Income	4.89	4.41	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income SGD
Aviva MM Balanced Growth	8.36	12.45	Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Asia Pac ex Japan Neutral
Aviva MM Income Growth	5.75	5.74	Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Asia Pac ex Japan Defensive
John Hancock Pacific Harvest	6.87	14.27	Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Global Dynamic
John Hancock Worldwide Bond	5.71	4.74	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Manulife Gldn Bal Growth	5.26	11.91	Medium to High Risk	Narrowly Focused	Singapore	Asset Alloc Global Neutral
Manulife Gldn Intl Bond	11.66	6.77	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
NTUC Enhanced	7.47	14.48	Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Asia Pac ex Japan Dynamic
NTUC Prime	6.56	11.48	Medium to High Risk	Narrowly Focused	Asia	Asset Alloc Asia Pac ex Japan Neutral
NTUC Singapore Bond	3.89	4.35	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income SGD
NTUC Trust	4.16	12.3	Medium to High Risk	Narrowly Focused	Singapore	Asset Alloc Singapore Neutral
Prulink Global Bond	10.23	6.01	Low to Medium Risk	Broadly Diversified	N/A	Fixed Income Global
Prulink Global Managed	4.83	8.1	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Prulink Singapore Managed	3.19	15.23	Medium to High Risk	Narrowly Focused	Singapore	Asset Alloc Singapore Neutral
UOB Lifelink Global	3.96	16.63	Higher Risk	Broadly Diversified	N/A	Equity Global
<b>Quadrant B</b>						
AIA Regional Equity	11.86	22.98	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Asia Premier Growth	17.27	17.34	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Aviva MM Capital Growth	10.35	19.62	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
AXA Life-Fortress	3.44	23.28	Higher Risk	Narrowly Focused	Singapore	Equity Singapore
AXA Life-Value Growth	3.23	18.01	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Greatlink ASEAN Growth	19.13	18.42	Higher Risk	Narrowly Focused	Asia	Equity ASEAN
Greatlink Enhancer	8.54	20.76	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
John Hancock Greater China	9.48	24.82	Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)
John Hancock Pacific Finance	10.76	21.33	Higher Risk	Narrowly Focused	Sector-Others	Equity Asia Pacific ex Japan
Manulife Gldn Asia Growth	14.04	22.67	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Manulife Gldn Regional China	19.45	26.05	Higher Risk	Narrowly Focused	Greater China	Equity China (Greater)
Manulife Gldn SEA Spc Situtn	6.84	19.79	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Manulife Gldn SG Growth	4.57	24.22	Higher Risk	Narrowly Focused	Singapore	Equity Malaysia & Singapore
Premium Asia Growth Fd	3.91	22.51	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
Prulink Asian Eqty	12.39	23.56	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
UOB Lifelink Asia	10.09	22.71	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific ex Japan
UOB Lifelink Growth	3.6	19.82	Higher Risk	Narrowly Focused	Singapore	Equity Malaysia & Singapore
<b>Quadrant C</b>						
AIA Global Balanced	-1.35	11.34	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
Greatlink Cash	0.71	0.36	Lower Risk	Broadly Diversified	N/A	Money Market SGD
Greatlink Global Supreme	1.26	9.59	Medium to High Risk	Broadly Diversified	N/A	Asset Alloc Global Neutral
John Hancock Money Growth Plan	-0.53	12.74	Medium to High Risk	Narrowly Focused	Singapore	Asset Alloc Singapore Neutral
John Hancock Singapore Cash	-0.02	0.18	Lower Risk	Broadly Diversified	N/A	Money Market SGD
NTUC Takaful	-3.22	16.82	Higher Risk	Broadly Diversified	N/A	Equity Asia Pacific ex Japan
Prulink Global Equity	0.05	17.05	Higher Risk	Broadly Diversified	N/A	Equity Global
Prulink Singapore Cash	1.49	0.39	Lower Risk	Broadly Diversified	N/A	Money Market SGD
<b>Quadrant D</b>						
AIA Global Technology	-13.94	36.07	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Global Communication Fd	-11.19	26.24	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Global Leaders Fund	-8.32	18.04	Higher Risk	Broadly Diversified	N/A	Equity Global
Global Strategic 50 Fd	-5.22	17.93	Higher Risk	Broadly Diversified	N/A	Equity Global
Greatlink European Equity	-5.6	19.33	Higher Risk	Narrowly Focused	Europe	Equity Europe
Greatlink Global 100 Growth	-4.75	20.32	Higher Risk	Broadly Diversified	N/A	Equity Global
Greatlink Pan Asia	1.71	17.21	Higher Risk	Narrowly Focused	Asia	Equity Asia Pacific
John Hancock Global Technology	-9.85	33.96	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
John Hancock Japan Growth	-2.38	20.66	Higher Risk	Narrowly Focused	Japan	Equity Japan
John Hancock Worldwide Eqty	-8.51	18.08	Higher Risk	Broadly Diversified	N/A	Equity Global
NTUC European Equity	-7.65	20.24	Higher Risk	Narrowly Focused	Europe	Equity Europe
NTUC Global Equity	0.35	24.08	Higher Risk	Broadly Diversified	N/A	Equity Global
NTUC Japanese Equity	-0.07	19.12	Higher Risk	Narrowly Focused	Japan	Equity Japan
NTUC Technology	-15.34	47.62	Higher Risk	Narrowly Focused	Technology	Sector - TMT Global
Takaful Global Fund	-9.17	18.92	Higher Risk	Broadly Diversified	N/A	Equity Global



# APPENDIX 2

## S&P Fund Stars Methodology

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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.

$\frac{\text{Average monthly relative performance over 3 years}}{\text{Volatility of monthly relative performance over 3 years}} = \text{Relative return / volatility ratio}$
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## Allocation of the S&P Fund Stars

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

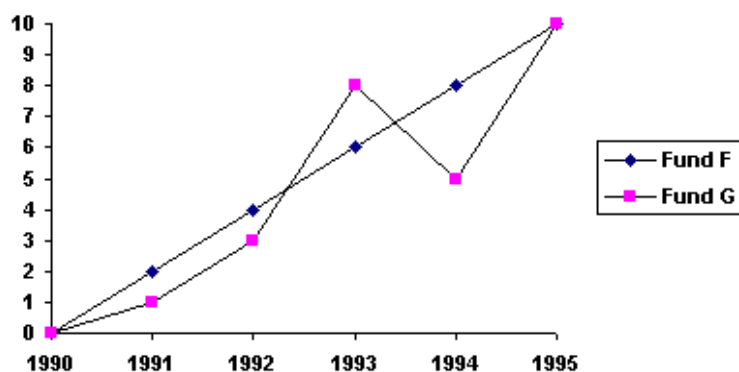
★★★★★	Top 10%	10 funds
★★★★	Top 11-30%	20 funds
★★★	Top 31-50%	20 funds
★★	Next 25%	25 funds
★	Bottom 25%	25 funds

## 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	1	★★★★★
Fund B	30%	6	5.0	5	★★★
Fund C	10%	4	2.5	9	★
Fund D	30%	4	7.5	2	★★★★
Fund E	40%	6	6.6	3	★★★★
Fund F	20%	4.5	4.4	6	★★
Fund G	30%	5	6.0	4	★★★
Fund H	3.4%	1	3.4	7	★★
Fund I	2.7%	1	2.7	8	★★
Fund J	6.0%	3	2.0	10	★

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

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

Risk Classification	Unit Trusts	ILPs
Higher Risk	137	80
Medium to High Risk	26	47
Low to Medium Risk	56	32
Lower Risk	5	5

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](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:

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