

# WEST COAST TOWN COUNCIL

## Frequently Asked Questions on Town Council Investment

1. [What is the percentage of the service and conservancy charges \(s&cc\) that goes into the sinking fund?](#)

Town Councils are required, under the Town Councils Act, to set aside between 30% and 35% of the s&cc in the Sinking Fund. The Sinking Fund is utilised for major cyclical repainting & repairs, renewal or replacement of roofing system, water tanks, pumps and water supply system, re-wiring, lifts, major repairs and maintenance of the common area and contributions to the HDB in respect of general upgrading works carried out on the common property under the Housing and Development Act .

2. [Why does the Town Council need so much money in its sinking fund? Is there a need to accumulate the fund aggressively?](#)

Cyclical repairs and maintenance works are major works which require large sums of money. By accumulating sinking fund over time, residents do not have to pay an additional lump sum each time one of these major works needs to be carried out.

3. [How much of the Town Council fund was affected by the Lehman's, DBS' High Notes linked product, or any other structured products that may now be at risk?](#)

The Council has no direct exposure to Lehman Brothers or DBS High Notes. The Council also does not invest in direct equities or structured products.

4. [What is the Town Council's investment strategy? Are we a purely profit driven, easily risking sinking fund monies contributed by residents?](#)

The Council takes a prudent stance by spreading our investments over a mix of deposits, securities and other financial products within the approved investment framework. A majority of our funds are in fixed deposits and Singapore Government Securities. A portion allowable (in accordance to MND's guidelines) is managed by fund managers.

The key objective of our investment is to generate returns that offset the rate of inflation and increase the overall long term value of our funds.

5. [How does the Town Council ensure that its investments are prudent?](#)

The Fund Managers appointed by the Council are MAS licensed/approved financial advisers. Our investment decisions are based on the guidelines issued by the Ministry of National Development. The investment decisions are deliberated and approved by the Town Council.

6. [Is the Town Council rethinking or changing some of its investment strategies?](#)

The Town Council will continue to invest our funds prudently, in compliance with the stipulations in the Town Councils Act, Town Councils Financial Rules and guidelines issued by the Ministry of National Development.

We will continue to adopt a diversified investment strategy to get better yields but the risk reward relationship applied to our funds will be foremost consideration.

7. [Is there a third party to audit the accounts of the investment?](#)

Our financial statements, including the statements of our sinking fund and disclosure of the fair value of our investments, are prepared according to the Singapore Financial Reporting Standards. They are audited by auditors approved by the Auditor-General and the Ministry of National Development, and published annually.

8. [Can we see the Town Council's financial statements?](#)

Residents can access our financial statements and annual report via our website