

## INVESTMENTS

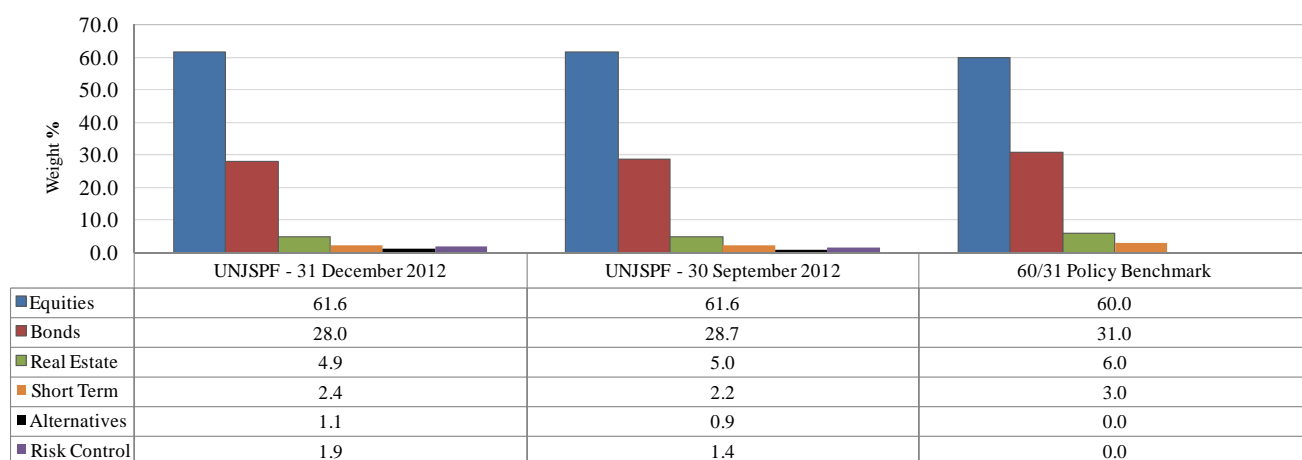
As of 31 December 2012, the preliminary market value of the Fund’s assets was US\$ 44,643 million. This represents an increase of US\$ 874 million or approximately 2.0 per cent, from 30 September 2012 when the Fund’s asset value stood at US\$ 43,769 million. Risk appetite dampened in the quarter due to the uncertainty over the US “Fiscal Cliff”, concerns over the Eurozone debt crisis and the devastating effect of Hurricane Sandy in the north east region of United States.

Investment Management Division’s (IMD) successful operations during hurricane Sandy, from the 29th of October through 31st of October, resulted from management’s diligent operational preparedness initiatives. In preparation for possible future disasters, the Director along with Risk Management Section initiated several mock disaster drills, which enabled a successful response and smooth operations of IMD during hurricane Sandy. Optimism prevailed and the Fund posted steady gains.

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 one, 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

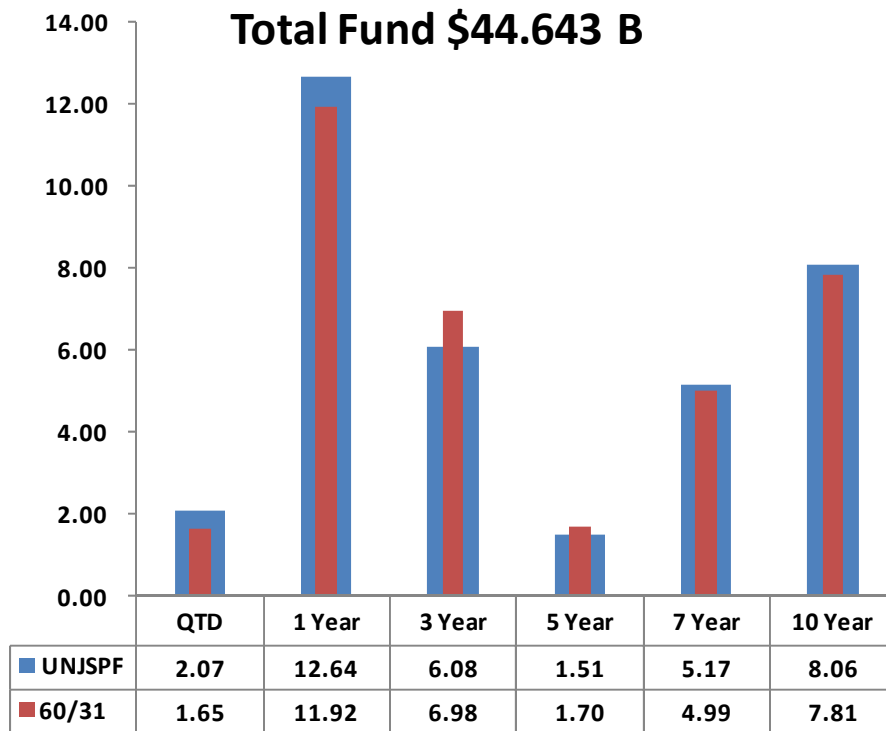
The asset allocation, in per cent was as follows:

**Types of Investment by Asset Class**



Data Source : Northern Trust. The numbers may not add up due to rounding errors.

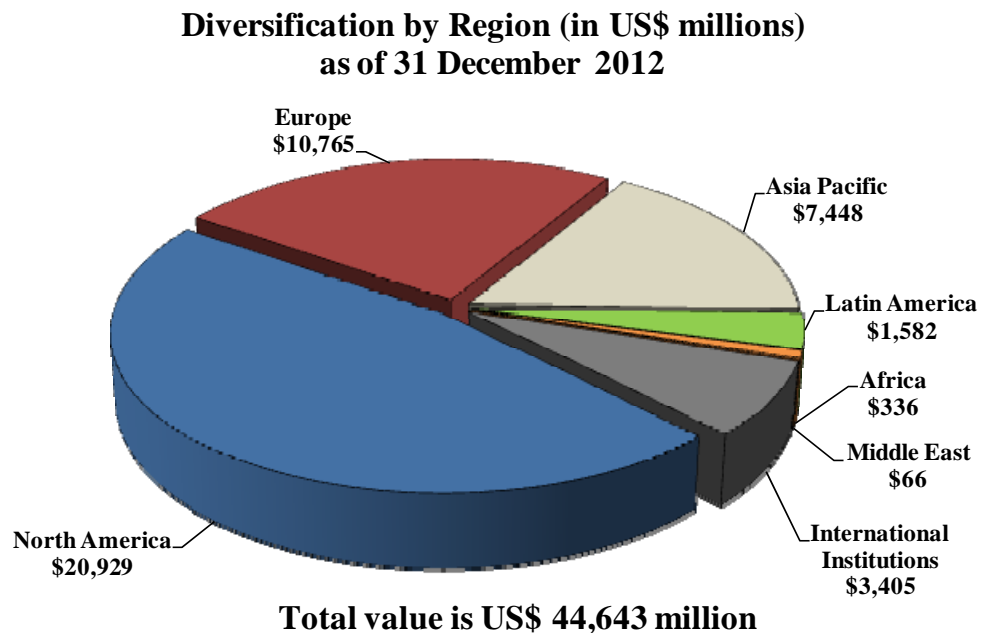
## PERFORMANCE



The preliminary return of the Fund for the quarter ending 31 December 2012 was 2.07 per cent outperforming the 60/31 policy benchmark preliminary return by 42 basis points.

## DIVERSIFICATION

As of 31 December 2012, the Fund had investments in 39 countries, 7 international/regional institutions and 24 currencies. The chart below indicates the US dollar value of investments by region (in millions). Please note that the Fund value is preliminary as of 31 December 2012.



Source: Independent MRK - Northern Trust - preliminary numbers.  
Numbers may not add up due to rounding