Temasek Review 2021
Highlights

BOUNCE Forward

TEMASEK

BOUNCE *Forward*

A year on,
the despair and devastation
of the COVID-19 pandemic waves
are still fresh in our collective memory.

The world had pulled together, however untidily,
to accelerate science and solutions
to overcome the scourge.

We now see a ray of hope
that research and vaccines can offer.

Bouncing back to a pre-COVID world is not an option;
Time is getting short to prevent bigger devastations to come.

We must act now to catalyse solutions to the global threats
of climate change, food security and water scarcity.

We commit to sustainability at our core;
To stay resilient and purposeful always;
As we bounce *forward*
Together

The Temasek Charter

An active investor and shareholder

We deliver sustainable value over the long term

A forward looking institution

We act with integrity and are committed to the pursuit of excellence

A trusted steward

We strive for the advancement of our communities across generations

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Discover the Temasek Charter at temasekreview.com.sg/charter or scan the QR code

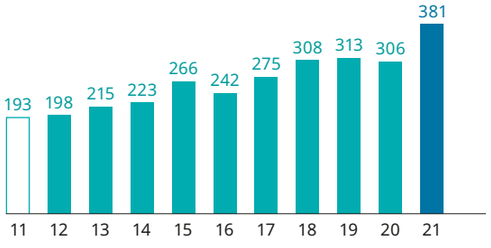
Ten-year Performance Overview

We ended the year with a net portfolio value of S$381 billion[1].

(as at 31 March)

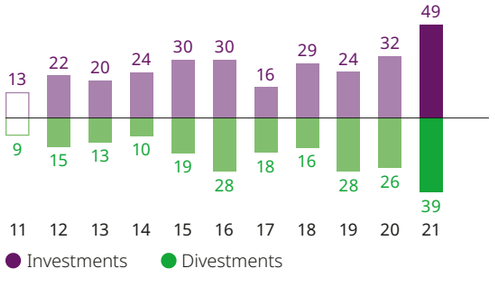
Net portfolio value
S$381b

Net Portfolio Value (S$b)



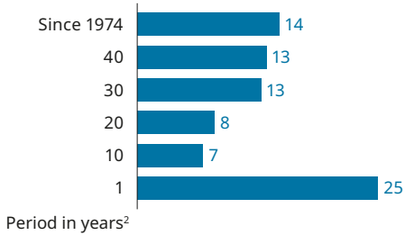
Invested during the decade
S$276b

Investments & Divestments (S$b)



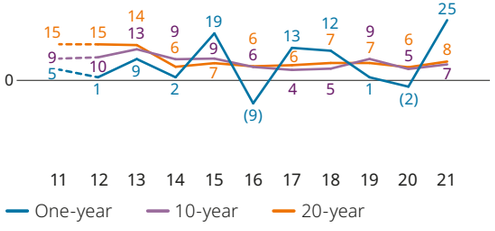
One-year return to shareholder
24.53%

S$ Total Shareholder Return (%)



20-year return to shareholder
8%

Rolling S$ Total Shareholder Return (%)



Read our Investment Update at temasekreview.com.sg/update or scan the QR code

Read about our Total Shareholder Return at temasekreview.com.sg/tsr or scan the QR code

[1] Equivalent to US$283 billion, €241 billion, £206 billion and RMB1.86 trillion as at 31 March 2021.
[2] As at 31 March 2021. Total Shareholder Return in US$ terms was 32%, 6%, 9%, 14%, 14% and 16% for 1, 10, 20, 30, 40-year and since inception periods respectively.

Portfolio Highlights

Anchored in Asia, we have 60% underlying exposure to developed economies.

(as at 31 March)

Geography[3] (%)

	2021	2020	2019
Singapore	**24**	24	26
China	**27**	29	26
Asia (ex Singapore & China)	**13**	13	14
Australia & New Zealand	**4**	5	6
Europe, Middle East & Africa	**12**	11	12
Americas	**20**	18	16

Sector[3] (%)

	2021	2020	2019
Financial Services	**24**	23	25
Telecommunications, Media & Technology	**21**	21	20
Transportation & Industrials[5]	**19**	18	19
Consumer & Real Estate	**14**	17	17
Life Sciences & Agri-Food	**10**	8	7
Multi-sector Funds	**8**	8	8
Others (including Credit)	**4**	5	4

Liquidity (%)

	2021	2020	2019
Unlisted assets	**45**	48	42
Listed large blocs (≥ 50% share)	**10**	10	12
Listed large blocs (≥ 20% and < 50% share)	**7**	5	10
Liquid & sub-20% listed assets[6]	**38**	37	36

[3] Distribution based on underlying assets.
[4] Exchange rates as at 31 March 2021.
[5] The Transportation & Industrials sector includes investments in Energy & Resources.
[6] Mainly cash and cash equivalents, and sub-20% listed assets.

Excerpts from Our Chairman's Message

Two issues will greatly impact our lives in the years ahead — the COVID-19 pandemic, and global warming.

Successive waves of COVID-19 outbreaks devastated livelihoods around the world. The unexpected early successes of vaccines offered a ray of hope, but the more infectious new variants now threaten to outpace vaccination deliveries.

Our world has changed. It is not a sustainable option to bounce back to "business as usual". We must all pull together, and bounce *forward* into a new norm for better lives and more sustainable livelihoods.

The world came together to deliver solutions to the pandemic threat. We can and must do the same to reduce carbon emissions.

LIM BOON HENG
Chairman, Temasek Holdings

Forging Resilience

I am immensely proud that our staff have volunteered tirelessly, thoughtfully and selflessly during the COVID-19 pandemic. They worked closely with colleagues from Temasek Foundation and other partners, to support COVID-19 initiatives in five key areas: testing & diagnosis, containment & contact tracing, care & treatment, protection & prevention, and enablement.

With Temasek Foundation, we rolled out four nationwide exercises for Singapore residents to collect over 30 million free reusable, washable, antiviral, and antibacterial face masks. The #BYOBclean pilot, launched in March last year, encouraged families to "Bring Your Own Bottles", clean and ready to collect their free allocation of hand sanitiser. This was followed by a second nationwide free collection in April this year.

While Temasek is not on the frontlines of treatment, we supported communities and hospitals around the region, as well as further afield in Latin America and the Middle East.

Steering through Volatility

We have seen how the world came together to deliver solutions to the pandemic threat, however untidy the politics and fractious the nationalistic urges.

Major economies are now starting to relax lockdown measures, as vaccination brings some early successes. Growth could be strong this year and next.

The pace of recovery will likely be uneven across countries. Many emerging economies are still struggling with new peaks of infections, high hospitalisation numbers and slow vaccination rates. Uncertainty still remains, not least from the doubly contagious new variants, with potentially worse virulence.

Accelerating to a Sustainable World

Sustainability remains at the core of all that we do. Having delivered carbon neutrality as a company, we aim to reduce the net emissions of our portfolio to half the 2010 levels by 2030, signalling our ambition for net zero emissions by 2050.

Temasek can work to catalyse solutions to key global challenges. We will deploy *financial capital* to stimulate innovation and growth; develop *human capital* to uplift capabilities and enhance potential; enable *natural capital* to foster sustainable solutions for the climate and a better living environment; and crowd in *social capital* to transform lives for a more inclusive and resilient world.

Thanking Our People

I am heartened by the incredible adaptability and resilience of our Temasek team. They did not let up in our core responsibilities, even as they volunteered for pandemic relief projects.

Temasek has evolved and transformed over the years, seeking always to remain relevant. We have a strong team with diverse skills and competencies, and a deep sense of purpose.

Temasek is well positioned to bounce forward — into a world of new opportunities created by technological change, and driven by an urgent need to address our global climate emergency.

I know we can and will act with courage and conviction, to deliver a better and more sustainable future for all.

Read the full message from our Chairman at temasekreview.com.sg/message or scan the QR code

Pathways to Sustainability

We are at the dawn of a critical decade. Swift global action on the climate threat is needed to curb global carbon emissions.

Sustainability and climate change are mega forces that will shape every facet of our society for decades to come. Many now regard climate change as a global emergency.

Putting a Price on Carbon

Carbon pricing internalises the economic and social costs of carbon emissions, such as the increasingly negative consequences to liveability. The impact is wide-ranging, from acute risks such as extreme weather events, to chronic risks such as rising sea levels. As a result, the viability of businesses and economies will be impacted. Carbon pricing may need to surpass US$100 per tonne of carbon dioxide equivalent (tCO_2e[1]) by 2030 to drive effective decarbonisation and deliver on the Paris Agreement.

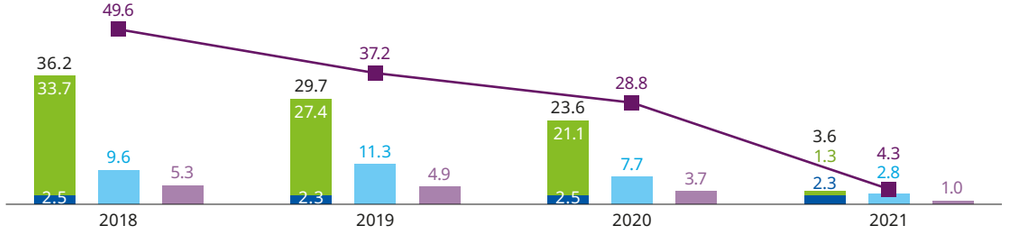
We have set an initial internal carbon price of US$42 per tCO_2e to inform our investment decisions. A portion of our long term incentives will be aligned with our 10-year carbon targets. We will refine our carbon pricing strategies during this coming decade, likely with increasing internal carbon pricing, as we get further clarity on the economic and policy levers of change.

Enabling a Sustainable Company

Sustainability is at the core of what we do: a part of who we are, and our emphasis to do well, do right, and do good. Measuring and managing our environmental footprint remains a major enabler for change. We had set and achieved our target of carbon neutrality as a company two years ago, and have maintained this status.

(for year ended 31 March)

Annual Environmental Footprint



- Scope 2 indirect emissions from electricity use ('000 tCO_2e)
- Scope 3 indirect emissions from business travel, corporate events, data centres, employee commute, waste generated and other sources[2] ('000 tCO_2e)
- Water use ('000 m^3)
- Paper use (million pieces)
- Carbon intensity (tCO_2e per employee)

[1] tCO_2e refers to tonnes of carbon dioxide equivalent, a standard unit used in greenhouse gas emissions accounting and reporting.
[2] Prior to 2021, recorded Scope 3 indirect emissions only included data from business travel, corporate events and other sources. The emissions from waste generated only includes data from 1 January 2021.
[3] The 2010 baseline (as reflected in FY2011) has been revised to 22 million tCO_2e as more refined company-level data sets and sub industry-level proxies have become available. Our 2030 target (to be reported on in FY2031) is 11 million tCO_2e, reflecting half of our 2010 baseline.

While Scope 3 indirect emissions relating to our operations have decreased, particularly due to COVID-related restrictions on business travel, we have progressed our plans to further reduce our emissions and resource use.

Investing for Impact and Returns

Last year, we committed to reducing the net carbon emissions attributable to our portfolio to half the 2010 levels by 2030, and also signalled our ambition for net zero carbon emissions by 2050.

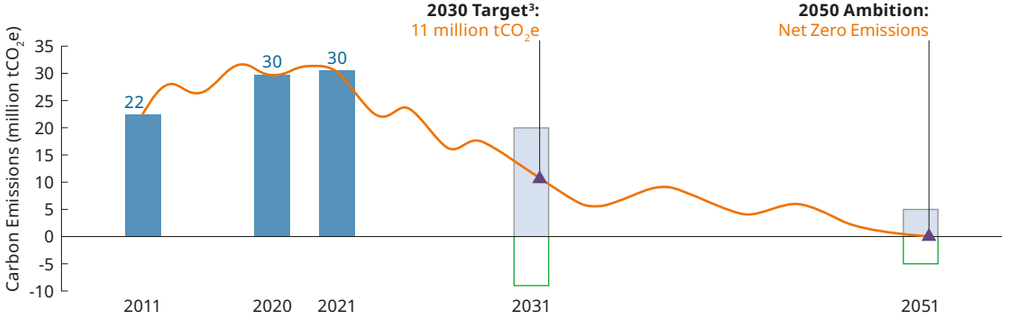
We have stepped up our efforts to invest in carbon avoidance opportunities, such as renewable energy and plant-based proteins. We look for carbon negative solutions, such as Carbon Capture, Utilisation and Storage, as and when these become feasible.

On the climate and carbon front, we have a three-pronged approach:

1. Investing in climate-aligned opportunities;
2. Enabling carbon negative solutions; and
3. Encouraging decarbonisation efforts in businesses.

(for year ending 31 March)

Towards Net Zero



- Historical Total Portfolio Emissions[4]
- Total Portfolio Emissions[4] (Illustrative)
- Negative Emissions[5] (Illustrative)
- Pathway for Net Portfolio Emissions (Illustrative)
- ▲ Calendar year emissions data and targets are reported in the subsequent financial year

Read more about
our sustainability journey at
temasekreview.com.sg/sustainability
or scan the QR code

[4] Our total portfolio emissions refer to the absolute greenhouse gas emissions (Scope 1 and Scope 2) associated with our equities portfolio, excluding private equity funds.
[5] Negative emissions can comprise compensation (i.e. carbon avoidance) and neutralisation (i.e. carbon removals) acquired through investments and carbon credits.

How We Invest

We work to deliver sustainable value over the long term as an active investor and an engaged owner.

Our investment philosophy has been underpinned by four long term investment themes that encompass Transforming Economies; Growing Middle Income Populations; Deepening Comparative Advantages; and Emerging Champions.

In applying these themes, we look at investments through the lens of key structural trends, to shape our long term portfolio construction and guide our investment activities.

Over the year, we refreshed our thinking and sharpened our investment focus for the coming years, along four structural trends:

Digitisation

Sustainable Living

Future of Consumption

Longer Lifespans

We aim to build a forward looking and resilient portfolio, through our Environmental, Social and Governance framework, that can deliver sustainable and equitable economic growth, and enable the transition to a low carbon economy.

Our investment discipline focuses on intrinsic value and our risk-return framework. This risk-return framework drives our investment focus, capital allocation, performance measurement and incentive system.

For each investment we make, we conduct bottom-up intrinsic value tests, with expected returns evaluated against a risk-adjusted cost of capital. This risk-adjusted cost of capital is derived using a capital asset pricing model. Investments in riskier sectors or markets have higher costs of capital. We use risk-adjusted cost of capital to normalise the risks in order to compare the relative attractiveness among investment opportunities.

We have full flexibility as an owner and investor to reshape and rebalance our portfolio, whenever opportunities or challenges arise. We are predominantly invested in equities. Based on our risk-return appetite, we invest or divest in line with our outlook and value tests. We may take concentrated positions or remain in cash, and do not set limits for asset classes, countries or sectors.

We are an active shareholder, seeking to add or create value in our portfolio across all stages of enterprise growth. We proactively promote good governance, looking to boards to drive strategy and oversee management, who, in turn, run their respective companies.

How We Grew

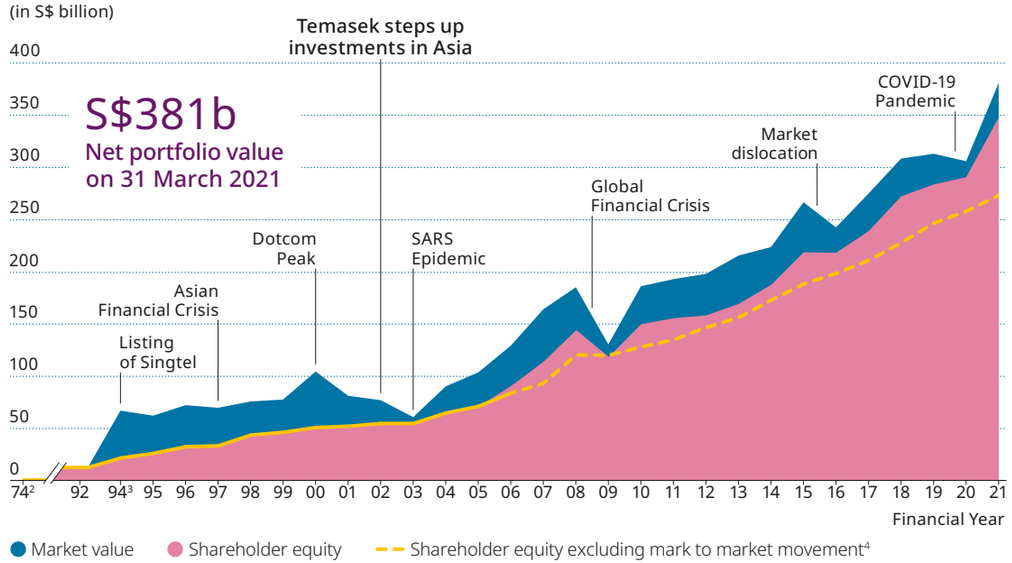
We grew with Singapore in our early years, and stepped out in 2002 to build a second wing of growth with a transforming Asia. We have since expanded our exposure outside Asia to capture global opportunities for innovative and sustainable solutions.

Our initial portfolio in 1974 reflected Singapore's early stages of industrialisation. Some of these companies, and others added since, have grown into iconic Singapore brands, such as DBS and the Singapore Zoo. Others, like Singtel, Singapore Airlines and PSA, have transformed into regional and global champions.

In recent years, we have focused on trends driven by technological advances that enabled new business models and consumption patterns.

As at 31 March 2021, our net portfolio value was S$381 billion[1].

Temasek Net Portfolio Value since Inception



See our initial portfolio at temasekreview.com.sg/portfolioatinception or scan the QR code

1 Equivalent to US$283 billion, €241 billion, £206 billion and RMB1.86 trillion as at 31 March 2021.
2 Incorporation of Temasek on 25 June 1974.
3 Financial year-end was changed from 31 December before 1993 to 31 March from 1994 onwards.
4 From the financial year ended 31 March 2006, the accounting standards require sub-20% investments to be marked to market.

How We Manage Risks

There are inherent risks whenever we invest, divest, or hold our assets, and wherever we operate.

We adopt a long term view of our investments, with the flexibility to take concentrated positions. We invest across all stages of a business life cycle, from early stage and/or unlisted, to large or listed assets. We do not have predefined concentration limits, or targets for investing by asset class, country, sector, theme or single name.

Our long investment horizon means we have a portfolio of predominantly equities, including unlisted assets and private equity funds, designed to deliver higher risk-adjusted returns over the long term.

Consequently, our portfolio is expected to have higher year-to-year volatility of annual returns, with higher risks of negative returns in any one year.

Our investment posture is to ride out such short term market volatility, and focus on generating sustainable returns over the long term.

Given the expected volatility, we manage our leverage and liquidity prudently for resilience and investment flexibility, even in times of extreme stress.

Organisational Risk Management Framework

We track and manage risks proactively, through economic and market cycles, including specific risks at asset level.

To minimise operational risks, we embed risk management in our systems and processes. These include our approval authority delegation, company policies, standard operating procedures and risk reporting to our Board.

We do not manage our portfolio to short term mark to market changes. We evaluate potential sustained loss of overall portfolio value over prolonged periods.

Legal & Regulatory

We comply with all obligations under Singapore laws and regulations, including those arising from international treaties and UN sanctions. We also comply with the laws and regulations of jurisdictions where we have investments or operations. Our Temasek Code of Ethics and Conduct and its related policies guide our Board directors and staff in their daily dealings and conduct.

12-month Returns Simulation

Investor

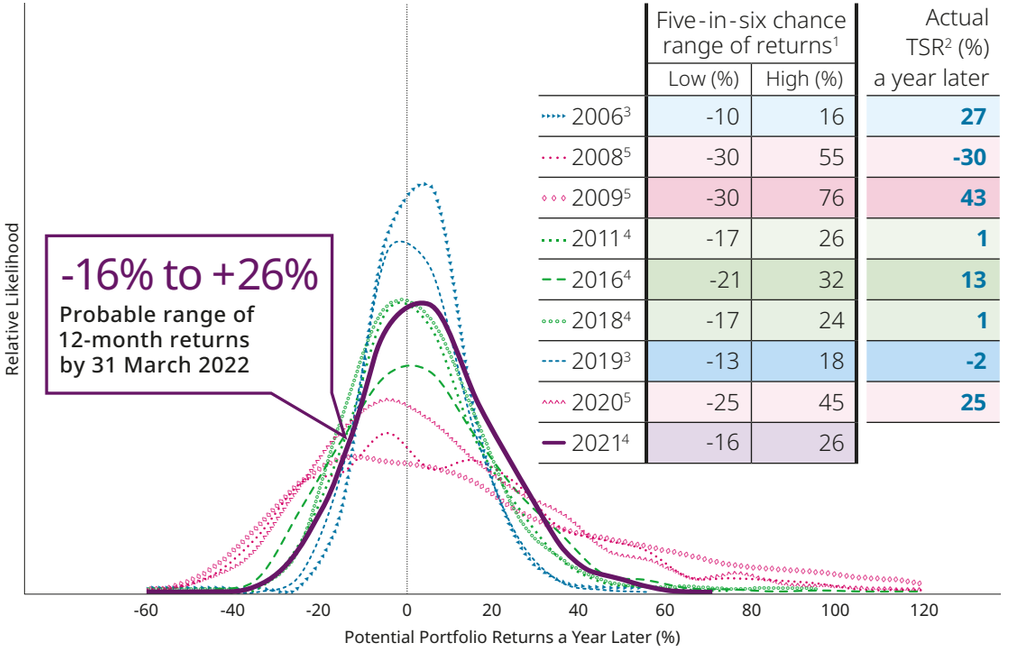
We manage our portfolio for long term multi-year returns, and expect volatile annual returns for a portfolio mostly of equities.

For our current portfolio mix, our Monte Carlo simulations show a five-in-six chance that one-year forward portfolio returns may range from -16% to +26%. Our annual returns ranged from -30% to +46%, over the past 20 years.

Narrower curves in the chart below mean less volatility compared, for instance, to the flatter curves of the 2008/09 Global Financial Crisis years.

(as at 31 March)

Simulation of 12-month Forward Portfolio Returns



	Five-in-six chance range of returns[1]		Actual TSR[2] (%) a year later
	Low (%)	High (%)	
2006[3]	-10	16	27
2008[5]	-30	55	-30
2009[5]	-30	76	43
2011[4]	-17	26	1
2016[4]	-21	32	13
2018[4]	-17	24	1
2019[3]	-13	18	-2
2020[5]	-25	45	25
2021[4]	-16	26	

1 Based on Monte Carlo simulation for 12-month forward portfolio returns distribution, assuming no change in market conditions or portfolio mix.
2 Total Shareholder Return.
3 Periods of low market volatility.
4 Periods of medium market volatility.
5 Periods of high market volatility.

20-year Returns Outlook

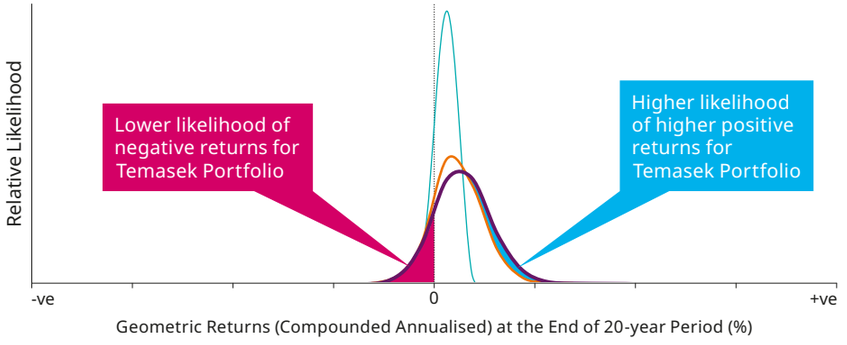
Our Temasek Geometric Expected Return Model, or T-GEM, simulates the range of possible returns for our portfolio over the next 20 years. These simulations do not predict actual outcomes.

20-year Expected Returns for Different Portfolio Mix

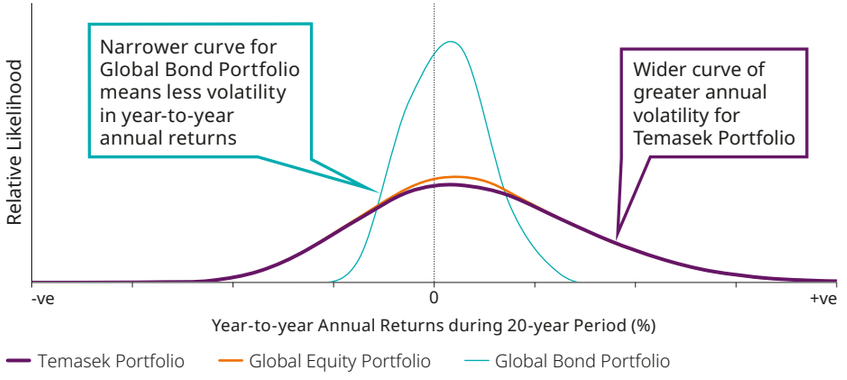
Under our Central Scenario, the Temasek Portfolio has the highest upside potential (see blue shaded), but also the highest volatility, as shown in the charts below. The Global Bond Portfolio has the lowest upside potential and the least year-to-year volatility.

(as at 31 March 2021)

Likelihood of Geometric Returns (Compounded Annualised) at the End of 20-year Period, by Portfolio Mix



Likelihood of Year-to-year Annual Returns during 20-year Period, by Portfolio Mix

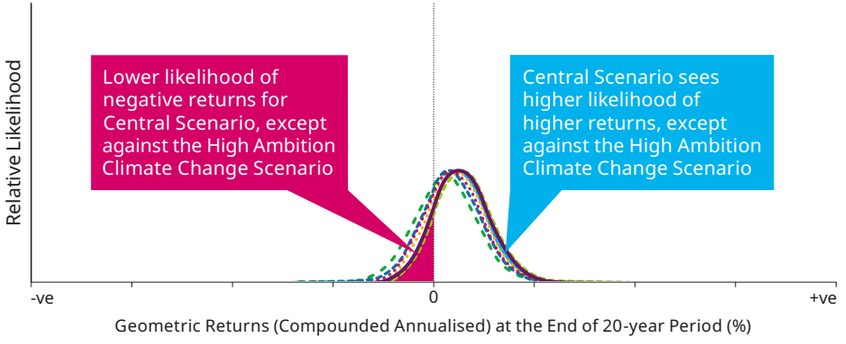


20-year Expected Returns for Various Temasek Scenarios

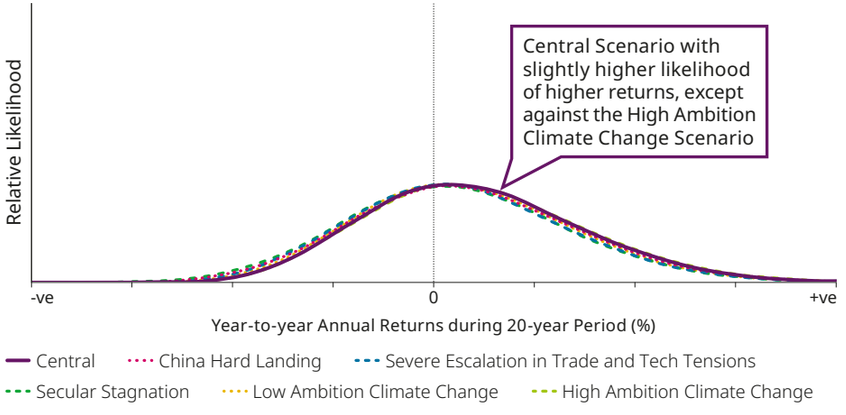
The Central Scenario offers higher 20-year expected returns for the Temasek Portfolio, compared to those under the alternate scenarios of China Hard Landing, Low Ambition Climate Change, Secular Stagnation and Severe Escalation in Trade and Tech Tensions.

(as at 31 March 2021)

Likelihood of Geometric Returns (Compounded Annualised) at the End of 20-year Period, by Potential Scenario



Likelihood of Year-to-year Annual Returns during 20-year Period, by Potential Scenario



A Forward Looking Institution

The character and purpose of Temasek is shaped by our Temasek Charter, our MERITT values and business strategy as we strive to do right, as individuals and as a team.

At Temasek, we seek to make a difference, actively shaping and building a better tomorrow for today's and future generations. We do this by investing in human potential, which, in turn, builds and sustains our portfolio, our institution and our wider communities, always with tomorrow foremost in our minds.

Building a Better, Smarter, More Sustainable World

Sustainability is at the core of everything we do. Our commitment to ensuring a more sustainable planet, for all our people, drives our focus as an investor, institution and steward.

We look for opportunities to invest in companies addressing global sustainability challenges, and to help companies transform business models to be more sustainable. We incorporate Environmental, Social and Governance considerations into our investment decision making and management.

We encourage companies to adopt policies and practices that safeguard and enhance long term sustainability and resilience of their business.

We seek to build a resilient Temasek by developing our people, capabilities and processes around sustainability, good governance and a sense of purpose.

We foster community partnerships and provide gifts to Temasek Trust to uplift lives and build resilience in our communities. We look across generations as a steward, investing with tomorrow in mind.

Promoting Good Governance

We advocate good governance and uphold the Santiago Principles for sovereign investments. We had supported the International Monetary Fund initiative to frame these principles in 2008.

Our Board and Management

Chaired by Mr Lim Boon Heng, our Temasek Board and management ensure compliance with the rules and regulations wherever we have investments or operations.

Find out more about our Board at temasekreview.com.sg/board or scan the QR code

See the list of our senior team at temasekreview.com.sg/team or scan the QR code

Our Values

Our MERITT values shape our thoughts, actions and habits as individuals and as one team.

We are guided by our Temasek Charter, to do well, do right, and do good, as an active investor, a forward looking institution, and a trusted steward.

Our people give back to their communities, including working through *T-Touch*, a staff-driven volunteer initiative.

Meritocracy
We are fair and objective in recognising contributions and performance

Trust
We foster a culture of mutual support and confidence

Excellence
We are passionately committed to learning, improving and delivering outstanding results

Teamwork
We value each other and work together to benefit from our complementary strengths

Integrity
We are honest to ourselves, our profession, our institution, and our stakeholders

Respect
We treat others as we would like others to treat us

Our *OneTemasek* Team

We have over 800 people, of more than 30 nationalities across 13 offices in 9 countries, investing and working together for a better tomorrow.

We strive to do well, do right, and do good, to build a brighter, kinder and more inclusive tomorrow for this and future generations.

The nub of this ambition is our people — their values, passions, capabilities, and their willingness to learn, lead and take on new ideas and responsibilities.

Rooted in Meritocracy

Temasek has its roots in Singapore, a country founded on the ideals of meritocracy, regardless of race, language or religion. Our character is shaped by the values, the integrity and the capability of our people.

Temasek is built and sustained by its people, who serve as an active global investor and a trusted steward. We value diversity, the cross-fertilisation of experiences and ideas across geographies and cultures, and the ability to connect diverse dots.

Developing Our People

We work to transform for relevance and impact, as we have done through the years.

We encourage mobility as a way of developing our talent, both between functions and across geographies. Our colleagues are given ample opportunities to broaden their experiences and networks, outside their home base, and also to build their leadership capabilities across our global network.

An Inclusive Team

We strive to build capable teams in various parts of the world, with a good mix of local knowledge and global outlook. We bond as *OneTemasek*, regardless of the colour of our skin, or the colour of our passports.

This interaction among all of us from diverse backgrounds, perspectives and experiences allows us to grow individually and collectively, as an institution, to bring value to our stakeholders.

Our offices around the world are anchored by strong local cores.

Overall, our current nationality mix is about 60% Singaporeans and 40% other nationals, which includes about 10% Singapore Permanent Residents (PRs). This mix will change as we grow new offices in Asia, Europe and elsewhere.

Supporting Our Communities

Our staff are active volunteers who give back to their communities in many ways.

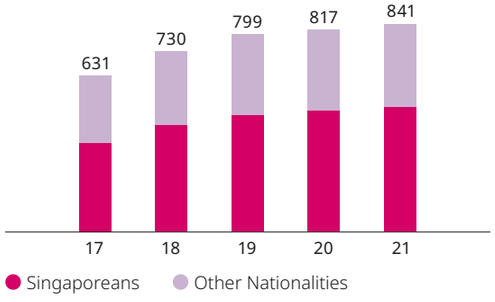
Our annual Community Day is on 25 June, the date we were incorporated in 1974. Staff in our various offices work with beneficiaries on this day and throughout the year.

Our people have volunteered to support our community response towards COVID-19, and other activities to extend a helping hand to the vulnerable.

Temasek Foundation's second #BYOBclean initiative saw Singapore households collecting free, zero alcohol hand sanitiser from vending machines.

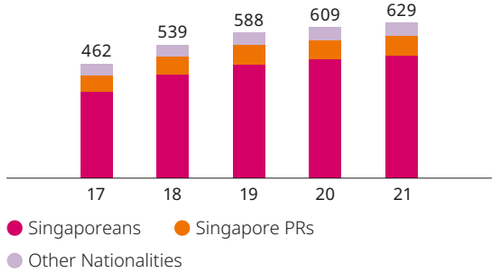
(as at 31 March)

Our Staff Composition – Global



About 60% of our staff across our 13 offices in 9 countries are Singaporeans. Chinese (9%), American (5%), Indian (4%), British (3%) and Brazilian (2%) constitute the next 5 largest nationality groups.

Our Staff Composition – Singapore



We have grown over the last two decades, from less than 200 to over 600 strong in Singapore.

Learn more about our people at temasekreview.com.sg/heartbeat or scan the QR code

Instilling Ownership

Our ownership ethos places the institution above the individual, emphasises long term over short term, and aligns employee and shareholder interests over economic cycles.

Our compensation framework aims to foster a culture where our employees think and act as owners with a strong sense of intergenerational duty. We balance rewards for short term performance and long term value creation, and share gains and pains alongside our shareholder.

Deferred incentives and clawbacks are integral to our remuneration. Longer term incentives can be deferred up to 12 years, and are subject to market risks and clawbacks, to account for the sustainability of returns over market cycles.

Annual Cash Bonuses – Short Term Incentives

Our short term annual cash bonuses are capped within budgeted limits, and driven by company-wide, team and individual performance.

WA Bonus Bank – Medium Term Incentives

A portion of our Wealth Added (WA) incentive pool is distributed into each employee's notional WA bonus bank account, based on the individual's performance and contributions over four years. A negative pool is effectively a clawback.

Co-ownership Grants – Long Term Incentives

We may award co-investment grants, which vest according to performance or time-based conditions, and lapse after 12 years.

Co-ownership Alignment in Practice

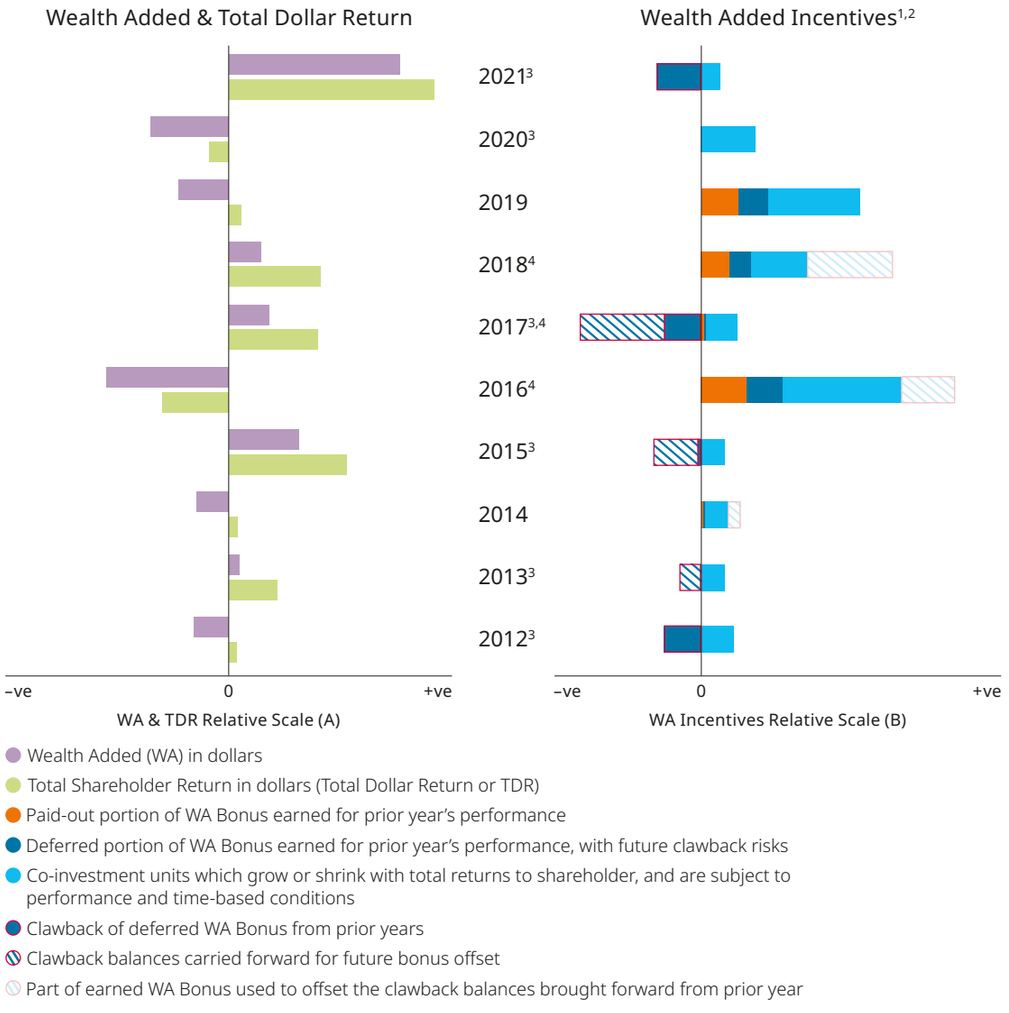
As part of co-ownership alignment, we have clawbacks when both WA and portfolio returns are negative. In the last decade, we had five clawback pools. Three of these were clawback balances carried forward when the deferred WA incentives were not enough to clear the clawback pools from prior years. Clawback balances were then made good from future years' positive WA.

This demanding framework for sharing gains and the associated risks and pains through market cycles has been tested and reaffirms our ownership ethos.

To reinforce commitment to our carbon emission goals, we have taken a carbon charge against our portfolio performance, starting this year. This will reduce our incentive pool for distribution from our positive WA for the year ended 31 March 2021. In addition, a portion of our time-based co-investment grants has been redirected towards carbon abatement goals in line with our T2030 sustainability goals. Each award tranche will have a life cycle of up to 12 years.

(for year ended 31 March)

WA Incentives of Key Team



1 WA incentives awarded in the year were for WA performance in the prior year.
2 WA incentives of key management team which includes CEOs, Presidents, Senior Managing Directors, Managing Directors, as well as management Directors.
3 No new T-Scope pool was generated due to negative WA in the prior year.
4 WA Bonus attributable to the IPO of Alibaba was split into three tranches over 2016, 2017 and 2018, subject to sustained performance.

Public Markers

Our *Temasek Review*, Credit Profile and Temasek Bonds serve as public markers to anchor our commitment as a robust and disciplined institution through generations.

The *Temasek Review* is our annual scorecard.

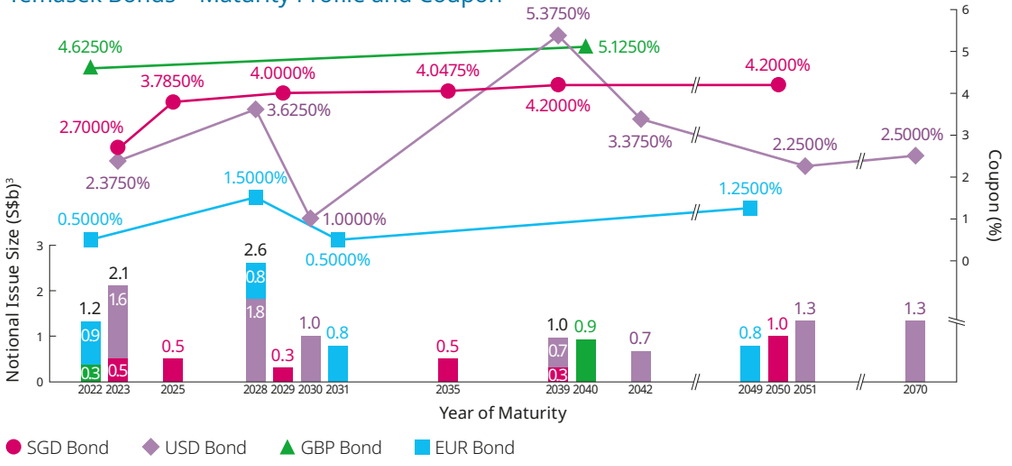
Our Credit Profile covers our key credit parameters[1] in terms of leverage, interest coverage, and debt service coverage. Our credit ratios facilitate a quantitative assessment of our credit quality and demonstrate our fundamental strength as an investment company.

We have received the top ratings of Aaa/AAA by Moody's Investors Service and S&P Global Ratings respectively[2] since our inaugural ratings in 2004.

We issue Temasek Bonds and Euro-commercial Paper periodically to retail, institutional, accredited and/or other specified investors as part of our financial discipline. Their credit spreads are living public market signals of any perceived changes in Temasek's credit quality.

Our public markers instil financial discipline, broaden our stakeholder base, and facilitate our communications with the wider community.

Temasek Bonds – Maturity Profile and Coupon



Read more on Temasek's Credit Profile at temasekreview.com.sg/credit or scan the QR code

[1] Based on the financial information of Temasek as an investment company, namely Temasek Holdings (Private) Limited (THPL) and its Investment Holding Companies (IHCs). IHCs are defined as THPL's direct and indirect wholly owned subsidiaries, whose boards of directors or equivalent governing bodies comprise employees or nominees of THPL, wholly owned Temasek Pte. Ltd. (TPL), and/or TPL's wholly owned subsidiaries. The principal activities of THPL and its IHCs are that of investment holding, financing, and/or the provision of investment advisory and consultancy services.

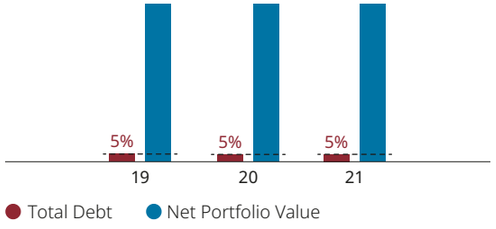
Credit Quality

Institution

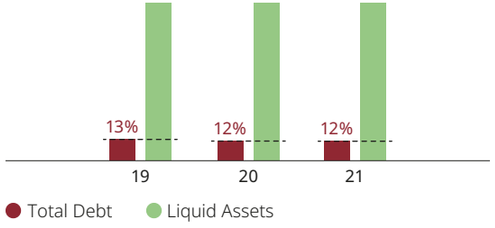
Our Temasek Credit Profile is a snapshot of our credit quality and financial strength[1].

(for year ended 31 March)

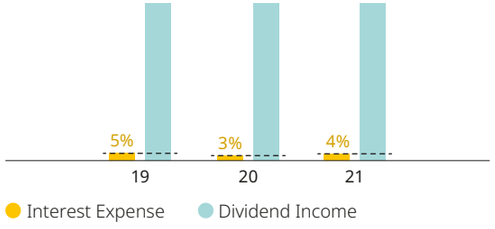
Total Debt
5% of Net Portfolio Value



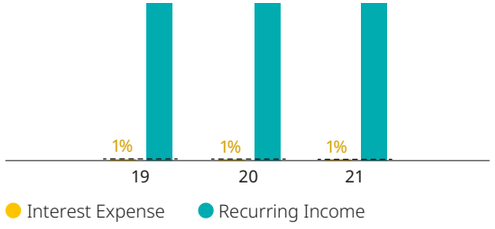
Total Debt
12% of Liquid Assets[4]



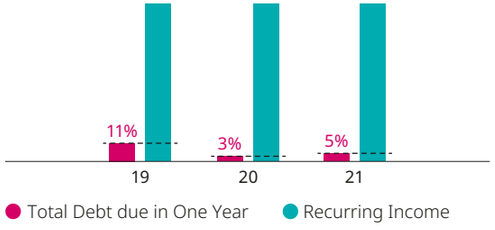
Interest Expense
4% of Dividend Income



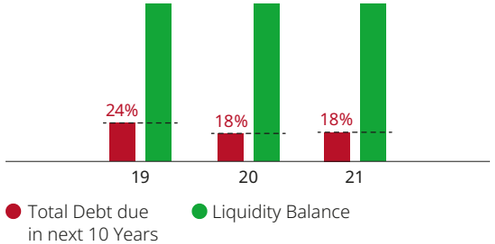
Interest Expense
1% of Recurring Income[5]



Total Debt due in One Year
5% of Recurring Income[5]



Total Debt due in next 10 Years
18% of Liquidity Balance[6]



[2] From time to time, rating agencies may modify their rating criteria. Such criteria changes may lead to a revision in the rating assigned to an entity, sometimes even when the entity's financial position has not materially changed.
[3] Exchange rates as at 31 March 2021.
[4] Mainly cash and cash equivalents, and sub-20% listed assets.
[5] Divestments, dividend income, income from investments and interest income.
[6] Cash and cash equivalents, and short term investments.

A Trusted Steward

We do things today with tomorrow clearly in our mind, always aspiring to do right, do well, and do good, for today's and future generations.

Our Charter defines who we are and what we do as an investor, institution and steward.

We own and manage our portfolio for the long term, as a commercial company registered under the Singapore Companies Act, guided by our Board. We pay taxes on our net profits.

Our added responsibility under the Singapore Constitution is to safeguard the past reserves[1] of our Company. Neither the President of Singapore[2] nor the Singapore Government is involved in our investment or other business decisions, except in relation to the protection of our past reserves.

Temasek does not manage Singapore's Central Provident Fund savings. Neither are we a fund manager of Government reserves, surpluses or foreign exchange reserves.

Relating to the President of Singapore

The Board and CEO of Temasek have a duty to seek the President's approval before any draw occurs on our past reserves. There is no draw on our past reserves if our total reserves equal or exceed our past reserves. Mark to market declines on existing investments are not a draw on past reserves. We have a duty to ensure every disposal of investment is transacted at fair market value[3]. A realised loss arising from such disposals at fair market value is not a draw on past reserves.

Relating to Our Shareholder

We declare dividends annually in accordance with our dividend policy.

Relating to Our Portfolio Companies

Companies in our portfolio are guided and managed by their respective boards and management. Temasek does not direct their business decisions or operations. We expect companies to abide by sound corporate governance and codes of conduct and ethics.

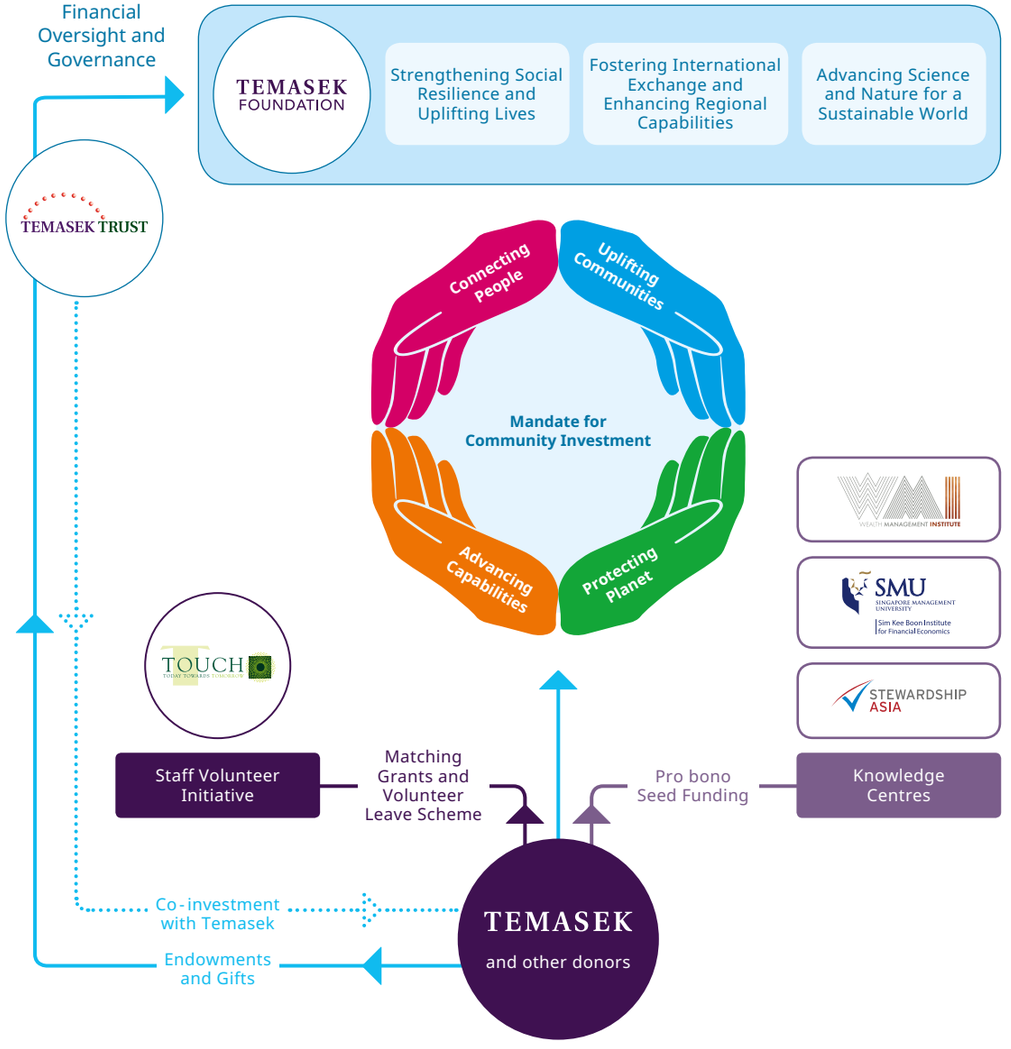
Relating to Our Communities

We gift philanthropic funds to Temasek Trust to support community initiatives. The philanthropic assets, managed by Temasek Trust and deployed by Temasek's non-profit ecosystem, strengthen social resilience at home, foster mutual exchanges in the region, and advance science and nature globally.

[1] Under the Singapore Constitution, Temasek's past reserves are those accumulated by the Company before the current term of Government.
[2] The Singapore President has an independent custodial role under the Singapore Constitution to safeguard the respective past reserves of the Singapore Government and the Fifth Schedule entities, including those of Temasek.
[3] Fair market value is the price agreed between a willing buyer and a willing seller on an arm's length basis.

Enabling a Better World

Our not-for-profit gifts to Temasek Trust enable Temasek Foundation to connect people, uplift communities, protect our planet and advance capabilities, in Singapore, Asia and beyond.



See how we enable a better world at temasekreview.com.sg/touchinglives or scan the QR code

Rising Above COVID-19

For over a year now, Temasek has been very active in the fight against the COVID-19 pandemic.

Our *Stay Prepared* initiatives are centred on five areas: testing & diagnosis, containment & contact tracing, care & treatment, protection & prevention, and enablement.

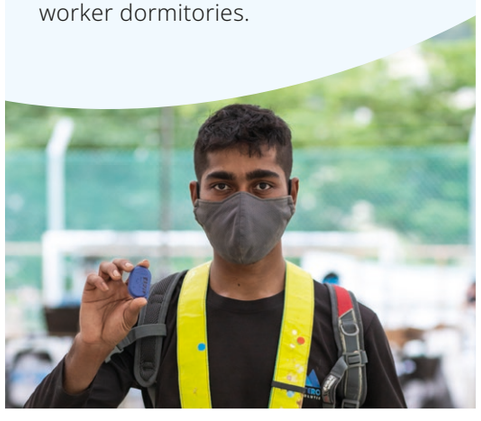
To support overseas communities, Temasek Foundation provided some 40 countries essential medical supplies. In Singapore, we launched initiatives such as masks and sanitiser distribution exercises.

Testing & Diagnosis

Temasek Foundation worked with several partners, public and private, to pilot the Antigen Rapid Test (ART) for on-site screenings at Meetings, Incentives, Conventions and Exhibitions events and social gatherings. The pilot trials assessed ART's utility for pre-event screenings while minimising inconvenience caused to event participants.

Containment & Contact Tracing

To complement existing national efforts, Temasek Foundation encouraged D'Crypt, one of our portfolio companies, to develop the BluePass automatic contact tracing device. Over 835,000 devices were deployed, including for residents and staff in migrant worker dormitories.



Find out more about our COVID-19 initiatives at temasekreview.com.sg/COVID-19 or scan the QR code

Care & Treatment

Our investee company, Tychan, developed a candidate antibody for COVID-19 within four months and conducted a Phase One safety trial with healthy volunteers. A Phase Three efficacy trial is ongoing to determine the antibody's effectiveness in reducing disease severity and/or shortening recovery time.

Protection & Prevention

Temasek Foundation's second #BYOBclean initiative saw about 115,000 litres of hand sanitiser dispensed into reusable bottles for Singapore households in April this year. It was the first time that vending machines were used to dilute disinfectant concentrate precisely into ready-to-use hand sanitiser for automatic dispensing.

Enablement

Temasek Trust launched the oscar@sg fund to catalyse projects that reflect the values of Ownership, Sustainability, Care, Assurance, Resilience (OSCAR) to help communities emerge stronger together. Among them is Tak Takut Kids Club, a community space for children to express themselves. Artwork by the children was showcased in *This is Me* magazine, which celebrates diversity.

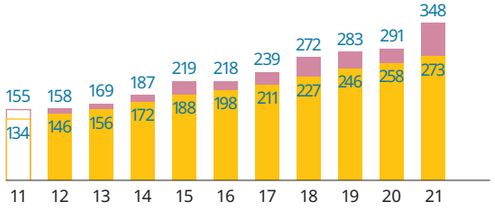
Group Financial Highlights

Group shareholder equity was S$348 billion, with group net profit of S$57 billion.

(as at 31 March[1])

Group Shareholder Equity (S$b)

S$348b

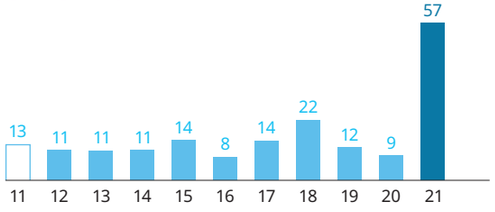


Mark to market (MTM) movement of sub-20% investments

Shareholder equity excluding MTM movement of sub-20% investments

Group Net Profit (S$b)

S$57b



Group Income Statements (in S$ billion)

For year ended 31 March[1]	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue	83.5	94.3	92.4	101.6	101.5	97.0	107.4	114.6	118.6	**110.9**
Group net profit	**10.7**	**10.7**	**10.9**	**14.5**	**8.4**	**14.2**	**21.7**	**11.8**	**8.8**	**56.5**
Group net profit, including unrealised MTM losses/(gains) of sub-20% investments[2]								11.8	8.8	**56.5**
Unrealised MTM losses/(gains) of sub-20% investments								1.0	2.6	**(45.5)**
Group net profit, excluding unrealised MTM losses/(gains) of sub-20% investments	**10.7**	**10.7**	**10.9**	**14.5**	**8.4**	**14.2**	**21.7**	**12.8**	**11.4**	**11.0**

From the financial year ended 31 March 2019 onwards, IFRS 9 requires unrealised MTM gains or losses of sub-20% investments to be included in the Group net profit.

View the full Group Financial Summary at temasekreview.com.sg/groupfinancials

Group Balance Sheets (in S$ billion)

As at 31 March[1]	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total assets	302.6	341.5	344.0	405.8	415.8	447.6	490.6	509.0	595.0	**653.0**
Shareholder equity	**158.2**	**169.2**	**187.4**	**218.6**	**218.1**	**238.9**	**272.1**	**283.5**	**290.5**	**347.5**
Net debt[3]	16.1	19.6	9.0	32.6	44.4	39.3	49.7	51.9	83.3	**91.5**

1 On 1 April 2018, the Group adopted International Financial Reporting Standards (IFRS) with retrospective application for the year ended 31 March 2018. Comparative financial statements for the years ended 31 March 2012 to 2017 were prepared based on Singapore Financial Reporting Standards.

2 From the financial year ended 31 March 2019 onwards, IFRS 9 requires unrealised MTM gains or losses of sub-20% investments to be included in the Group net profit.

3 Total debt less cash and cash equivalents.

Contact Information

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for our full contact information

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