

**CPF INVESTMENT SCHEME CHANGES IN 2009  
(CPFIS-SA INVESTMENT THRESHOLD)**

<b>FAQS ON CHANGES TO CPFIS-SA INVESTMENT THRESHOLD</b>	
<b>1.</b>	<p><b>WHY IS THE THRESHOLD FOR INVESTING SA MONIES RAISED FROM \$20,000 TO \$30,000? WHAT IS THE BASIS FOR THE NEW THRESHOLD?</b></p> <p>The threshold has been raised given the high interest rate paid on the Special Account (SA) and the uncertainty of CPFIS returns. The minimum interest rate on the SA is 4% currently. With the extra 1% interest on the first \$60,000 of a member's total CPF balances, the SA interest rate is 5% currently. This is in contrast to the returns from CPFIS, which can be highly uncertain.</p>
<b>2.</b>	<p><b>I HAVE BOUGHT INVESTMENTS UNDER CPFIS-SA. WILL THE RESTRICTION ON INVESTMENTS FOR THE FIRST \$30,000 IN SA AFFECT ME?</b></p> <p>No. If you have already bought investments using their CPF monies, you are not required to sell them.</p>
<b>3.</b>	<p><b>WHEN WILL THE CHANGE BE IMPLEMENTED?</b></p> <p>The change to the CPFIS - SA restrictions will be effective from 1 May 2009.</p>

**CPF INVESTMENT SCHEME CHANGES IN 2009  
(HARMONISE THE CRITERIA FOR NEW AND EXISTING FUNDS)**

<b>FAQS ON HARMONISING THE CRITERIA FOR NEW AND EXISTING FUNDS</b>	
<b>1.</b>	<p><b>WHAT IS THE RATIONALE OF HARMONISING THE CRITERIA FOR NEW AND EXISTING FUNDS?</b></p> <p>CPF Board (“CPFBoard”) has, since 2006, taken <u>measures</u> to improve the quality of funds in CPFIS and lower the costs of investing. From 1 February 2006, new Unit Trusts and Investment-Linked Products (collectively known as “funds”) must meet the stricter criteria<sup>1</sup> before being admitted into CPFIS<sup>2</sup>. From 1 January 2011, all funds in the CPFIS must meet the stricter criteria to continue to take in new CPF monies. This is part of CPFBoard’s ongoing efforts to lower cost and improve the quality of CPFIS funds to benefit CPF members who seek to invest their CPF savings for higher returns.</p>
<b>2.</b>	<p><b>HOW WILL THIS HARMONISATION AFFECT THE FUNDS INCLUDED UNDER CPFIS?</b></p> <p>All CPFIS funds that have not met the stricter admission criteria and that wish to be able to take in new CPF monies from 1 January 2011 need to be re-evaluated. Please see Annex A for the list of funds.</p>
<b>3.</b>	<p><b>HOW WILL THIS RE-EVALUATION AFFECT THE FUNDS THAT I AM HOLDING?</b></p> <p>Re-evaluation will not affect the funds that you are holding. However if by December 2010, the funds which you are holding do not meet the stricter criteria, or if your Fund Management Company (FMC)/ insurer chooses not to have the funds re-evaluated, you will not be able to purchase more units of such funds with your CPF monies.</p>
<b>4.</b>	<p><b>WHAT SHOULD I DO IF THE FUNDS THAT I AM HOLDING DO NOT MEET THE STRICTER CRITERIA BY DECEMBER 2010?</b></p> <p>You will be given options by the FMCs or insurers to hold, redeem or switch your units, for free, into other CPFIS funds that are eligible to take in new CPF monies from 1 January 2011. If you decide to switch funds, please consider whether the new funds match your investment objective and <u>risk profile</u>.</p>
<b>5.</b>	<p><b>HOW WILL I KNOW WHETHER THE FUNDS THAT I AM HOLDING DO NOT MEET THE STRICTER CRITERIA BY DECEMBER 2010?</b></p> <p>If the funds do not meet the stricter criteria by December 2010, the respective FMC / insurer will be required to inform their CPF clients in writing, and to offer their clients three options (see Question 4), by December 2010.</p>

<sup>1</sup> (i) Top quartile of global peer group (ii) Total Expense Ratio lower than the median of CPFIS funds in respective risk class (iii) Sales charge not exceeding 3% and (iv) Preferably track record of 3 years.

<sup>2</sup> Prior to 1 February 2006, the admission criterion was top 50 percentile of global peer group.

6.	<p><b>IS IT COMPULSORY TO KEEP SWITCHING FUNDS IF THE FUNDS WHICH I AM HOLDING DO NOT MEET THE STRICTER CRITERIA?</b></p> <p>No. You can opt to hold on to your existing funds without switching.</p>
7.	<p><b>IF I HOLD A FUND THAT DOES NOT MEET THE STRICTER CRITERIA, WHEN MUST I EXERCISE THE SWITCHING OPTION?</b></p> <p>Funds that are unable to meet the stricter criteria can only take in new CPF monies till December 2010, and you will be given up till 30 June 2011 to exercise the switching option.</p> <p>In addition, a fund may decide to cease taking in new CPF monies earlier. If this happens, you have to exercise the switching option within the timeframe stipulated by the FMC/insurer in its communication letter to you (see Question 5).</p>

## Annex A

## LIST OF FUNDS THAT NEED TO BE RE-EVALUATED

No.	Fund Name	Risk Classification
1	Aberdeen China Opportunities Fund	Higher Risk
2	Aberdeen European Opportunities Fund	Higher Risk
3	Aberdeen Global Opportunities Fund	Higher Risk
4	Aberdeen Global Technology Fund	Higher Risk
5	Aberdeen India Opportunities Fund	Higher Risk
6	Aberdeen Indonesia Equity Fund	Higher Risk
7	Aberdeen Japan Equity Fund	Higher Risk
8	Aberdeen Malaysian Equity Fund	Higher Risk
9	Aberdeen Thailand Equity Fund	Higher Risk
10	AIA Emerging Markets Equity Fund	Higher Risk
11	AIA Global Balanced Fund	Medium to High Risk
12	AIA Global Technology Fund	Higher Risk
13	AIA Greater China Equity Fund	Higher Risk
14	AIA Growth Fund	Medium to High Risk
15	AIA Japan Balanced Fund	Medium to High Risk
16	AIA Japan Equity Fund	Higher Risk
17	AIA Portfolio 100	Higher Risk
18	AIA Portfolio 30	Low to Medium Risk
19	AIA Portfolio 50	Medium to High Risk
20	AIA Portfolio 70	Medium to High Risk
21	AIA Regional Equity Fund	Higher Risk
22	AIA Regional Fixed Income Fund	Low to Medium Risk
23	AIA S\$ Money Market Fund	Lower Risk
24	AIG I.F. – Singapore Bond Fund	Low to Medium Risk
25	AIG I.F. Acorns of Asia Balanced Fund	Medium to High Risk
26	APS Alpha Fund	Higher Risk
27	AXA India Fund	Higher Risk
28	DBS Eight Portfolio D	Higher Risk
29	DBS Eight Portfolio E	Higher Risk
30	DBS Enhanced Income Fund	Low to Medium Risk
31	DBS Global Property Securities Fund	Higher Risk
32	DBS Horizon European Equity Fund	Higher Risk
33	DBS Horizon Global Equity Fund	Higher Risk
34	DBS Horizon Japanese Equity Fund	Higher Risk
35	DBS Horizon US Equity Fund	Higher Risk
36	DBS Japan Growth Fund	Higher Risk
37	DBS Shenton Global Opportunities Fund	Higher Risk
38	DBS Shenton Thrift Fund	Higher Risk

<b>No.</b>	<b>Fund Name</b>	<b>Risk Classification</b>
39	DWS Asia Premier Trust	Higher Risk
40	DWS China Equity Fund	Higher Risk
41	DWS India Equity Fund	Higher Risk
42	DWS Lion Bond Fund	Low to Medium Risk
43	Fidelity Funds-America Fund	Higher Risk
44	Fidelity Funds-Asian Special Situations Fund	Higher Risk
45	Fidelity Funds-European Aggressive Fund	Higher Risk
46	Fidelity Funds-European Growth Fund	Higher Risk
47	Fidelity Funds-International Bond Fund II	Low to Medium Risk
48	Fidelity Funds-Japan Fund	Higher Risk
49	Fidelity Funds-Southeast Asia Fund	Higher Risk
50	First State Asian Growth Fund	Higher Risk
51	First State Bridge	Medium to High Risk
52	First State Dividend Advantage Fund	Higher Risk
53	First State Global Balanced Fund	Medium to High Risk
54	First State Global Opportunities Fund	Higher Risk
55	First State Global Resources Fund	Higher Risk
56	First State Regional China Fund	Higher Risk
57	FTIF – Franklin Biotechnology Discovery Fund	Higher Risk
58	GE GreatLink ASEAN Growth Fund	Higher Risk
59	GE GreatLink Cash Fund	Lower Risk
60	GE GreatLink Enhancer Fund	Higher Risk
61	GE GreatLink Far East ex Japan Equities Fund	Higher Risk
62	GE GreatLink Global Bond Fund	Low to Medium Risk
63	GE GreatLink Global Equity Fund	Higher Risk
64	GE GreatLink Global Real Estate Securities Fund	Higher Risk
65	GE GreatLink Global Value Equity Fund	Higher Risk
66	GE GreatLink LifeStyle Balanced Portfolio	Medium to High Risk
67	GE GreatLink LifeStyle Dynamic Portfolio	Higher Risk
68	GE GreatLink LifeStyle Progressive Portfolio	Higher Risk
69	GE GreatLink LifeStyle Secure Portfolio	Medium to High Risk
70	GE GreatLink LifeStyle Steady Portfolio	Medium to High Risk
71	GE GreatLink Singapore Equities Fund	Higher Risk
72	Henderson Global Bond Fund	Low to Medium Risk
73	HSBC Global Investment Funds-Chinese Equity Fund	Higher Risk
74	HSBC Global Investment Funds-Japanese Equity Fund	Higher Risk
75	HSBC Insurance Global Leaders Fund	Higher Risk
76	HSBC Insurance HSBC-Link Asia Equity Fund	Higher Risk
77	HSBC Insurance HSBC-Link Emerging Markets Equity Fund	Higher Risk
78	HSBC Insurance HSBC-Link Ethical Asia Equity Fund	Higher Risk
79	HSBC Insurance HSBC-Link Ethical Capital Protected Fund	Medium to High Risk
80	HSBC Insurance HSBC-Link Europe Equity Fund	Higher Risk

<b>No.</b>	<b>Fund Name</b>	<b>Risk Classification</b>
81	Infinity European Stock Index	Higher Risk
82	Infinity Global Stock Index Fund	Higher Risk
83	Infinity U.S. 500 Stock Index Fund	Higher Risk
84	John Hancock Adventurous Portfolio	Medium to High Risk
85	John Hancock Balanced Portfolio	Medium to High Risk
86	John Hancock Cautious Portfolio	Medium to High Risk
87	John Hancock Singapore Cash Fund	Lower Risk
88	Legg Mason Singapore Bond Fund	Low to Medium Risk
89	LionGlobal Asia Pacific Fund	Higher Risk
90	LionGlobal China Growth Fund	Higher Risk
91	LionGlobal India Fund	Higher Risk
92	LionGlobal Malaysia Fund	Higher Risk
93	LionGlobal SGD Income Plus Fund	Medium to High Risk
94	LionGlobal Singapore Balanced Fund	Medium to High Risk
95	LionGlobal Singapore Trust Fund	Higher Risk
96	LionGlobal Singapore/Malaysia Fund	Higher Risk
97	LionGlobal Thailand Fund	Higher Risk
98	Manulife European Equity Fund	Higher Risk
99	Manulife Golden Life Sciences Fund	Higher Risk
100	Manulife Golden S.E.A. Special Situations Fund	Higher Risk
101	Manulife Lifestyle Portfolios - Aggressive	Higher Risk
102	Manulife Lifestyle Portfolios - Conservative	Medium to High Risk
103	Manulife Lifestyle Portfolios - Growth	Higher Risk
104	Manulife Lifestyle Portfolios - Moderate	Medium to High Risk
105	Manulife Lifestyle Portfolios - Secure	Medium to High Risk
106	Manulife Singapore Bond Fund	Low to Medium Risk
107	NTUC Amanah Equity Fund	Higher Risk
108	NTUC Balanced Fund	Medium to High Risk
109	NTUC Conservative Fund	Medium to High Risk
110	NTUC Enhanced Fund	Medium to High Risk
111	NTUC Europe Equity Fund	Higher Risk
112	NTUC Growth Fund	Medium to High Risk
113	NTUC Prime Fund	Medium to High Risk
114	NTUC Singapore Bond Fund	Low to Medium Risk
115	NTUC Takaful Fund	Higher Risk
116	NTUC Technology Fund	Higher Risk
117	NTUC Trust Fund	Medium to High Risk

No.	Fund Name	Risk Classification
		Risk
118	Prudential U.T. - Asian Balanced Fund	Low to Medium Risk
119	Prudential U.T. - Dragon Peacock Fund	Higher Risk
120	Prudential U.T. – Pan European Fund	Higher Risk
121	Prudential U.T. – Protected Global Titans Fund (S\$)	Low to Medium Risk
122	PruLink Adapt 2015	Medium to High Risk
123	PruLink Adapt 2025	Medium to High Risk
124	PruLink Adapt 2035	Higher Risk
125	PruLink Asian Equity Fund	Higher Risk
126	PruLink Global Bond Fund	Low to Medium Risk
127	PruLink Global Equity Fund	Higher Risk
128	PruLink Global Managed Fund	Medium to High Risk
129	PruLink Singapore Cash Fund	Lower Risk
130	PruLink Singapore Managed Fund	Medium to High Risk
131	Schroder Asian Growth Fund	Higher Risk
132	Schroder European Large Cap Equity Fund	Higher Risk
133	Schroder Pan Asia Fund	Higher Risk
134	Schroder Singapore Trust	Higher Risk
135	SGAM Singapore Dividend Growth Fund	Higher Risk
136	UOB GrowthPath 2010	Medium to High Risk
137	UOB GrowthPath 2020	Medium to High Risk
138	UOB GrowthPath 2030	Medium to High Risk
139	UOB GrowthPath 2040	Medium to High Risk
140	UOB GrowthPath Today	Low to Medium Risk
141	UOB Optimix SGD Fund	Low to Medium Risk
142	UOB Unifund	Higher Risk
143	UOB United Global Capital Fund	Higher Risk
144	UOB United Greater China Fund	Higher Risk
145	UOB United Growth Fund	Higher Risk
146	UOB United International Growth Fund	Higher Risk
147	UOB United Singapore Bond Fund	Low to Medium Risk