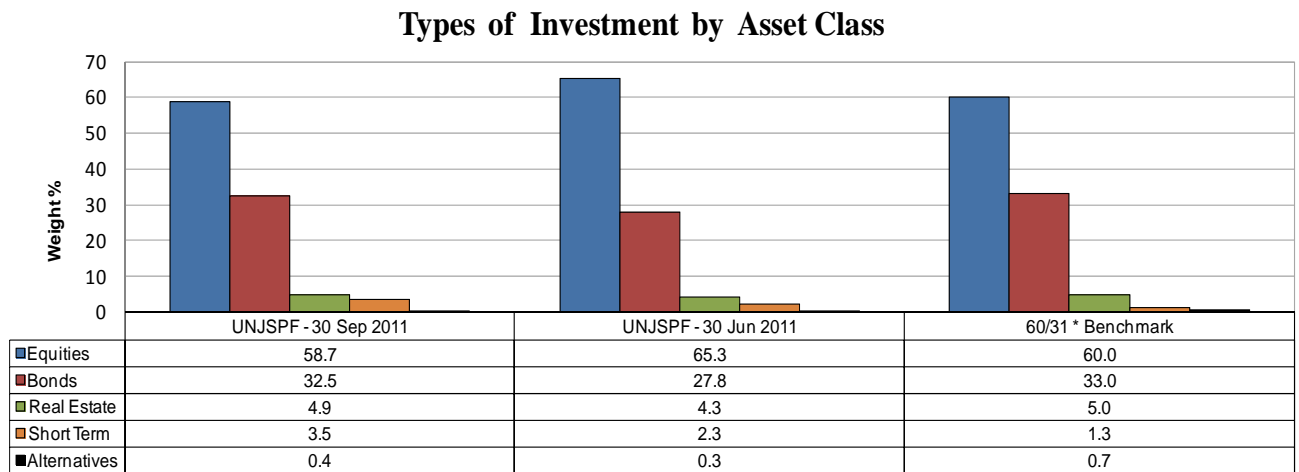


## INVESTMENTS

As of 30 September 2011, the market value of the Fund's assets was US\$ 38,121 million. This represents a decrease of US\$ 5,239 million or approximately 12.1 per cent, from 30 June 2011 when the Fund's asset value stood at US\$ 43,360 million. Market volatility spiked in August 2011 as global markets reacted to a combination of adverse factors including the downgrade of US debt by a ratings firm and uncertainty regarding the restructuring of the Greek debt.

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

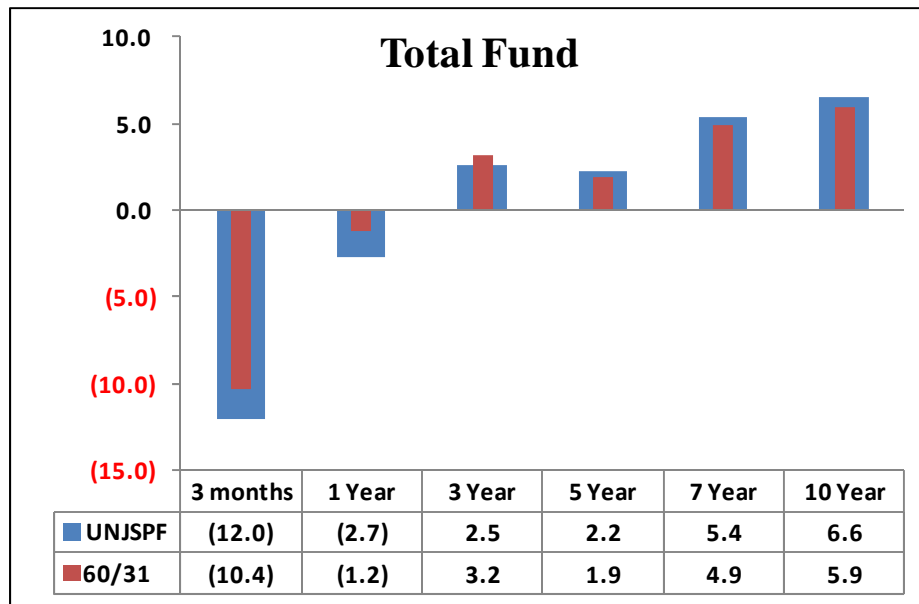
The asset allocation, in per cent was as follows:



\* Proposed Tactical Asset Allocation post 3Q 2011 period

Investment in four private equity funds and commodities has broadened the geographic diversification of the Fund's investments, further increasing the allocation to emerging markets.

## PERFORMANCE



The preliminary return of the Fund for the quarter ending 30 September 2011 was -12.0 per cent underperforming the 60/31 policy benchmark preliminary return by 167 basis points. The Fund outperformed the 60/31 policy benchmark return in the five, seven and ten year periods.

## DIVERSIFICATION

As of 30 September 2011, the Fund had investments in 40 countries, 7 international/regional institutions and 23 currencies. The chart below indicates the US Dollar value of investments by region (in millions).

