

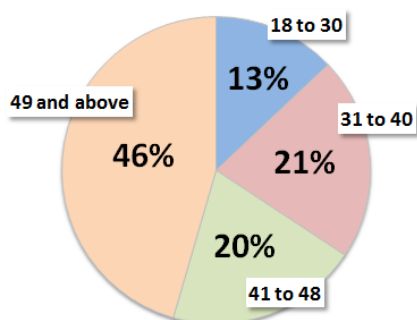
# SINGAPORE SAVINGS BONDS

## Profile of Investors

Singapore Savings Bonds have significantly increased retail investors' participation in the Singapore government bond market. 2,000 retail investors hold a total of S\$300 million of conventional Singapore Government Securities. The Singapore Savings Bond has garnered significantly more interest: **32,000 individuals have invested S\$810 million across the first six Savings Bond issues.**

**Savings Bonds have attracted investors across all age groups**, particular those aged 49 and above (Figure 1).

**Figure 1: Age profile**



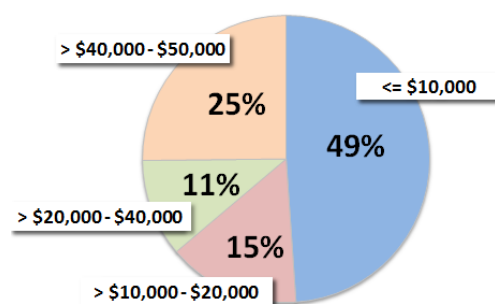
We are also encouraged to see a significant number of younger investors aged 18 to 30.

By setting the minimum application amount at \$500, the intention was to make the Savings Bond available to investors with smaller sums to invest. Indeed, half (49%) of all applications were for sums \$10,000 and below (Figure 2). 19% of Savings Bond investors had CDP accounts which were recently opened, suggesting that Savings Bonds were their first foray into investments.

These are encouraging developments as Savings Bonds are intended to be a safe, flexible and long-term instrument that would be suitable for new investors. As they become more familiar with investing, these first-time investors could consider other instruments for long-term investment, including equities,

bonds, exchange traded funds (ETFs) and unit trusts.

**Figure 2: Application amounts**



**We also hope to promote greater awareness of the Savings Bond and its features among investors saving towards retirement or who are retiring.** The safety and flexibility of Savings Bonds means that they can form part of an investor's portfolio to complement equities and bonds. Savings Bonds are also well suited to the needs of retirees or those nearing retirement who wish to take less risk, seek to preserve their savings and receive interest income.