

Temasek may sell bonds to individuals in Singapore

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Temasek Holdings Pte, Singapore's state-owned investment firm, is looking at ways to offer bonds to individual investors in the city state.

Issuing fixed-income products will provide an "alternative investment opportunity" for investors seeking stable returns with lower risks, Stephen Forshaw, a spokesman for the company, said in a statement on its website.

Temasek could join companies including Singapore Airlines Ltd, Genting Singapore Plc and Fraser & Neave Ltd, which have sold bonds to individual investors. The investment firm has a US\$10 billion (RM32.8 billion) medium-term note program where the securities are typically offered to institutions. The bonds have received top ratings from Standard & Poor's Ratings Services and Moody's Investors Service since 2004, according to Temasek's annual report published in July.

"Temasek is less risky than other corporate issuers," Marie-Anne Garcia, a credit analyst at Oversea-Chinese Banking Corp in Singapore, said by telephone. "They will offer to retail investors a broader range of means to invest in."

Rising assets

Temasek's assets rose to a record S\$215 billion (RM556.4 billion) in the year ended March as surging stock markets drove an almost sixfold increase in returns, it said in the annual report released in July. The value of Temasek's holdings increased by 8.6% in the fiscal year from S\$198 billion, while total shareholder return, which includes dividends, widened to 8.9% from 1.5% in the previous year.

The investment company's total shareholder return averaged 16% since its inception in 1974. The average return was 4.9% over a three-year period, and 13% over 10 years, it said in the annual report.

Temasek is mostly invested in stocks, according to the statement today. The market value of its holdings may rise or fall by more than 30% during volatile periods such as the global financial crisis, Forshaw said in the statement.

"We are mindful that past opportunities and conditions are not likely to repeat in the coming decades," Forshaw said. "Furthermore, global structural risks remain."

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