TEMASEK

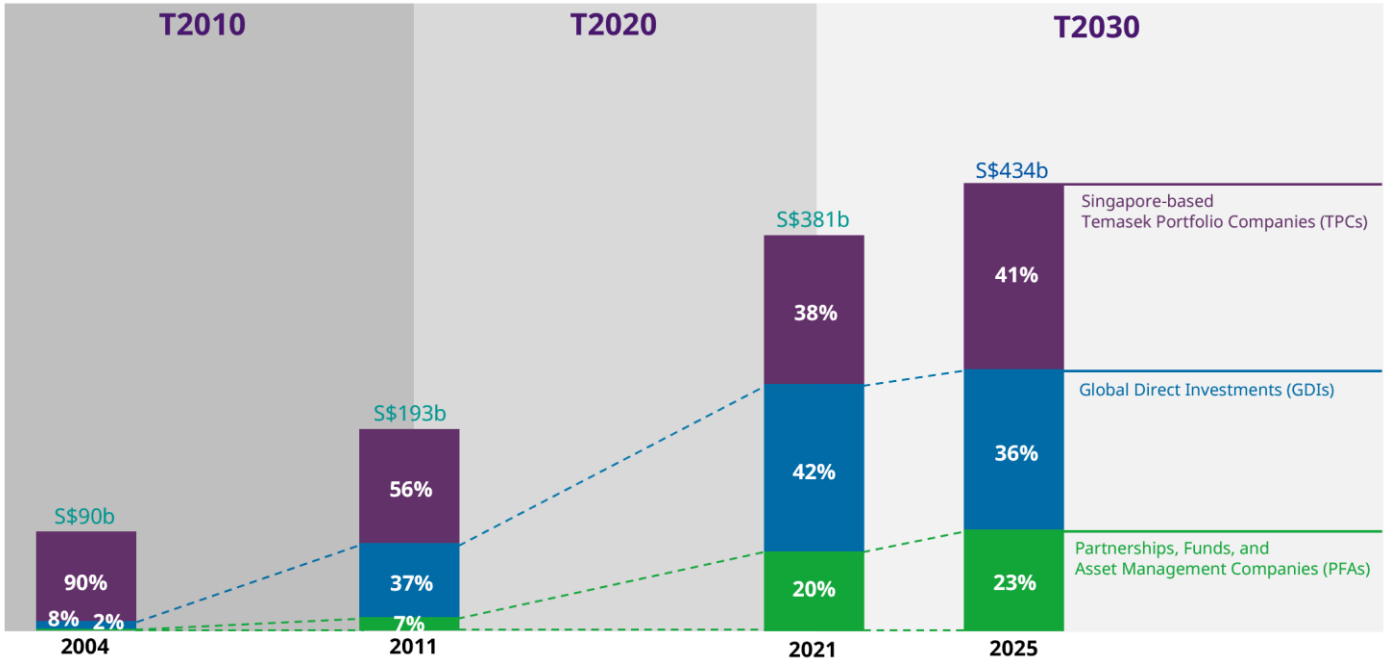
**Temasek's Portfolio Evolution**

Temasek's portfolio today comprises three segments: Singapore-based Temasek Portfolio Companies (TPCs), Global Direct Investments (GDIs), and Partnerships, Funds, and Asset Management Companies (PFAs). The evolution of these distinct portfolio segments reflects the implementation of portfolio construction strategies over the years.

Moving ahead, we will continue to actively engage each portfolio segment to deliver sustainable returns over the long term.

## Pivoting our Portfolio Segments

(as at 31 March)




## T2010 Strategy: Starting our Global Direct Investments, Growing with Asia

In 2002, as part of our T2010 strategy, we expanded beyond our TPC holdings to focus on making direct investments in emerging markets, particularly in a growing Asia.

**GDIs:**

- Since 2002, we stepped out to be a more active investor, with direct investments in emerging markets, particularly across Asia.
- We established offices in emerging markets such as India (2004), China (2004), Brazil (2008), Mexico (2008), and Vietnam (2008).

- Our investment focus then was underpinned by four investment themes: Transforming Economies, Growing Middle Income Populations, Deepening Comparative Advantages, and Emerging Champions.
- In Asia, we invested in the proxies to the economy such as banks and telecommunications, across China, India, and Southeast Asia. Our portfolio benefitted significantly from China's economic expansion through this decade.

**TPCs:**

- As Singapore's domestic market matured, we recognised the need for our TPCs to internationalise and actively supported their growth.
- We partnered PSA to restructure its portfolio – streamlining its non-core assets, carving out PSA's real estate holdings separately into a company called Mapletree; sharpening its focus on port operations and fortifying their global competitiveness for long-term growth. Since corporatising in 1997, it has expanded to become a trusted global cargo partner across more than 180 locations in 45 countries today.
- Singtel, which began its regionalisation in the 90s, further grew through its acquisition of stakes in Airtel (India), Optus (Australia) and Telkomsel (Indonesia) in the early 2000s.
- SP Group acquired three Australian energy distribution companies in the mid-2000s and expanded on their global footprint.
- CapitaLand expanded and built meaningful presence in India, Malaysia, Indonesia, China, and Australia.
- As part of Singapore's electricity market liberalisation, we divested our power generation companies Tuas Power, Senoko Power, and PowerSeraya, monetising these mature assets and redeploying capital into new growth opportunities.

**PFAs:**

- As part of our strategy to ride on Asia's growing middle-income populations, we initiated Singapore-based asset management companies. These included: Fullerton Fund Management Company (2003) and SeaTown Holdings (2009). We also acquired Vertex Holdings (2004) as a wholly-owned subsidiary.

## T2020 Strategy: A Global Investor with a Wider Ecosystem of Partnerships

In 2011, we embarked on our T2020 strategy to be a global investor by 2020. It was launched against the backdrop of a world emerging from the Global Financial Crisis, with many economies around the world still grappling with its aftereffects.

We had benefitted from Asia's growth in the years prior. We took the opportunity to recycle our capital into our focus sectors.

**GDIs:**

- We ventured further afield, opening our first offices for Europe in UK (2014) and the US (2014); today, 6 out of our 13 offices are in these regions.
- Our T2020 strategy centred on establishing Temasek as a global investment company as we invested in opportunities across these focus sectors: technology, life sciences, non-bank financial services, and consumer.
- We later sharpened our approach by identifying four structural trends to guide our investments: Digitisation, Sustainable Living, Future of Consumption, and Longer Lifespans.
- During this decade, our portfolio significantly benefitted from the returns of our unlisted assets, such as our growth equity investments.

**TPCs:**

- In 2013, we formed the Enterprise Development Group to build and nurture new growth engines, including the formation of new TPCs like Surbana Jurong (2015) and Ascendas-Singbridge (established in 2015 as a JV with JTC Corporation, from the merger of Ascendas and Singbridge).
- In 2019, CapitaLand's acquisition of Ascendas-Singbridge led to a significant value uplift. CapitaLand has since restructured (2021) into a listed real estate investment manager and a privately held real estate developer, operating in 270 cities in 45 countries, with S$136 billion in real estate AUM and S$117 billion in FUM[1].
- We also continued engaging existing TPCs on strategic initiatives and emerging trends. This included wider forums across the ecosystem; for example, our *Ecosperity* conference (since 2014) and Temasek Tripartite Conversations (since 2017) tackling sustainability and workforce issues respectively.

[1] As at 31 December 2024.

**PFAs:**

- In 2016, we formed a Credit Portfolio team to seize opportunities in private credit and hybrid solutions.
- We continued to broaden the Temasek ecosystem by setting up additional platforms: Heliconia Capital Management (2010), Pavilion Capital (2011), Clifford Capital (2012), Azalea Asset Management (2015), InnoVen Capital (2015), and ABC Impact (established in 2019 as ABC World Asia). We later formed Seviora Group in 2020 as the holding company for several of our existing asset management companies. Today the group comprises Azalea Asset Management, Fullerton Fund Management Company, InnoVen Capital, SeaTown Holdings, and Seviora Capital.

## T2030: A Resilient and Forward-Looking Portfolio

We developed our T2030 strategy in 2019, focused on constructing a resilient and forward-looking portfolio, one that can withstand exogenous shocks and still deliver sustainable returns over the long term.

**GDIs:**

- In an ever-changing and volatile macroeconomic and business landscape, with a lower growth environment, we are pivoting to focus on portfolio resilience and liquidity while maintaining a globally diversified portfolio.
- Our GDIs are focused on emerging and competitive market leaders with manageable exposure to trade tensions, delivering stable returns with a narrower range of outcomes. These includes companies with access to large domestic markets, resilient supply chains, and strong pricing power.
- We also see significant opportunities from investing in core-plus infrastructure and the Artificial Intelligence value chain.

**TPCs:**

- In 2019, we formed the Portfolio Development Group to actively engage our TPCs to strengthen their position for sustainable growth and drive long-term value creation.
- Their strong performance over the past year demonstrates their progress in executing strategies aligned with stated targets, affirming our ongoing efforts.
- Examples of our engagements leading to value uplift include:
    - A capital raising exercise for Singapore Airlines in 2020, to strengthen the airline's balance sheet, fleet renewal, and prepare it for a reopening of borders following the pandemic. The airline recently reported record profits for the past two years.

- Sembcorp Industries' demerger from Sembcorp Marine in 2020 to focus on energy transition and urban solutions opportunities, and Keppel's divestment of Keppel Offshore & Marine in 2022 to concentrate on asset management. These developments paved the way for the formation of Seatrium in 2023 through the merger of Sembcorp Marine and Keppel Offshore & Marine, creating a combined entity better positioned to capture market opportunities.

**PFAs:**

- As we expand our global networks and invest in high-quality funds, these relationships have fostered further strategic partnerships, such as O2 Power, a joint venture with EQT launched in 2020. In April 2025, both Temasek and EQT divested their stakes in O2 Power to JSW Neo Energy, realising their gains on the asset.
- We continued to establish new asset management companies to diversify our investments across the capital structure, as well as scale our exposure in emerging areas. These included: Decarbonization Partners[2] (2021), 65 Equity Partners (2021), True Light Capital (2021), EvolutionX Debt Capital (2022), and Aranda Principal Strategies[3] (2024).
- We have sharpened our focus on our Partnerships, Funds, and Asset Management Companies, alongside growing global capital flows into alternative assets such as private credit, private equity funds and liquid alternatives and uncorrelated strategies.

[2] A joint venture with BlackRock. It is an example of how our investments in funds have led to further strategic partnerships.
[3] Aranda Principal Strategies was spun out from our in-house Credit Portfolio team established in 2016.