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March 23, 2012

VIA OVERNIGHT MAIL DELIVERY

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120-0200

Re: Duquesne Light Certificate of Public Convenience to Transfer the
Interests and Shares in DQE Holdings LLC to Epsom Investment Pte Ltd
Docket No. A-2010-2213369 and Docket No. A-2011-2221461

Dear Secretary Chiavetta:

Enclosed are the original and four copies of Duquesne Light's Annual Report on the status of its Duet Sale-Epsom Purchase Commitments.

If you have any questions regarding the information provided, please contact me.

Sincerely,



Gary A. Jack

Enclosures

c: Mr. I. A. Popowsky – Office of Consumer Advocate
Mr. Johnnie Sims – Bureau of Investigations and Enforcement
Office of Small Business Advocate

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**ANNUAL REPORT ON
EPSOM INVESTMENT/GIC INFRA HOLDINGS
PURCHASE COMMITMENTS
TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DOCKET NO. A-2010-2213369

DOCKET NO. A-2011-2221461

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**PA PUBLIC UTILITY COMMISSION
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FILED MARCH 23, 2012

BEFORE THE PENNSYLVANIA PUBLIC UTILILTY COMMISSION

Joint Application for All of the Authority and the	:	
Necessary Certificate(s) of Public Convenience to	:	
Transfer the Interests and Shares in DQE Holdings	:	Docket No. A-2010-2213369
LLC, currently owned by DUET Investment	:	
Holdings Limited, to Epsom Investment Pte Ltd, a	:	
subsidiary of GIC Infra Holdings Pte Ltd, and to	:	
Approve the Resulting Change in Control of	:	Docket No. A-2011-2221461
Duquesne Light Company and DQE	:	
Communications Network Services LLC	:	

Duquesne Light Company’s Annual Report on Duet Sale-Epsom Purchase
Commitments

As part of the Joint Petition for Approval of Settlement of All Issues entered into by the parties in the above referenced cases and approved by the Pennsylvania Public Utility Commission by order dated August 11, 2011, Duquesne Light Company (“DLC” or “Duquesne”) agreed to provide an annual report on the status of its Duet sale-Epsom purchase commitments. Below are those commitments and their status.

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Rate Issues

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Commitment: Joint Petitioners agree that all aspects of the acquisition premium and transaction costs, including third party consultants, financial advisory services and due diligence costs as set forth in the response to OCA Set 111-21, including all related tax effects, will be excluded from future distribution and transmission rates.

2012 Status: DLC has not claimed any acquisition premium transaction costs in distribution or transmission rates.

Commitment: No expenses or costs associated with the Epsom purchase from DUET are eligible for inclusion in Duquesne's cost of service or any customer rates (including transmission service rates). This includes any acquisition premium. Joint Applicants aver that the proposed transaction will have no accounting or tax effects on Duquesne.

2012 Status: DLC has not claimed any expenses, costs, or acquisition premium in distribution or transmission rates. There have been no accounting or tax effects on Duquesne as a result of the Epsom purchase.

Commitment: Section B(3) of the 2007 Merger Settlement approved by the Merger Order pertaining to recovery of any cost of capital premium caused by the Merger is affirmed and extended two years (from five years to seven years from the Merger closing, May 31, 2007).

Section B(3a) of the 2007 Merger Settlement states that Duquesne shall not request a capital structure for ratemaking purposes which is outside of a reasonable range of that used by comparable companies. In any future base rate proceeding, Duquesne must demonstrate that its claimed common equity ratio is reasonable and in the best interests of its customers.

2012 Status: DLC has complied with this Commitment.

Commitment: Also reinstated from the 2007 Merger Settlement (Section B3b), DLC will not claim an increase in the cost of capital due to any downgrading of Duquesne debt as a direct result of the Merger or the acquisition of DUET's interests by GIC for a seven-year period after closing (May 31, 2007) through May 31, 2014.

2012 Status: DLC has not claimed any increase in cost of capital as a result of the Merger or acquisition.

Corporate Cost Allocations

Commitment: DLC's corporate cost allocations will include a rent charge for the percentage of space occupied by employees who provide services to an affiliate and a supplies charge for supplies the employee may use in providing services to affiliates.

2012 Status: DLC remains in compliance with this commitment.

Commitment: DLC's corporate cost allocations will provide that all costs incurred by DLH including any costs allocated from DLC to DLH, will be allocated, to the extent appropriate, to other DLC affiliates.

2012 Status: DLC remains in compliance with this commitment.

Commitment: DLC's corporate cost allocations will include appropriate charges to all affiliates for costs incurred on their behalf by DLH for letters of credit and securities and will allocate appropriate charges associated with the DLH revolving credit agreement.

2012 Status: DLC remains in compliance with this commitment.

Corporate Structure and Ring Fencing Protections

Commitment: From and after the effective date of this Settlement, DLC shall not: (1) guarantee the debt or credit instruments of DLH or any affiliate not regulated by the Commission, except as approved by the Commission upon a determination that such guarantee provides net benefits to customers; (2) grant a mortgage or other lien on any property used and useful by DLC in providing retail utility service to the public subject to the Commission's jurisdiction, except for the financing needs of DLC; or (3) make any loan or otherwise extend credit to DLH or any affiliate not regulated by the Commission for a term of one year or more, except as approved by the Commission upon a *determination that such loan or credit extension provides net benefits to customers.*

2012 Status: DLC remains in compliance with this commitment.

Commitment: DQE Holdings will not permit a change in ownership among the members of DQE Holdings without prior Commission approval if such change would result in a change in control under the then-applicable Commission standards.

2012 Status: DLC remains in compliance with this commitment.

Commitment: DLC will seek Commission approval of all new or amended agreements with affiliates consistent with Chapter 21 of the Public Utility Code.

2012 Status: DLC has maintained its compliance with this Commitment.

Commitment: DLC shall provide the OTS, OCA and OSBA with a copy of its annual reports filed with the Securities and Exchange Commission.

2012 Status: DLC has maintained its compliance within this Commitment. No reports have been filed with the Securities and Exchange Commission.

Commitment: DLC agrees to continue to have outstanding separately issued debt held by investors not affiliated with DLC or its affiliates, unless the Commission authorizes to the contrary.

2012 Status: DLC remains in compliance with this commitment.

Commitment: DLH and its subsidiaries, including Duquesne, will provide, upon request, to OTS, OCA and OSBA access in connection with rate proceedings and other proceedings before the Commission, where relevant, to presentations given by DLH and its subsidiaries to common stock, bond, or rating analysts. Such material will be accorded confidential treatment.

2012 Status: DLC remains in compliance with this Commitment.

Commitment: DLC's long-term debt ratio as a percent of total capitalization shall not exceed 60% absent approval from the Commission. Any request for approval will be considered on an expedited basis, if so requested.

2012 Status: DLC remains in compliance with this commitment. Duquesne's long-term debt ratio was 38.3% at the end of 2011.

Commitment: DLC shall notify the Commission of its intention to declare a special cash dividend to DLH, at least 30 days before declaring the dividend.

2012 Status: DLC remains in compliance with this commitment. No special cash dividends were declared.

Commitment: The CEO of DLH will be a member of the board of DQE Holdings, and will also chair a management committee, which will contain representatives of both the senior management team and the Macquarie Consortium.

2012 Status: Richard Riazzi, President and Chief Executive Officer of Duquesne Light Holdings, Inc. is a member of the Board of Directors of DQE Holdings, LLC. In addition, Mr. Rizza serves as the Chair of the Asset Management Committee, which consists of both members of the senior management team and the Owners.

Commitment: DLH shall maintain, and cause its subsidiaries including Duquesne to maintain, separate books and financial records.

2012 Status: DLC remains in compliance with this Commitment.

Commitment: DQE Holdings will maintain corporate organizational and financial policies sufficient to permit Duquesne to continue to meet requirements to maintain its own credit ratings, separate from its parent.

2012 Status: Duquesne remains in compliance with this Commitment.

Commitment: Upon request from the Commission, Duquesne shall supply copies of information that it has submitted to credit rating agencies.

2012 Status: DLC remains in compliance with this Commitment.

Commitment: Unless the Commission grants approval to the contrary, for a period of three years from the closing with regard to sale of DUET's interests to Epsom, Duquesne shall not make a dividend payment to its parent if doing so causes its debt ratio as a percentage of total capitalization, as defined in Duquesne's current bank credit agreement, to exceed 60 percent, or if its debt ratio as so defined at the time of dividend declaration or payment exceeds 60 percent.

2012 Status: DLC remains in compliance with this Commitment.

Commitment: DLH and its subsidiaries shall remain organized in a manner that provides corporate separation of regulated and non-regulated activities.

2012 Status: DLC remains in compliance with this Commitment.

Commitment: The Applicants agree that they will continue to comply with Section 1102(a)(3) of the Public Utility Code requiring the approval of changes in control, as interpreted by the Commission's Policy Statement-Utility Stock Transfer under 66 Pa.C.S. § 1102(a)(3). Epsom agrees that it will not increase its voting interest in DQE Holdings beyond the 28.95% approved by the Commission in this proceeding unless Epsom obtains the Commission's approval of an acquisition increasing that voting interest or a determination by the Commission that approval is not required. Any acquisition of a voting interest in DQE Holdings by any parent or affiliate of Epsom shall be counted in applying the provisions of this condition.

2012 Status: DLC remains in compliance with this Commitment.

Commitment: Epsom agrees to tender to DQE Holdings, for redemption, the Promissory Note (the "Promissory Note") from DQE Holdings to DUET3, which will be acquired by Epsom at closing, no later than 30 days after the closing. Duquesne confirms that (i) pursuant to a Transaction Agreement dated December 9, 2009, to which DQE Holdings and each of its Members is a party, all the Promissory Notes will be tendered to DQE Holdings within thirty (30) calendar days of the closing and the tender by Epsom, and (ii) upon tender, DQE Holdings will redeem all of the Promissory Notes and the proceeds of such redemptions will simultaneously be reinvested in DQE Holdings as equity capital contributions with no change in the voting interests of the Members of DQE Holdings.

2012 Status: The redemption of the Promissory Note was completed in September 2011.

Reliability and Customer Service

Commitment: DLC will maintain operating locations and field offices in its territory, and staffing levels, as appropriate, to provide safe and reliable service, consistent with good utility practices.

2012 Status: DLC remains in compliance with this Commitment.

Commitment: DLC agrees to the following Quality of Service Plan during the period from January 1, 2012 through December 31, 2013, or if later, until the Commission order is entered in Duquesne's next base rate case. The Service Plan establishes the following metrics and reporting requirements to allow for the monitoring of the quality of service provided by DLC and to identify any significant changes to DLC's reliability and service levels. A report will be provided to the Commission, OCA, OTS (Bureau of Investigations and Enforcement) and OSBA on these metrics.

Quality of Service Plan		
Performance Area Index	Metrics Goals	Metrics Achieved 2012
Reliability		
SAIFI (12 Month)	1.17	N/A
CAIDI (12 Month)	108	N/A
Customer Service		
The percent calls answered within 30 seconds.	77% (for 2012) 78% (for 2013)	N/A
The average busy out rate.	0.3%	N/A
The average call abandonment rate.	4%	N/A
Percent of residential bills not rendered once every billing cycle.	0.01%	N/A

2012 Status: The above Standards begin for the full year of 2012 and will be reported in the next Annual Report of Commitments.

Commitment: DLC will also include in its report its performance in the areas shown below and provide a report each year to the Commission, OCA, OTS (Bureau of Investigations and Enforcement) and OSBA.

Performance Report – Residential Customers

Measure	2012 Actual
Number of Customer Disputes Not Issued a Report Within 30 Days	N/A
Termination Rate (Terminations per 1000 Residential Customers)	N/A
Justified Payment Arrangement Request Rate	N/A
Justified Consumer Complaint Rate	N/A

2012 Status: The above Standards begin for the full year of 2012 and will be reported in the next Annual Report of Commitments.

Commitment: DLC agrees that, in any year during the effective period of the Service Plan, if its reliability or service levels are not equal to or better than the reporting metrics set forth in the Service Plan, DLC will provide the Commission, OCA, OTS and OSBA with a report that will identify the reasons for the variance and identify any management actions that DLC intends to undertake in response to any variation. DLC will then convene a collaborative with OCA, OTS and the OSBA to discuss such report. The Commission may, upon motion of any Party or upon its own motion, open a formal proceeding concerning reliability or service.

2012 Status: These Standards begin for the full year of 2012 and will be reported in the next Annual Report of Merger Commitments.

Reporting and Access to Books and Records

Commitment: Upon written request, DLC and its subsidiaries will provide the Commission, the OTS, the OCA and the OSBA reasonable access to the books and records, officials and staff of DLH and its subsidiaries in Pittsburgh, Pennsylvania.

2012 Status: DLC remains in compliance with this Commitment.

Commitment: Annual reporting covering 2012 and 2013 is reinstated and will end on March 31, 2014. DLC will provide an annual report to the Commission as to the status of all commitments made in this Settlement. DLC will provide the Commission and the Parties GIC's most recent published report on the *Management of the Government's Portfolio* until such time as the Commission grants approval to the contrary.

2012 Status: This Report constitutes the annual reporting. Attached is GIC's most recently published report.

Low Income Programs

Commitment: DLC will continue to fund its Customer Assistance Program (CAP) consistent with its needs analysis.

2012 Status: DLC continues to fund its Customer Assistance Program (CAP) consistent with its needs analysis and its Universal Service and Energy Conservation Plan.

Commitment: DLC will agree not to transfer LIURP funds collected during the period 2012 through 2013 to other universal service programs.

2012 Status: These Standards begin for the full year of 2012 and will be reported in the next Annual Report of Merger Commitments.

Commitment: DLC agrees that it will make all reasonable efforts to expend LIURP funding available each calendar year. Subject to any necessary approval by the BCS, DLC will agree to raise the income eligibility needs to 200% of the federal poverty level, and/or expand outreach efforts, and/or increase the numbers of customers served. DLC will advise the universal service collaborative of the status of LIURP expenditures on a quarterly basis during the period 2012 through 2013.

2012 Status: DLC has maintained its compliance with this Requirement. The advisement of the status of LIURP expenditures begins in 2012.

Community Commitment

Commitment: DQE Holdings and the Macquarie Consortium, and its investors, will continue to maintain DLC's corporate headquarters in Pittsburgh, Pennsylvania. All the corporate functions will be performed and maintained at such headquarters so that DLC and its management team will continue to be locally based. DQE Holdings agrees not to move DLC's headquarters outside DLC's service territory without advance approval of the Commission.

2012 Status: DLC's corporate headquarters remains in Pittsburgh, its corporate functions continue in these headquarters, and the management team is locally based.

Commitment: DLC agrees that it will continue to provide approximately \$2.9 million in corporate contributions and community support in southwestern Pennsylvania through April 24, 2014.

2012 Status: DLC fulfilled its commitment to provide community support and corporate contributions at the \$2.9 million level.

Commitment: For a period of 7 years from the merger closing (May 31, 2007), DLC will contribute \$375,000 annually to the Dollar Energy Fund and attempt to obtain customer matching contributions equal to that amount.

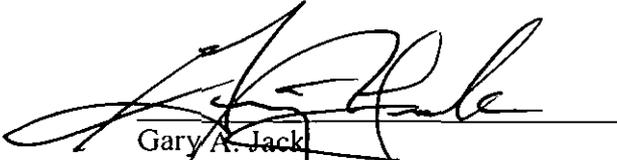
2012 Status: DLC contributed \$375,000 to the Dollar Energy Fund and attempted to obtain customer matching equal to that amount.

Conclusion

Duquesne has met all of its merger commitments. Dated this 23th day of March, 2012.

Respectfully Submitted,

Duquesne Light Company



Gary A. Jack
411 Seventh Avenue
Pittsburgh, PA 15219
412-393-1541

Attachment



Report on the Management of
the Government's Portfolio
for the Year 2010/11

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**PA PUBLIC UTILITY COMMISSION
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This year marks the
30th anniversary of GIC.

It is fitting that we reflect on
the highlights of each decade.

1980s

Setting the Foundation

GIC was the brainchild of Dr Goh Keng Swee, then Deputy Prime Minister and Chairman of the Monetary Authority of Singapore (MAS). He saw the need for an entity dedicated to the task of investing Singapore's growing reserves for better long-term returns. Dr Goh created what in retrospect, was the prototype Sovereign Wealth Fund.

GIC began operations in 1981 when international financial markets were stressed by high US interest rates and a sovereign debt crisis. Nevertheless, the Board and management focussed on the tasks of developing organizational and investment capabilities. GIC was then able to capitalise on the subsequent phase of disinflation that had a salutary effect on the value of financial assets, especially bonds and equities.

On Black Monday in October 1987, triggered by a 508-point fall in the Dow Jones Industrial Average, global stock markets tumbled. It was GIC's baptism of fire to financial market turbulence but it vindicated GIC's asset allocation policy and the tactical adeptness of its investment teams.

1990s

Expanding Investment Horizons

GIC first embarked on a policy shift from developed markets towards emerging markets in Asia in the 1990s.

The real estate and private equity investment groups were corporatised to facilitate their growth and to take advantage of opportunities in the emerging markets. Our overall exposure to emerging markets is about one-fifth of the entire portfolio today.

The 1990s had its share of financial market crises. The Asian Financial Crisis in particular was a regional financial tsunami, engulfing in its wake regional stock markets, currencies, property markets and banking systems. GIC's diversified portfolio stood the test. GIC also did not waver from its conviction of the long-term growth potential of the region. To improve on its feel for the region, the Board inducted new Directors from the private sector, who had regional business interests.

2000s

Strengthening Investment and Organizational Capabilities

The period witnessed internal reviews to strengthen investment and organizational capabilities. In 2003, GIC embarked on an extensive internal review of its investment process and governance framework. The result was a sharper definition of its investment objectives and risk tolerance parameters, and an enlarged policy asset mix better geared to the varied investment opportunities around the world.

This was also a period of restructuring to improve responsiveness to a more challenging investment environment. The development of organizational leadership and succession planning became a key focus.

Of the several financial market troubles in the 2000s, the global financial crisis of 2008-2009 towered them all. An early decision to sell down equities protected the portfolio, which has now returned to its normal allocation and more than recovered its losses.

2010s

Preparing for the Future

GIC continues to grow its investments in the emerging economies. GIC set up business groups for China, India and Latin America to focus on investment opportunities in these target markets.

GIC also saw a slate of leadership changes and renewal. Founding Chairman, Mr Lee Kuan Yew, retired from the Board and took on the role of Senior Advisor. Deputy Chairman and Executive Director, Dr Tony Tan Keng Yam, also stepped down to be available for public office. GIC appointed new senior management to lead its three investment groups. Despite the unusually large number of leadership changes, the transition has been smooth due to the availability of well-qualified successors.

GIC held an Investment Conference and a Celebratory Dinner on 9 May 2011 to celebrate its 30th Anniversary. The Conference featured speakers from business, academia and government who are recognised as global leaders in the fields of finance and investment. The highlight of the Celebratory Dinner was the address by GIC's Founding Chairman Mr Lee Kuan Yew. We have reproduced his address here as a reminder and inspiration to all of what it would take for GIC to keep doing well.

DISTINGUISHED GUESTS, LADIES AND GENTLEMEN, I am delighted to welcome the current and former members of the Board, friends in public service, GIC's business partners, together with staff of GIC to this dinner to celebrate GIC's 30th Anniversary. Thank you all for your presence tonight and your contributions to GIC's success over the years.

The establishment of GIC in 1981 reflected the high priority accorded by the Singapore government, especially the late Dr Goh Keng Swee who was then Deputy Prime Minister, to manage Singapore's long-term reserves more rationally, strategically and professionally.

As we celebrate GIC's 30th anniversary, we should remember why GIC is vital to Singapore's national interest. First, Singapore is highly exposed to the vagaries of the global economy. Our national reserves are a buffer or shock absorber for Singapore in downturns like that of 2009. It helped us to keep jobs with the job credit scheme. Second, a strong national balance sheet fosters investor confidence and hence enhances the stability of the Singapore dollar. Third, income from our reserves supplement government revenues. To sustain our policy of building the reserves, we need a capable reserve manager like GIC to invest the funds with a long-term orientation and garner good returns.

The vision to create GIC was original, bold and forward-looking. When GIC was established, the idea that a country should manage its reserves for long-term returns was unconventional. Some even considered it irresponsible to invest our foreign reserves in risky assets like equities. Today, however, many countries have established sovereign wealth funds of their own.

GIC recognised early that talent would be the key to success. One of the most important reasons for the creation of GIC was to enable the hiring, developing, and retaining of the best talent. We have been successful. Another reason was also to ensure that Singapore was able to develop the essential capability of managing our reserves ourselves so that we could better control our long-term destiny. Meritocracy and excellence are core tenets of GIC's culture today.

We have also been willing to embark on new strategies and take calculated risks in order to attain good returns. GIC was an early investor in real estate. We were also early movers in Emerging Markets, particularly Singapore's ASEAN neighbours and China.

The results speak for themselves. Since inception, GIC has preserved and enhanced the purchasing power of Singapore's reserves, outpacing global inflation by a comfortable margin. Compared with the popular high-return asset class of equities, which returned 10.2% per annum in nominal USD terms since 1981, the GIC portfolio made comparable returns with less risk.

GIC now has over 1000 employees in 9 offices around the world. GIC has grown to become a widely respected investment manager in the industry, known for scale, prudence, competence and integrity.

The GIC's 30th anniversary is a time to celebrate our past successes. It is also a time to reflect on what we must do to meet future challenges. Just like 30 years ago, the future economic and investment environment appear unusually uncertain. The ever-deepening complexity of global financial markets has not abated, while the Global Financial Crisis has left many financial institutions, and the trust in them, much the worse for wear. It will take time to work through the full consequences of the Crisis, such as the huge amounts of debt that developed countries have taken on. Furthermore, the turmoil in the Middle East has elevated geopolitical risks.

At the same time, the rise of the emerging world – particularly China and India – is of unprecedented scale economically and politically in recent history. We must expect more complex growth and inflation prospects and more complicated relationships and competition between countries. The rise of emerging economies will not only change geopolitical dynamics, but will also put immense pressure on natural resources and the environment. All these will drive policy and technological changes that will change the world and create new long-term investment opportunities and risks.

The next 30 years looks challenging. The investment outlook could be less benign. In uncertain times, we must maintain certainty of purpose and thoughtfulness in direction, remaining true to our core values. First, GIC must continue to hire, develop and retain the best talent. They must be led by visionary leaders with the highest level of integrity. This will remain the primary foundation for future success. We must motivate our staff to pursue excellence, and to avoid complacency. We must also focus on developing future leaders to remain a dynamic organization.

Second, GIC must maintain the highest reputation, conducting itself in a manner that is beyond reproach. This is a key strength of GIC, given the various possible conflicts of interest that have been revealed by the Global Financial Crisis.

Third, GIC must have the courage and conviction to take original, bold, strategic, and forward-looking decisions. It must continue to be resourceful and adaptable. As GIC grows larger and more established, the impetus to follow conventional practices will grow stronger. This could lead to mediocrity. GIC must develop the capacity and courage to make the right decisions, thinking in-depth and with foresight for what works best for us, even if the decisions are at times unconventional.

Finally, GIC must capitalise on its global reach, multi-asset class capabilities, and long-term perspective. Such a perspective not only enables GIC to harvest good returns, it also helps build key relationships with governments, and partnerships with investors. Having a long-term perspective also means that GIC has the time and stamina to build strategic expertise and in-depth knowledge in new investment areas.

Nobody knows what the future holds. GIC has done well over the last 30 years. If GIC stays true to its original vision and values, GIC can continue to do well over the next 30 years.



**Report on the Management of
the Government's Portfolio
for the Year 2010/11**

P

Prudence

We exercise prudence and sound judgement and take a considered approach to *managing risks* as we seek to deliver sustainable, superior investment returns, always conscious of our overriding fiduciary responsibility.

As an institution and as individuals, we conduct ourselves with good sense and circumspection, even as we take the best advantage of our large asset base, global presence, multi-asset approach and long-term orientation.

R

Respect

All of us are united in a common endeavour, regardless of who we are, where we work or what we do. We respect people as individuals, care for their well-being, and welcome diversity in capability *and background*. We do not tolerate behaviour that works against the interest of our clients or of GIC.

We stress teamwork within and across departments, and with our clients and business partners. We expect everyone to be free, candid and constructive in their comments and suggestions, and always seek to help our colleagues and GIC do better.

I

Integrity

Everything we do is founded *on integrity*. We expect the highest standards of honesty from everyone in GIC, both in our work and in our personal lives. This includes abiding by the laws of the countries we invest in, and observing our code of ethics in letter and in spirit.

We must never jeopardise the trust others have in us and in our reputation for professionalism.

the GIC Primer

Our responsibility is to preserve and enhance Singapore's foreign reserves. People and talent are central to what we can do. We believe that the results we seek are best achieved through a culture founded on our five PRIME values of Prudence, Respect, Integrity, Merit and Excellence.

ME

Merit

We recruit and develop our people solely on merit.

We draw our talent from around the world and provide challenging and meaningful work. We grant recognition and reward based on performance and conduct consistent with our PRIME values. We develop our people to achieve their potential so that we may also perform to our potential.

We select business partners based on their capability.

We believe in long-term relationships built upon high levels of performance and quality of service.

Excellence

We are relentless in our pursuit of excellence. In all that we do, we strive to be the best that we can be. This demands that we plan and anticipate well, so that we will always be in time for the future, fully able to take up the challenges and opportunities that come, pursuing improvements where they may be found, and economies where these may be gained.

We expect everyone to do his best in every situation.

We harness the creativity and imagination of our people and our business partners for sustainable, superior results.

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OVERVIEW *by the* Group President

PERFORMANCE

The global financial crisis is now behind us. The economic outlook for this year appears more robust than in the recent tumultuous years. But major structural post-crisis problems remain, principally in the developed economies but also with significant effects in the emerging markets. These will take time to work through. GIC takes the uncertainties and unpredictability of the future in its stride. Events like the nuclear crisis at Fukushima and uprisings in the Middle East are a periodic reminder of the potentially destabilising impact of natural disasters and geopolitical and geoeconomic developments in places which could be far removed from the financial markets.

GIC has, since 2008, been publishing the rolling 20-year real and nominal rates of return on the management of the Government of Singapore's portfolio. These underline the long-term perspective in GIC's investment of Singapore's financial reserves, and properly keep the focus on the real returns which are a regular contribution to the Government's annual budget.

Starting this year, GIC is also publishing the 5-year and 10-year nominal rates of return to provide a sense of the ongoing medium-term investment performance, even while GIC maintains its sights on the long term. To offer perspective in assessing the nominal rates of return, we include two composite portfolios for reference and also give volatility statistics to reflect the level of portfolio risk. The details are given in the Investment Report by the Group Chief Investment Officer.

30TH ANNIVERSARY

GIC was founded on 22 May 1981. To celebrate its 30th Anniversary, GIC held an Investment Conference and a Celebratory Dinner on 9 May 2011. The Conference featured speakers from business, academia and government who are recognised as global leaders in the fields of finance and investment. The highlight of the Celebratory Dinner was the address by GIC's Founding Chairman Mr Lee Kuan Yew, who spoke of what led to the formation of GIC and of what it would take for GIC to keep doing well.

Mr Lee recounted that *"the vision to create GIC was original, bold and forward-looking."* He urged GICians to always *"remember why GIC is vital to Singapore's national interest. First, Singapore is highly exposed to the vagaries of the global economy. Our national reserves are a buffer or shock absorber for Singapore in downturns like that of 2009. Second, a strong national balance sheet fosters investor confidence and hence enhances the stability of the Singapore dollar. Third, income from our reserves supplements government revenues. To sustain our policy of building the reserves, we need a capable reserve manager like GIC to invest the funds with a long-term orientation and garner good returns."*

LEADERSHIP CHANGES

GIC saw an unusually large number of changes in 2011, both at the Board level and in senior management. Nevertheless, the transition has been smooth due to the availability of well-qualified successors. In the case of senior management, the successors had served as deputies for at least a year. Our Chairman of 30 years, Mr Lee Kuan Yew, retired at the end of May 2011. He played an extensive and critical role in shaping GIC's growth and development since its inception in 1981.

Mr Lee is now our Senior Advisor. We will have the benefit of his vast experience, extensive network of contacts, and geopolitical insights.

Our new Chairman is Mr Lee Hsien Loong, Prime Minister of Singapore. He had been our Deputy Chairman since 1996.

Dr Tony Tan Keng Yam, our Deputy Chairman and Executive Director since 2005, resigned from the GIC Board with effect from 30 June 2011 to be available for public office. He steered GIC through the global financial crisis with a steady hand, keen insight and an unwavering focus on long-term performance.

Mr Teo Chee Hean and Mr Heng Swee Keat joined the GIC Board on 15 December 2010 and 1 June 2011 respectively. Mr Seck Wai Kwong was appointed advisor to the Risk Committee on 20 September 2010. Mr Deepak Parekh was appointed director of GIC Special Investments on 1 March 2011. We thank Mr Otto van der Wyck for his contributions over the last eight years as board director of GIC Special Investments. He retired from the board in December 2010.

Five changes in senior management took effect from 1 July 2011. Mr Lim Chow Kiat, Mr Tay Lim Hock and Mr Goh Kok Huat were respectively appointed President of GIC Asset Management (our public markets investment group), GIC Special Investments (our private equity investment group) and GIC Real Estate (our real estate investment group). Dr Chia Tai Tee and Dr Leslie Teo were appointed Chief Risk Officer and Chief Economist respectively.

Mr Quah Wee Ghee, Dr Teh Kok Peng and Dr Seek Ngee Huat, the former Presidents of the three investment groups, have been appointed chairmen of our India, China and Latin America business groups respectively. GIC will also continue to have access to advice and contacts from Dr Sung Cheng Chih, the former Chief Risk Officer, and Mr Yeoh Lam Keong, the former Chief Economist.

LOOKING AHEAD

The future is challenging and uncertain, for which Mr Lee Kuan Yew had remarked, *"In uncertain times, we must maintain certainty of purpose and thoughtfulness in direction, remaining true to our core values."*

Mr Lee outlined the formula for continuing success for GIC:

- hire, develop and retain the best talent led by visionary leaders;
- motivate all staff to pursue excellence, and to avoid complacency;
- maintain the highest reputation;
- have the courage and conviction to take original, bold, strategic and forward-looking decisions;
- make the right decisions – thinking in-depth and with foresight for what works best – even if the decisions are at times unconventional; and
- capitalise on global reach, multi-asset class capabilities, and long-term perspective.

With passion, commitment and dedication of GICians, clarity and focus on goals, and sharp execution and delivery on strategies, GIC will be able to continue with good investment returns for the Government and, in that way, contribute to the well-being of Singaporeans.



Lim Siang Guan
Group President
July 2011

INVESTMENT REPORT *by the* Group Chief Investment Officer

PURPOSE OF DISCLOSURE

In 2008, GIC, with approval from the Government, released the first Report on the Management of the Government's Portfolio for the Year 2007/2008, disclosing our annualised investment returns over the preceding 20 years and actual asset and geographical mix of the portfolio. We wanted to provide more information on how the Government's portfolio was being managed, in light of the Constitutional amendments enabling the Government's budget to draw on a portion of the long-term investment returns.

Beginning with this report, we will also be providing nominal rates of return over 5-year and 10-year periods in addition to the 20-year real and nominal rates of return. These time frames give a good sense of the ongoing performance of the portfolio. However, the primary focus of GIC's investment strategy is to achieve long-term real returns. How much the Government may take into its annual budget is also based on the long-term real returns, not performance over five or ten years.

LOOKING AT PERFORMANCE AND RISK OVER DIFFERENT TIME PERIODS

20-Year Return

As a long-term investor, GIC's performance should be measured over a suitably long time horizon. GIC invests across many asset classes, including illiquid asset classes such as real estate and private equity, and adopts strategies that are consistent with our long-term time horizon.

A 20-year period is appropriate as it spans several business cycles and hence encompasses a number of market peaks and troughs. Thus our investment horizon of 20 years is matched by the 20-year annualised real rate of return metric, which is the key focus for GIC. The use of the real rate assures us that the international purchasing power of the reserves is maintained.

5-Year and 10-Year Returns

The 5-year and 10-year rates of return reflect an intermediate measure of GIC's longer term performance because they provide a better representation of the variation in returns over the market cycle.

Volatility of Returns

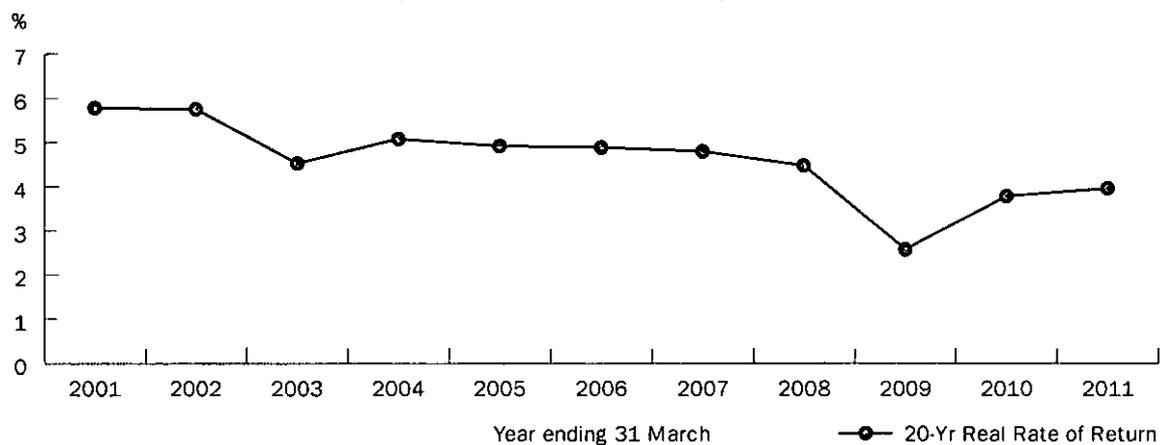
The actual volatility of the portfolio's returns, defined as the annualised standard deviation of monthly returns, gives an indication of the risk that the Government's portfolio experienced over the specific periods of time.

INVESTMENT OBJECTIVE: 20-YEAR REAL RATE OF RETURN

GIC's mission is to preserve and enhance the international purchasing power of the reserves placed under our management by the Government. The aim is to achieve good long-term returns above global inflation over the investment time horizon of 20 years.

As of the year ended March 2011, the portfolio's 20-year real rate of return, in excess of global inflation was 3.9%. The improvement compared to last year's 20-year annualised real rate of return of 3.8% was due to the continued recovery in the equity markets.

Chart 1: Annualised Rolling 20-Year Real Rate of Return of the Government's Portfolio



INVESTMENT REPORT *by the* Group Chief Investment Officer

Table 1: Performance of Government and Composite Portfolios¹

NOMINAL RATES OF RETURN IN USD FOR PERIOD ENDED 31 MARCH 2011	GOVERNMENT'S PORTFOLIO	60% GLOBAL EQUITIES / 40% GLOBAL BONDS	70% GLOBAL EQUITIES / 30% GLOBAL BONDS
5-YEAR	6.3%	5.3%	4.9%
10-YEAR	7.4%	6.5%	6.3%
20-YEAR	7.2%	7.6%	7.6%

NOMINAL RATES OF RETURN

Table 1 shows the portfolio's nominal rates of return over the 5-year, 10-year and 20-year periods in USD terms.

We have included two composite portfolios for reference. The first is a portfolio comprising 60% global equities and 40% global bonds (60:40 global portfolio) and the second, a portfolio comprising 70% global equities and 30% global bonds (70:30 global portfolio).

The rates of return of the composite portfolios are computed from two indices – the MSCI All Countries Gross Total Return Index for global equities and the Barclays Global Bonds Aggregate Index for global bonds. These composite portfolios are generally accepted as being representative of the strategic asset allocation of large institutional investors such as pension and sovereign wealth funds. They are included to provide perspective on GIC's performance. However, it should be noted that the nominal rates of return on the 60:40 and 70:30 global portfolios are not benchmarks that drive GIC's investments.

The 5-year period (April 2006 to March 2011) covers the global financial crisis in 2008 and 2009, as well as the subsequent recovery in 2010. The Government's portfolio suffered a loss during the crisis in line with global market declines, but has since fully recovered the loss. The portfolio's performance over the period has also been somewhat better than the composite portfolios.

The 10-year period (April 2001 to March 2011) covers the global financial crisis as well as the tail end of the technology bubble at the start of the earlier decade. The Government's portfolio gave a higher rate of return than the composite portfolios during this 10-year period.

Over the 20-year period, the Government's portfolio rate of return was slightly lower than that for the composite portfolios. The lower rate of return of the Government's portfolio compared to the composite portfolios reflected the returns earned in the earlier decade (April 1991 to March 2001). During that period, the Government's portfolio was managed on a conservative basis; it had a significantly higher proportion of cash and bonds, which earned lower returns than equities². Over the 20-year period as a whole, annualised volatility for the Government's portfolio was 8.8%, lower than the volatility of 10.0% for the 60:40 global portfolio and 11.3% for the 70:30 global portfolio. See Table 2 for the volatility data corresponding to the relevant timeframes.

¹ The Government's portfolio rates of return are net of costs and fees incurred in the management of the portfolio. However, the composite portfolio rates of return are provided on a gross basis, that is, without adjustment for costs and fees.

² Global equities as measured by the MSCI All Countries Gross Total Return Index gave 9.5% return in USD terms over the 10 years (April 1991 to March 2001) while global bonds as measured by Barclays Global Bonds Aggregate Index delivered a 6.9% return in USD terms over the same period.

Table 2: Annualised Volatility of Government and Composite Portfolios

ANNUALISED VOLATILITY FOR PERIOD ENDED 31 MARCH 2011	GOVERNMENT'S PORTFOLIO	60% GLOBAL EQUITIES, 40% GLOBAL BONDS	70% GLOBAL EQUITIES, 30% GLOBAL BONDS
5-YEAR	12.0%	13.4%	15.0%
10-YEAR	10.0%	11.2%	12.6%
20-YEAR	8.8%	10.0%	11.3%

ASSET MIX

The significant change during the year was a further 5% shift into emerging market equities from developed market equities. Other asset allocation changes were minor or technical in nature. The actual asset class distribution of the portfolio as of 31 March 2011 was as follows:

		31 MARCH 2011		31 MARCH 2010	
		%	%	%	%
PUBLIC EQUITIES	Developed Markets	34	49	41	51
	Emerging Markets	15		10	
FIXED INCOME	Nominal Bonds	20	22	17	20
	Inflation-Linked Bonds	2		3	
ALTERNATIVES	Real Estate	10	26	9	25
	Private Equity & Infrastructure	10		10	
	Absolute Return Strategies	3		3	
	Natural Resources	3		3	
CASH & OTHERS		8	8	4	4
TOTAL		100	100	100	100

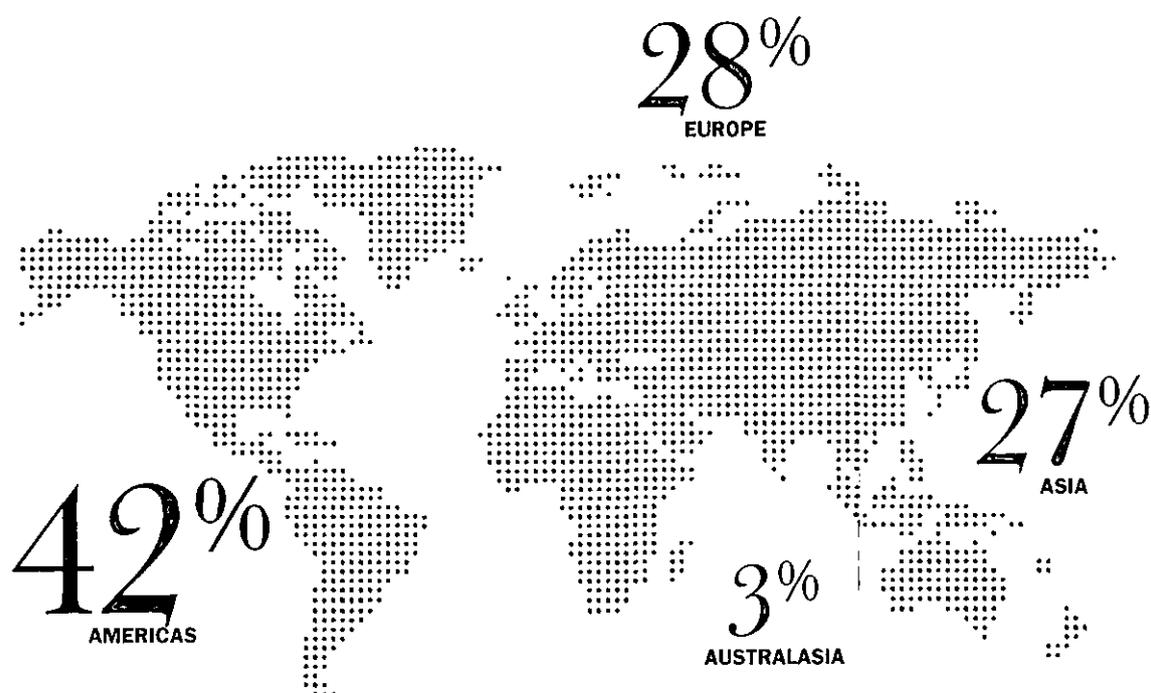
INVESTMENT REPORT *by the* Group Chief Investment Officer

GEOGRAPHICAL DISTRIBUTION

The main changes were the increase in exposure to Asia and Latin America and the reduction in exposure to the United States and Europe. These changes largely resulted from the asset allocation shift to emerging market equities from developed market equities. The geographical distribution of the portfolio as of 31 March 2011 was as follows:

		31 MARCH 2011		31 MARCH 2010	
		%	%	%	%
AMERICAS	United States	33	42	36	43
	Latin America	4		2	
	Others	5		5	
EUROPE	United Kingdom	9	28	8	30
	Eurozone	12		16	
	Others	7		6	
ASIA	Japan	11	27	11	24
	North Asia*	12		10	
	Others	4		3	
AUSTRALASIA		3	3	3	3
TOTAL		100	100	100	100

* China, Hong Kong, South Korea and Taiwan



INVESTMENT OUTLOOK AND STRATEGY

The future economic and investment environment is challenging. The developed economies, in particular the United States and Europe, are recovering from the global financial crisis. However their longer term outlook is still uncertain and carries considerable macro financial and economic risks. While the emerging economies in Asia and Latin America are growing strongly, their policy makers face challenges in restraining inflationary pressure and currency appreciation.

GIC responded to this changing environment in several ways. First, we further increased our investments in the emerging market economies on the strength of their potentially higher returns and improved macroeconomic fundamentals. Second, we expanded our investment opportunity set in terms of countries and the range of investment instruments. Third, our investment managers have steadfastly been investing with a long-term perspective, seeking investments with good fundamental long-term value. Finally, we introduced more flexibility in our strategic portfolio to respond more nimbly to significant shocks and market discontinuity.



Ng Kok Song
Group Chief Investment Officer

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MANAGING *the* Portfolio

GIC's mission is to preserve and enhance the international purchasing power of the reserves placed under our management by the Government. The aim is to achieve good long-term returns above global inflation over the investment time horizon of 20 years.

The GIC Board decides on a policy portfolio which specifies the allocation of funds to eligible asset classes. GIC investment professionals seek to add value, and may deviate from the policy portfolio within pre-determined operating ranges, to achieve higher risk-adjusted returns.

MANAGING *the* Portfolio

INTRODUCTION

The anchor of GIC's investment activities is the policy portfolio. It defines the asset classes that GIC invests in, and how it allocates funds to these asset classes. The purpose is to meet the investment return objective within the risk tolerance determined by the Government as owner of the funds.

The policy portfolio is the result of both quantitative analysis and judgment. Quantitative analysis of historical data generates an initial set of assumptions for key variables such as the expected long-term return and risk of various asset classes and their correlations with one another. These assumptions must then be evaluated qualitatively. They are adjusted for perceived structural changes in the global environment and capital market behaviour, taking into account operating constraints such as liquidity and market capacity, as well as the probability of extreme risk events. The portfolio is then stress-tested to ensure it complies with the risk parameters that have been set out.

The aim is to optimise distribution of investment funds to the asset classes. Operating ranges are specified to accommodate acceptable deviations arising from short and medium-term volatility and technical causes, and to give management some latitude to operate tactically in response to changes in market conditions.

MANAGING PERFORMANCE

The investment process starts with the design of the policy portfolio. Under the direction of the group chief investment officer, staff from the economics and investment strategy department undertake the analyses and groundwork. Their recommendations are presented to and discussed with the Board investment strategies committee. Once endorsed, these recommendations are submitted to the Board for approval. The policy portfolio is kept under review but is not changed frequently.

Managers are fully accountable for the performance of their portfolios. Their decisions must comply with prescribed guidelines and limits to ensure that they keep within the Investment Mandate. As an investment management company, we evaluate our performance in three ways: whether we achieve a reasonable rate of return above global inflation for the total portfolio; how each investment professional or team performs against specific market benchmarks or absolute return targets; and how our managers' results compare with those of their peers in the industry.

Implementation

GIC's investment professionals implement a diverse policy portfolio, translating asset class allocations into investments across public markets, real estate, private equity and infrastructure.

GIC manages a diversified portfolio in more than 40 countries. While we are open to investing in all countries outside Singapore, we do not invest in those the United Nations Security Council has imposed sanctions against. We also exercise ownership rights in the investments, where appropriate, to protect the financial interests of the assets under our management.

Public Markets

GIC invests in publicly-traded markets, including public equities in both developed and emerging markets, fixed income, natural resources, absolute return strategies (hedge funds), cash and currencies. We manage a well-diversified portfolio to produce superior risk-adjusted performance.

Equities and fixed income make up the bulk of the portfolio's investments in public markets. In equity investing, an established team of in-house research analysts and experienced portfolio managers has developed a comprehensive network of corporate and industry contacts. In managing fixed income investments, portfolio managers employ different investment strategies spanning yield curve analysis, credit, interest-rate duration and currency management, to add value to the portfolio.

In public markets, our investment decisions are based on an assessment of fundamentals consistent with the portfolio's long-term orientation.

Decentralised risk ownership, robust risk management and specialisation, with clear accountability at every level, characterise the investment process. The aim is to ensure that the risks taken are consistent with investment goals. A risk budgeting discipline allocates capital to investment professionals according to their track record of securing good returns from higher-risk investments. The budget is monitored continuously to ensure risk is properly diversified and managed.

We evaluate the performance of our investment professionals against relevant market benchmarks such as the MSCI and Barclays Capital Global Aggregate Bond indices.

Real Estate

GIC manages investments covering traditional private real estate (such as brick-and-mortar assets), public equities (such as real estate operating companies), real estate investment trusts and real estate-related debt instruments. The real estate assets span multiple property sectors, including office, retail, residential, industrial and hospitality.

The approach is governed by guidelines covering countries and regions, property asset types and sectors to ensure the portfolio meets both investment and risk objectives. Asset specific conditions and risks are among the factors that influence investment decisions. In this team-based approach, an appropriate range of real estate and capital market skills is applied to each investment.

Assets are actively managed to generate income and enhance market value through tenant management, market positioning, leasing and capital improvements.

Private Equity

GIC's private equity universe includes buyouts, venture capital and special situations such as mezzanine debt, distressed debt and secondary fund investments. We invest both through funds and directly into companies. The strategy is to identify and invest with leading private equity and venture capital funds globally, and grow with them in the long term. The direct investment programme focuses on taking minority equity positions as well as providing mezzanine financing in buyouts.

The investment teams add value to the boards and management of the investee companies by providing advice and access to a global network of business links.

Infrastructure

For the infrastructure portfolio, GIC's interests include user demand assets such as airports, seaports and highways, regulated assets such as those in water and power distribution, and competitive assets such as power plants. Our primary strategy is to invest directly in operating assets with a high degree of cash flow visibility and which provide a hedge against inflation. These include mature, low to moderate risk assets in developed markets, complemented by investments with higher growth potential in developing markets.

External Managers

We invest in a variety of funds managed by external fund management institutions, including real estate funds, private equity funds, bond funds, index funds and hedge funds. In addition to the portfolios managed within GIC, we place out discretionary mandates to external fund managers in a wide range of asset classes such as global fixed income and global equities. Some external managers are chosen for their ability to exploit investment opportunities beyond GIC's current skill sets and to complement our internal management capability.

While external managers are responsible for their mandates, GIC remains fully accountable for the overall performance of the portfolio. We continuously assess them relative to expected returns, risks and guidelines.

MANAGING *the* Portfolio

MANAGING RISK

Identifying and managing risk is a clear and integral part of management responsibility at all levels in GIC. The risk management framework sets the accountability and responsibility parameters for risk-taking. In addition to the Board and its risk committee, different bodies and groups are specifically charged with the task of identifying, analysing, monitoring, reporting and on-the-ground managing of risks.

Our approach to risk management is three-pronged: managing portfolio risk to ensure appropriate and efficient risk-taking; managing process risk so that investment decisions are implemented well; and managing people risk.

Managing Portfolio Risk

The Board approves the operating bands for asset classes within risk parameters specified by the Government. The operating bands are aimed at containing portfolio volatility that may arise from policy portfolio deviations, tactical decisions and market movements. A group-wide investment authorisation framework ensures that GIC invests within the policy portfolio and operating bands.

The risk and performance management department independently sets and monitors performance and risk review thresholds to ensure that risk is properly diversified and managed. Information systems are utilised to monitor and evaluate risk criteria, relevant trading limits and investment guidelines within each managed portfolio. These systems allow for both pre-trade and post-trade compliance checking. Portfolio managers and senior management use performance and risk attribution tools to derive timely feedback. Stress tests are conducted on a variety of scenarios to determine how potential changes in market

conditions or the occurrence of risk events may impact the portfolio. Investment and operations teams also work closely with the legal and compliance department to manage legal and regulatory compliance risks arising from the group's investment activities.

GIC adopts a risk budgeting discipline for public market asset classes to construct an efficient portfolio of active investment strategies. Risk capital is allocated to investment strategies according to the track records of the portfolio managers and their potential to generate risk-adjusted returns.

For private market asset classes, investment teams conduct extensive due diligence covering the market, physical, legal and financial aspects of the transactions, the selection of investment partners, holding structures to be used, and exit strategies. They manage the measurement and operational risks associated with the performance of private market assets via operational and financial controls.

Managing Process Risk

All investment and operations staff are required to identify, evaluate, manage and report risks in their own areas of responsibility, and comply with established risk policies, guidelines, limits and procedures.

New investment products or strategies are subject to a risk identification and assessment process conducted by a cross-functional group. This ensures that risks associated with the new product or activity are identified and analysed prior to the undertaking of the new investment. Part of this process is ensuring that the required people and infrastructure such as systems, procedures and controls, are in place to manage these risks.

GIC adopts a strong control orientation in managing counterparty credit risks, trading only with financially sound and reputable counterparties. A stringent selection and approval process is in place to appoint counterparties. We monitor our counterparty exposure against set limits and report counterparty profiles to senior management regularly. Other measures to mitigate credit risk include using netting agreements and programmes requiring counterparties to pledge collateral.

We continuously monitor a set of key risk indicators pertinent to our business, in order to manage risk of loss resulting from possible slippages in GIC's operations. Indicators such as late transaction processing, late report releases, stale prices and system downtime highlight potential risk areas to be addressed in a timely manner.

Our business continuity plan is tested and reviewed regularly to ensure that our procedures and infrastructure can support operations should there be a business disruption. This enhances corporate resilience and safeguards the group's operations.

Throughout the year, internal and external auditors scrutinise all operations and business processes. The deficiencies identified are required to be addressed within agreed time frames and reported to senior management.

Managing People Risk

Consistent with our long-term orientation, GIC's remuneration policies and practices support and reinforce a culture of prudence in risk-taking, and recognise and reward our people on the basis of sustainable results.

We require our staff to observe GIC's code of ethics, maintain exemplary conduct, and comply with laws and regulations, including prohibitions against insider trading and other unlawful market conduct. These are among the guidelines set out in our compliance manual maintained by the legal and compliance department. Staff must protect confidential information and handle material non-public information with due care. The manual also states policies relating to the management of conflicts of interest, gifts and entertainment, copyright rules, personal investments and whistle-blowing.

We provide regular training to all staff to keep them current with compliance requirements. Staff also receive training on exchange regulations relevant to their responsibilities.

People are at the heart of our business. Our PRIME values are the *compass* in our management of the people, process and portfolio. This is the reason these values are part of our staff appraisals.

GOVERNANCE

The Ministry of Finance, representing the Government, sets the investment objective, risk parameters and investment horizon for the portfolio. It ensures that a competent board of directors is in place.

The Board assumes ultimate responsibility for asset allocation and the performance of the portfolio. The management executes investment strategies, is responsible for all investment transactions and reports regularly to the Board and the Government.

GOVERNANCE

INTRODUCTION

GIC was incorporated in 1981 under the Singapore Companies Act and is wholly owned by the Government of Singapore. It was set up with the sole purpose of managing Singapore's foreign reserves. GIC invests well over US\$100 billion internationally in a wide range of asset classes and instruments. As a rule, GIC invests outside Singapore.

SOURCE AND PURPOSE OF FUNDS

Sustained balance of payments surpluses and accumulated national savings are the fundamental sources of the Singapore Government's funds. The portfolio has grown as a result of good investment returns.

With no natural resources to keep the country going in times of crisis or severe economic dislocation, these reserves are a nest egg, a safeguard against unforeseen circumstances, and a means to mitigate shocks that may hit Singapore's small and open economy. The reserves also provide a stream of returns that can be spent or invested for the benefit of present and future generations of Singaporeans. The Government is allowed to spend part of the investment returns on its reserves. GIC's mission is thus to preserve and enhance the purchasing power of these reserves.

The Constitution of Singapore stipulates a spending rule that determines how much of the investment returns on its reserves the Government can spend. The spending rule allows up to 50% of the long-term expected real return on the reserves managed by GIC and those owned by the Monetary Authority of Singapore, to be taken into the Government's annual budget.

THE GOVERNMENT

An Investment Mandate from the Government to GIC sets out the terms of appointment, investment objectives, investment horizon, risk parameters and investment guidelines for managing the portfolio. The Government, which is represented by the Ministry of Finance in its dealings with GIC, neither directs nor interferes in the company's investment decisions. It holds the GIC Board accountable for the overall portfolio performance.

GIC provides monthly and quarterly reports to the Accountant-General of Singapore. These reports list the investment transactions executed, as well as the holdings, bank accounts and balances. The reports provide detailed performance and risk analytics as well as the distribution of the portfolio by asset class, country and currency. Once a year, the management formally meets the Minister for Finance and his officials to report on the risk and performance of the portfolio in the preceding financial year.

THE PRESIDENT OF SINGAPORE

Since 1991, the Constitution of Singapore has provided for the President of Singapore to be elected directly by Singaporeans every six years and to exercise discretionary powers to protect the reserves not accumulated by a government during its current term of office. Singapore's President is independent of the Government and must not be a member of any political party. This system aims to ensure that the government of the day cannot spend more than what it has earned during its term of office, or draw on past reserves, without the approval of the President. GIC is accountable in various key areas to the President of Singapore as a Fifth Schedule company. The Constitution empowers him to obtain information to enable him to safeguard the country's reserves. No one may be appointed to or removed from the GIC Board without his concurrence. This additional layer of control ensures that the company appoints only people of integrity who are competent and who can be trusted to safeguard these assets.

THE AUDITOR-GENERAL OF SINGAPORE

The Auditor-General, who is appointed by the President of Singapore, submits an annual report to the President and Parliament on his audit of the Government and other bodies managing public funds. In addition to being audited by GIC's internal audit, the main companies in the GIC group and the Government's portfolio managed by GIC are independently audited by the Auditor-General of Singapore. Other companies in the group and the investment holding companies are audited by public accounting firms.

THE GIC BOARD

The Board is ultimately responsible for asset allocation and for the performance of the portfolio under management. It is accountable to the Government for the effective management of the reserves in accordance with the Investment Mandate. The Board meets at least twice a year.

BOARD COMMITTEES

Board committees oversee three critical areas: investment policy, risk and staff remuneration. External advisors with global experience in the investment industry serve on the investment strategies and risk committees to provide external perspectives and ideas from their areas of expertise.

Investment Strategies Committee

The investment strategies committee meets regularly to review and critically evaluate management's recommendations on asset allocation and new asset classes before the proposed changes are presented to the Board for approval. The management reports to this committee on the performance of the portfolio. The committee does not decide on specific deals or how policies should be implemented.

Risk Committee

The risk committee advises the Board on risk matters and provides broad supervision on the effectiveness of risk management policies and practices. It reviews GIC's risk profile as well as significant risk issues arising from operations and investments.

Human Resource and Compensation Committee

The human resource and compensation committee evaluates and approves GIC's compensation policies for the group and senior management, and succession planning for key man appointments.

BOARDS OF ASSET MANAGEMENT COMPANIES

All three asset management companies are wholly-owned subsidiaries responsible for investing the portfolio within the guidelines set out in the Investment Mandate. Their boards, which meet at least twice a year, oversee investment strategies of the asset classes under management and review operations of the companies within group-wide policies.

GIC MANAGEMENT

The management structure is relatively flat, with clear reporting lines and accountability.

Group Executive Committee

The group executive committee, the highest management body in GIC, brings together the group's functional and investment heads. It deliberates on management proposals for investment and risk issues before these are submitted to the relevant board committees and the GIC Board. This committee also reviews and approves major personnel and business policies that apply to the entire group.

Group Management Committee

The group management committee oversees organizational development, business and personnel matters including succession planning, talent development, compensation and performance management processes.

Group Investment Committee

The group investment committee oversees and coordinates the investment activities of the group. It focuses on changes to asset allocation and reviews the risk and performance of the various asset classes. It studies business and investment initiatives, develops broad investment strategies, and deploys the teams with the appropriate investment skills to implement these strategies.

Group Risk Committee

The group risk committee guides and oversees the development and implementation of risk management policies and practices. This forum allows members across the group to identify and assess strategic risk management issues that carry major implications for the company's investment strategies and operations. Issues are referred, where necessary, to the group executive committee. The committee is the umbrella body for in-house risk review and control panels such as the operational risk, credit risk, IT risk and regulatory compliance committees, and the compliance review panel. It also provides inputs on legal and regulatory compliance and business continuity matters.

BOARDS *of the* GIC Group

Government of
Singapore Investment
Corporation
Board of Directors

CHAIRMAN
Lee Kuan Yew
(resigned 31 May 2011)
Lee Hsien Loong
(appointed 1 June 2011)

DEPUTY CHAIRMAN &
EXECUTIVE DIRECTOR
Dr Tony Tan Keng Yam
(resigned 30 June 2011)

DIRECTORS
Lim Hng Kiang
Tharman Shanmugaratnam
Teo Chee Hean
(appointed 15 December 2010)
Heng Swee Keat
(appointed 1 June 2011)
Dr Richard Hu Tsu Tau
Ang Kong Hua
Peter Seah Lim Huat
Chew Choon Seng
Raymond Lim Slang Keat
Lim Siong Guan
Ng Kok Song
Dr Teh Kok Peng
(resigned 30 June 2011)
Dr Seek Ngee Huat
(resigned 30 June 2011)
Quah Wee Ghee
(resigned 30 June 2011)

SENIOR ADVISOR
Lee Kuan Yew
(appointed 1 June 2011)

ADVISORS TO THE BOARD
COMMITTEES
Sir Howard J Davies
Dr Martin L Lebowitz
G Leonard Baker Jr
Seck Wal Kwong
(appointed 20 September 2010)

ADVISORS EMERITUS
Dr Charles D Ellis
Dr Robert B Litterman

GIC Asset Management
Board of Directors

CHAIRMAN
Lim Siong Guan

DIRECTORS
Ng Kok Song
Quah Wee Ghee

Vivien Chen Vul Wen
Lim Chow Kiat
(appointed 1 July 2011)

GIC Real Estate
Board of Directors

CHAIRMAN
Dr Tony Tan Keng Yam
(resigned 30 June 2011)
Lim Hng Kiang
*(appointed acting chairman
1 July 2011)*

DIRECTORS
Léon Bressler
Steven J Green
Lim Siong Guan
Ng Kok Song

Dr Seek Ngee Huat
Goh Kok Huat
(appointed 1 July 2011)

GIC Special Investments
Board of Directors

CHAIRMAN
Dr Tony Tan Keng Yam
(resigned 30 June 2011)
Ang Kong Hua
*(appointed acting chairman
1 July 2011)*

DIRECTORS
Peter Seah Lim Huat
G Leonard Baker Jr
Jonkheer Otto van der Wyck
(resigned 15 December 2010)
Deepak Parekh
(appointed 1 March 2011)

Lim Siong Guan
Ng Kok Song
Dr Teh Kok Peng
Tay Lim Hock
(appointed 1 July 2011)

GROUP Committees

Group Executive Committee

CHAIRMAN

Lim Siong Guan
Group President

DEPUTY CHAIRMAN

Ng Kok Song
Group Chief Investment Officer

MEMBERS

Lim Chow Kiat, President, GIC Asset Management
Tay Lim Hock, President, GIC Special Investments
Goh Kok Huat, President, GIC Real Estate
Vivlen Chen Vul Wen, Chief Administrative Officer
Dr Chia Tai Tee, Chief Risk Officer
Aje Salgal, Director, Economics and Investment Strategy

ADVISORS

Quah Wee Ghee
Dr Teh Kok Peng
Dr Seeq Ngee Huat

Group Management Committee

CHAIRMAN

Lim Siong Guan
Group President

MEMBERS

Ng Kok Song, Group Chief Investment Officer
Lim Chow Kiat, President, GIC Asset Management
Tay Lim Hock, President, GIC Special Investments
Goh Kok Huat, President, GIC Real Estate
Vivlen Chen Vul Wen, Chief Administrative Officer
Dr Chia Tai Tee, Chief Risk Officer

Group Investment Committee

CHAIRMAN

Ng Kok Song
Group Chief Investment Officer

MEMBERS

Lim Chow Kiat, President, GIC Asset Management
Tay Lim Hock, President, GIC Special Investments
Goh Kok Huat, President, GIC Real Estate
Aje Salgal, Director, Economics and Investment Strategy
Lim Kee Chong, Deputy President, GIC Asset Management

Group Risk Committee

CHAIRMAN

Dr Chia Tai Tee
Chief Risk Officer

MEMBERS

Chua Lee Ming, General Counsel
Dr Leslie Teo Eng Sipp, Chief Economist
Kwok Wai Keong, Global Head, Asset Management, Real Estate
Ng Kin Sze, Global Head, Portfolio, Strategy & Risk, Special Investments
Ong Hian Leong, Director, Technology
Joyce Tan Siew Pheng, Director, Investment Operations
Deanna Ong Aun Nee, Director, Finance
Pang Wai Yin, Director, Risk and Performance Management
Choy Siew Kai, Head, Investment Services, Equities
Leong Wing Kwan, Head, Portfolio Analysis & Investment Services, Fixed Income

ORGANIZATIONAL Structure

Corporate Headquarters

Dr Chia Tai Tee
Chief Risk Officer

Pang Wal Yin
Risk & Performance
Management

Wong Wei
Internal Audit

Aje Salgal
Economics & Investment
Strategy

Dr Leslie Teo Eng Sipp
Chief Economist

Vivien Chen Vui Wen
Chief Administrative Officer

Tan Chor Hwa
Administration & Personnel

Deanna Ong Aun Nee
Finance

Joyce Tan Siew Pheng
Investment Operations

Chua Lee Ming
Legal & Compliance

Ong Hlan Leong
Technology

Board of Directors

Board Committees

Investment Strategies Committee

Risk Committee

Human Resource & Compensation Committee

Lim Siong Guan
Group President

Ng Kok Song
Group Chief Investment Officer

Investment Groups

Overseas Offices

Public Markets

Lim Chow Kiat
President

Lim Kee Chong
Deputy President
Equities

Richard Chan Hiang Ngee
Asia Pacific Equities

Chen Soon Bin
Emerging Markets Non-Asia
Equities
Natural Resources

Adelene Tan Mul Li
External Managers

Tung Siew Hoong
Fixed Income

Wee Ai Ning
Treasury & Currency
Management

Real Estate

Goh Kok Huat
President

Kwok Wal Keong
Asset Management

Michael Carp
Investments (Global &
Americas)

Christopher Morrish
Investments (Europe)

David Dickinson
Research & Strategic
Planning

Special Investments

Tay Lim Hock
President

Ang Eng Seng
Direct Investments
Infrastructure

**Kunnasagaran Chinniah
Ng Kin Sze**
Portfolio, Strategy & Risk

Anthony Lim Weng Kin
President (Americas)

Dr Jeffrey Jaensubhaki
President (Europe)

Liu Dong
Beijing Office

Kishore Gotety
Mumbai Office

Kim Chang Hee
Seoul Office

Sun Jianjun
Shanghai Office

Ken Chan Chien-Wel
Tokyo Office

OUR People

Headquartered in Singapore, GIC is a global organization with offices in nine cities worldwide and an international talent pool.

OUR People

GLOBAL TALENT

GIC has over 1,000 employees who manage our investments in more than 40 countries from our offices across nine cities. Our investment professionals come from more than 30 countries.

Many senior management members have been associated with GIC for more than 20 years. GIC's talent pool includes many accomplished industry professionals.

MANAGING DIRECTORS

Managing directors are the core group of leaders in GIC and represent the highest professional grade. They are senior professionals respected for their competence in their respective fields and possess the ability and willingness to drive group-wide initiatives that contribute to GIC's total business and performance. Four new managing directors were appointed in 2011, namely, Chan Chun Hong, Choo Yong Cheen, Mayukh Mitter and Leslie Teo Eng Sipp.

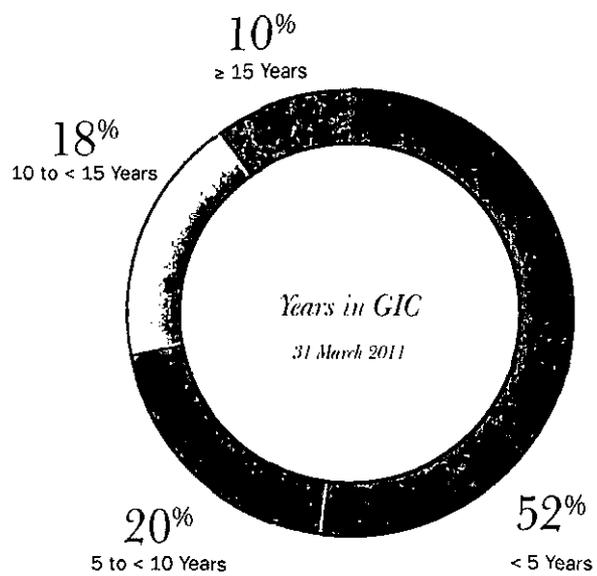
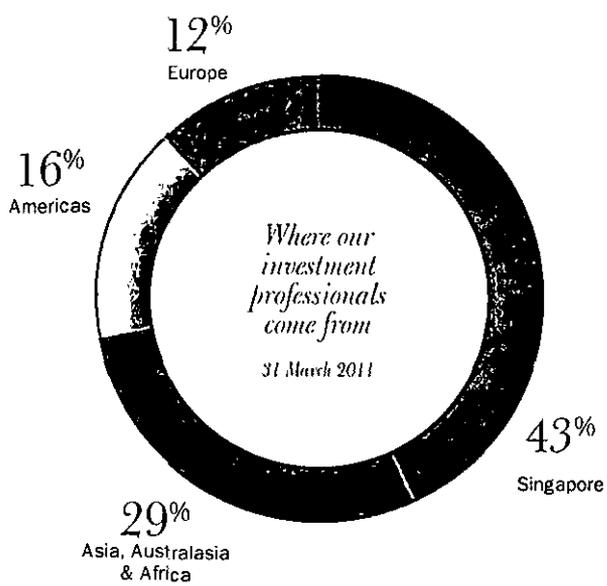
ORGANIZATIONAL EXCELLENCE AND DEVELOPMENT

GIC focuses on the PRIME values of Prudence, Respect, Integrity, Merit, and Excellence as central to our quest for sustained success with a high reputation for professionalism, trustworthiness and expertise.

We empower our employees to give their best by committing resources and infrastructure to support them, and by investing in their learning and career development. We have in place formal platforms for GICians to drive change, innovation and efficiency. Employees initiate new ideas through these platforms, and are equipped with tools and methods that enable them to pinpoint issues, debate ideas, and collaborate with their colleagues to arrive at innovative solutions.

The GIC School works in partnership with GICians to facilitate continuous learning. It customises training programmes for every level of staff and facilitates self-guided learning communities across GIC offices globally.

The GIC Recreation Club, managed by employees, promotes bonding through social activities, sports and games. The club also engenders a spirit of public service by reaching out to the less privileged. From 2010 to 2011, GICians readily participated in more than 30 community service projects worldwide as part of GIC's 30th anniversary celebrations.



MANAGING DIRECTORS *of* GIC

Ang Eng Seng

Global Head, Direct Investments Group, Special Investments
Global Head, Infrastructure Group, Special Investments

Eugene Boehringer

Head, Fixed Income (Americas)

Michael Carp

Head, Investments (Global & Americas), Real Estate

Chan Chun Hong

Portfolio Manager, Strategic Cross-Asset Investment

Richard Chan Hiang Ngee

Head, Asia Pacific Equities

Chan Hoe Yin

Deputy Director, Investment Operations

Chen Soon Bin

Head, Emerging Markets Non-Asia Equities
Head, Natural Resources Group

Vivlen Chen Vul Wen

Chief Administrative Officer

Chia Tai Tee

Chief Risk Officer

Kunnasagaran Chinniah

Global Head, Portfolio, Strategy & Risk Group,
Special Investments

Choo Yong Cheen

Head, Funds & Co-Investments Group
(Asia/Emerging Markets), Special Investments

Choy Siew Kai

Head, Investment Services, Equities

Chua Lee Ming

General Counsel

David Dickinson

Global Head, Research & Strategic Planning, Real Estate

Goh Kok Huat

President, Real Estate

Kent Goodwin

Head, Portfolio Management (Americas), Real Estate

Ho Nyuk Chong

Co-Head, Asset Management (Asia), Real Estate

Wan Hamdan Ismail

Head, Asian Equities Research

Jeffrey Jaensubhakij

President, Europe

Kwok Wal Keong

Global Head, Asset Management, Real Estate

Leong Wing Kwan

Head, Portfolio Analysis & Investment Services,
Fixed Income

Lim Chow Kiat

President, Asset Management

Lim Kee Chong

Deputy President, Asset Management
Director, Equities

Lim Slong Guan
Group President

Anthony Lim Weng Kin
President, Americas

Mayukh Mitter
Head, Direct Investments Group (Asia excl.
Greater China), Special Investments

Tia Miyamoto
Head, Investments (Americas), Real Estate

Christopher Morrish
Regional Head, Investments (Europe), Real Estate

Ng Kin Sze
Global Head, Portfolio, Strategy & Risk Group,
Special Investments

Ng Kok Song
Group Chief Investment Officer

Deanna Ong Aun Nee
Director, Finance

Ong Hian Leong
Director, Technology

Pang Wal Yin
Director, Risk & Performance Management

Bernard Phang Sin Min
Head, Investments (Europe), Real Estate

Aje Salgal
Director, Economics & Investment Strategy

Michael Simcock
Head, Fixed Income (Europe)

Soong Hee Sang
Co-Head, Asset Management (Asia), Real Estate

Tan Chor Hwa
Director, Administration & Personnel

Adelene Tan Mui Li
Head, External Managers

Joyce Tan Siew Pheng
Director, Investment Operations

Tay Lim Hock
President, Special Investments

Leslie Teo Eng Sipp
Chief Economist

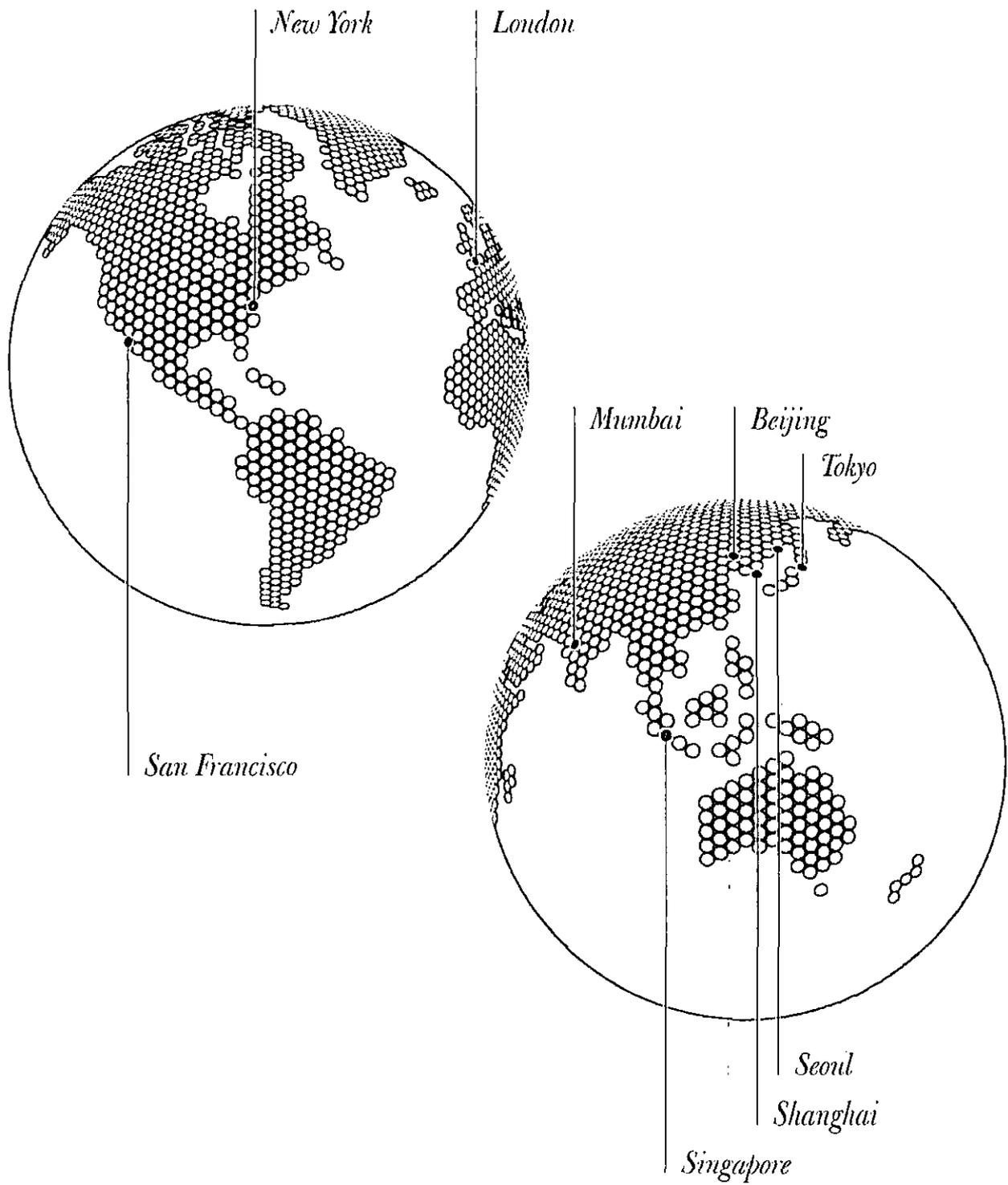
Tung Siew Hoong
Head, Fixed Income

Wong Wei
Director, Internal Audit

Eugene Wong Yau Kee
Global Head, Funds & Co-Investments Group,
Special Investments

Woo Tuck Kan
Portfolio Manager, Equities

OUR *Offices*



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JOYCE LEVA
4123931148
DUQUESNE LIGHT
411 SEVENTH AVENUE
PITTSBURGH PA 15219

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

SHIP TO:

MS. ROSEMARY CHIAVETTA
717-772-7777
PENNSYLVANIA PUBLIC UTILITY COMMISS
400 NORTH STREET
COMMONWEALTH KEYSTONE BUILDING
HARRISBURG PA 17120-0200

PA 171 9-20



UPS NEXT DAY AIR SAVER 1P

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Cost Center: 492

