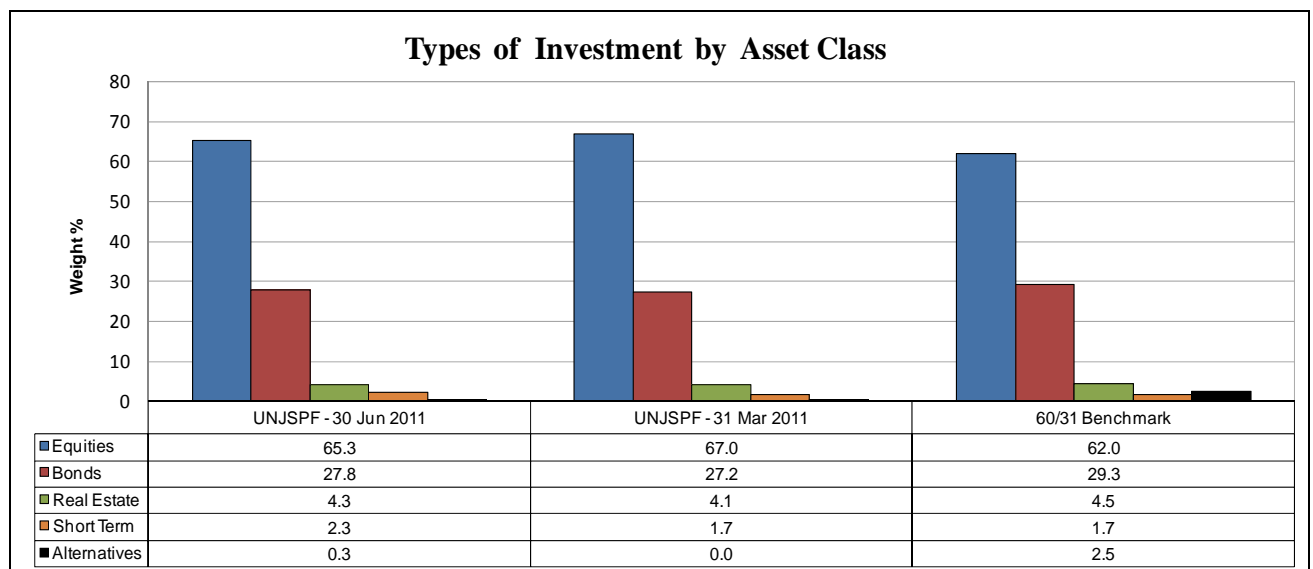


INVESTMENTS

As of 30 June 2011, the market value of the Fund's assets was US\$43,360 million. This represents a decrease of US\$471 million or approximately 1.1 per cent, from 31 March 2011 when the Fund's asset value stood at US\$42,889 million. Market volatility remained relatively low in the second quarter, when compared to the first quarter, and spiked in the end of July as concerns grew over the US debt ceiling debate.

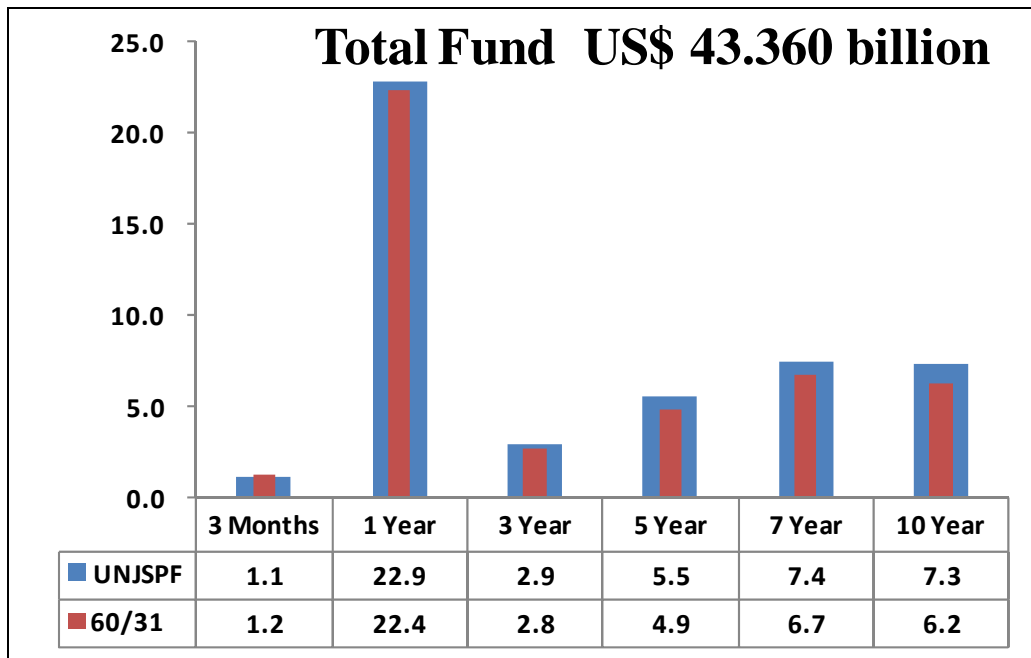
Through active management, for long-term periods, the Fund continues to outperform the policy benchmark with effective stock selection and periodic re-balancing of assets to maintain the Fund's long-term investment objectives. The management of the Fund's investments continues to focus on balancing the risk and reward expectations with broad diversification.

The asset allocation, in per cent was as follows:



Investment in the three private equity funds - IFC ALAC Fund, Centerbridge Capital Partners II and Lexington Capital Partners VII has broadened the geographic diversification of the Fund's investments, further increasing the allocation to emerging markets.

PERFORMANCE



The total return of the Fund for the quarter ending 30 June 2011 was 1.13 per cent underperforming the 60/31 policy benchmark preliminary return by 10 basis points. The Fund outperformed the 60/31 policy benchmark return in the one, three, five, seven and ten year periods.

DIVERSIFICATION

As of 30 June 2011, the Fund had investments in 39 countries, 7 international/regional institutions and 22 currencies. The chart below indicates the US Dollar value of investments by region (in millions).

