State Capital: CPF, Temasek and GIC: summary

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The Central Provident Fund, launched on 1 July 1955 as a compulsory savings scheme, became after 1968 the instrument through which Singapore financed home ownership, health care and retirement, while its savings were invested in government securities that guarantee members fixed floor rates. Temasek Holdings, created in 1974 with a portfolio of S$354 million, grew into a global investor with a net portfolio value of S$518 billion in 2026 and remains the anchor shareholder of DBS and other Singapore companies. GIC, established in 1981 to manage the reserves not needed for the currency, manages most of the government's financial assets as a fund manager and since April 2026 has been moving to a framework that measures it against a Strategic Portfolio. The Constitution protects past reserves through the elected President's second key, while the Net Investment Returns framework allows the government to spend up to half of expected long-term real returns, which now finance about a fifth of public spending. State capital has served the financial centre as a source of mandates for asset managers, a core shareholder of key institutions and a reserve for crises, a model that differs fundamentally from Geneva's decentralised system of private wealth management and pension funds.

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