



Monetary Authority
of Singapore

A GUIDE TO SINGAPORE GOVERNMENT SECURITIES BONDS AND TREASURY BILLS

More detailed information about SGS can be found at

http://www.sgs.gov.sg/pub_guide/faqs/publ_faqindinvestors.html

&

<http://www.moneysense.gov.sg>

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Frequently Asked Questions for Individual Investors

1. What are Singapore Government Securities bonds and T-bills?

Singapore Government Securities Bonds ("SGS bonds") and Treasury Bills ("T-bills") are scripless, marketable debt instruments issued by the Monetary Authority of Singapore on behalf of the Government of Singapore. The Government of Singapore is obliged to make full repayment of the face value of the SGS bonds and T-bills at their maturity as well as interest payments to bond holders every 6 months.

2. Are SGS bonds and T-bills investments safe?

As with any other bond, the investor is subjected to the credit risk of the issuer (i.e. the Singapore Government). SGS bonds and T-bills are backed by the AAA-rated credit of the Singapore Government. The face value of the bond (par) is preserved if you buy at primary issuance and hold the security to maturity.

3. When are SGS bonds and T-bills issued? How can I purchase them at issuance?

SGS bonds and T-bills are issued according to an annual issuance calendar that is published on the SGS website <<http://www.sgs.gov.sg>>. These auctions are announced to the market via the SGS website and/or major newspapers. 3 month T-bills are issued weekly, with the auctions announced every Wednesday via the SGS website, and 1 year T-bills are issued twice a year. Auctions for bonds, with maturities of 2 to 20 years, are typically announced 8 business days before the issuance date stated in the annual issuance calendar.

After an auction is announced, you may apply at all DBS, OCBC and UOB ATMs. As with an IPO application, you need a valid individual CDP account number on hand before applying.

4. Can I sell my holdings before maturity in the secondary market?

SGS bonds and T-bills can be sold before maturity at prevailing market prices. As prices and yields may change from day to day according to market conditions, the price at which you sell your holdings can be higher or lower than the actual price you paid.

5. How can I buy SGS bonds in the secondary market, i.e. after they have been issued?

With effect from 8 July 2011, investors can trade SGS bonds in the secondary market on the Singapore Exchange (SGX). You may buy SGS bonds through your stockbroker, using the same individual CDP and securities trading account that you have for trading stocks. Find out more at <<http://www.sgx.com/fixedincome/sgs>>.

- 6. How do I sell my SGS bonds in the secondary market?**
First, check if your holdings are custodised with CDP. If your holdings are still held with your SGS dealer bank, especially if you bought them before 1 July 2009, please approach your bank to have your holdings transferred to your CDP account. Once your holdings are custodised with CDP, you may sell them through your stockbroking account and transact on SGX, similar to how you would trade shares.
- 7. What is the minimum investment sum for SGS bonds and T-bills?**
The minimum investment amount is S\$1,000, and you can invest in multiples of S\$1,000.
- 8. What is the board lot size of SGS bonds traded on SGX?**
One board lot size is 10 units. As SGS bond prices are quoted in \$100, this means that SGS bonds are traded in multiples of S\$1,000.
- 9. What are the charges involved?**
Individual investors who purchase SGS bonds and T-bills issued after 1 July 2009 will have their holdings custodised at the Central Depository (CDP). CDP will charge investors an administrative fee of 0.08% of the face value of the SGS bonds and T-bills per annum. CDP will waive this administrative fee until 31 March 2013. Transaction fees may also apply. Please check with your stockbroker before you start transacting.
- 10. Are T-bills traded on SGX?**
No. However, you can approach the branches of any SGS agent bank (typically DBS, OCBC and UOB) to sell your holdings over the counter, at the most competitive market price available.

Summary of characteristics

Tenor	T-bills: 3 months and 12 months SGS bonds: 2, 5, 10, 15 and 20 years
Interest payment	T-bills: Do not pay coupons, but are bought and sold at a price less than their face (par) value. SGS bonds: Pay a fixed rate of interest (coupon) every six months for the life of the securities, and the face (par) value on redemption at maturity.
Tradable on SGX?	T-bills: No SGS bonds: Yes, with effect from 8 July 2011