

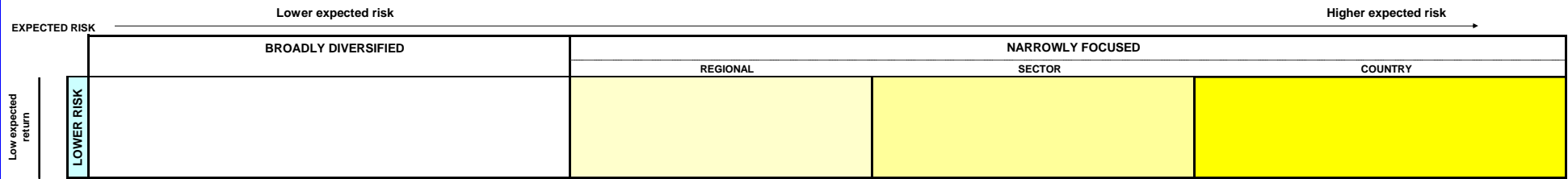
# RISK CLASSIFICATION OF EXCHANGE TRADED FUNDS (ETFs) INCLUDED UNDER THE CPF INVESTMENT SCHEME

EXPECTED RISK		Lower expected risk <span style="float: right;">Higher expected risk →</span>		
High expected return	EXPECTED RETURN	BROADLY DIVERSIFIED	NARROWLY FOCUSED	
			REGIONAL	SECTOR
				<ul style="list-style-type: none"> <li>• SPDR Straits Times Index ETF # <u>Singapore</u></li> </ul>
	HIGHER RISK			

# RISK CLASSIFICATION OF EXCHANGE TRADED FUNDS (ETFs) INCLUDED UNDER THE CPF INVESTMENT SCHEME

EXPECTED RISK		Lower expected risk	Higher expected risk →		
Medium expected return	MEDIUM TO HIGH RISK	BROADLY DIVERSIFIED	NARROWLY FOCUSED		
			REGIONAL	SECTOR	COUNTRY
Medium expected return	LOW TO MEDIUM RISK				<p style="text-align: center;">Singapore</p> <ul style="list-style-type: none"> <li>• ABF Singapore Bond Index Fund #</li> </ul>

## RISK CLASSIFICATION OF EXCHANGE TRADED FUNDS (ETFs) INCLUDED UNDER THE CPF INVESTMENT SCHEME



### General Information

1. ETFs are investment funds that are listed and traded in an Exchange. They are designed to track indices of markets and sectors or fixed baskets of stocks.
2. ETFs are traded on the SGX Xtrinet. They are bought and sold in the same way shares are bought and sold on SGX Mainboard and Catalist. You can place your orders either through your broker or via your online trading account.
3. For more information about ETFs, please refer to SGX's website at [http://www.sgx.com/wps/portal/marketplace/mp-en/products/securities\\_products/etfs](http://www.sgx.com/wps/portal/marketplace/mp-en/products/securities_products/etfs)
4. Currently, these two ETFs are only available under CPFIS-OA.

### # 'List A' - Funds that have met all new admission criteria (Sales Charges and Expense Ratio):

- i) The revised benchmark set at the top 25 percentile of funds in their global peer group;
- ii) Expense ratio (TER) that is not higher than that set by CPF Board by respective risk class. The criteria will apply to existing funds from 1 January 2008 onwards;
- iii) From 1 July 07, sales charges for all CPFIS funds must not exceed 3%;
- iv) In addition, new funds into the CPFIS should preferably have a track record of good performance for at least 3 years.

### Notes:

- The vertical axis denotes "equity risk" levels and the horizontal axis denotes "focus risk" levels.
- The four broad equity risk categories (vertical axis) broadly correspond to risk levels of Equity Funds (Higher Risk category), Balanced Funds (Medium to High Risk category), Bond Funds (Low to Medium Risk category) and Cash Funds (Lower Risk category).
- The focus risk categories (horizontal axis) are divided into two broad categories - "Broadly Diversified" and "Narrowly Focused". The "Narrowly Focused" category is further sub-divided into "Regional", "Sector" and "Country".
- In general, risk levels increase as you move up the vertical axis and from left to right on the horizontal axis. Funds in the "Broadly Diversified" category generally have less risk than those in the "Narrowly Focused" category.
- Investments in funds in the "Narrowly Focused" category may be more risky than those in "Broadly Diversified" category, without a corresponding increase in expected returns.

### Delisting of Fund

- For delisted funds, they will no longer be tracked under the CPFIS Risk Classification System and may no longer comply with the CPF Investment Guidelines (CPFISG)