

# SINGAPORE FUND FLOWS SUMMARY

QUARTER-END ANALYSIS

September 30, 2016

**Total Net Fund Flows Turn Positive for Q3 2016; Bond Funds Gain  
the Biggest Net Inflows**

- Unit trusts registered for sale in Singapore reported net inflows of S\$299.48 million for Q3 2016; they had posted a net outflow of S\$324.12 million for Q2 2016.
- Bond funds posted S\$1,141.62 million of net inflows, taking the lead position for Q3 2016—for a second consecutive quarter in terms of net inflows.
- The total inflow of capital for Q3 2016 soared 42.26% to S\$6,333.70 million, while the total outflow of capital rose 26.34% to S\$6,034.21 million for the period.
- Equity funds’ capital inflows rose 13.42% to S\$1,186.66 million for Q3 2016, while bond funds rallied 54.18% to S\$2,742.96 million for the period.
- Capital outflows from equity funds rose 20.67% to S\$2,405.00 million for Q3 2016, while bond funds recorded capital outflows of S\$1,601.34 million, rallying 28.82% for the period.
- Mixed-asset funds’ capital inflows rallied 72.48% to S\$1,643.97 million for Q3 2016, while their capital outflows increased 46.90% to S\$1,286.67 million for the period.

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## 1. Fund Flows Overview for Q3 2016

**Table 1 Estimated Fund Flows by Major Asset Classes for Q3 2016 (\$\$ Million)**

Asset Class	Inflows			Outflows			Net Flows
	CPF	Non-CPF	Total	CPF	Non-CPF	Total	
Alternatives	0.00	1.33	1.33	0.00	1.89	1.89	-0.57
Bond	3.22	2,739.74	2,742.96	0.89	1,600.45	1,601.34	1,141.62
Commodity	0.00	0.94	0.94	0.00	1.45	1.45	-0.51
Equity	30.10	1,156.57	1,186.66	58.26	2,346.74	2,405.00	-1,218.33
Mixed Assets	16.75	1,627.22	1,643.97	24.62	1,262.04	1,286.67	357.30
Money Market	0.00	757.84	757.84	0.00	737.87	737.87	19.97
<b>Total</b>	<b>50.07</b>	<b>6,283.62</b>	<b>6,333.70</b>	<b>83.77</b>	<b>5,950.44</b>	<b>6,034.21</b>	<b>299.48</b>

NB: Non-CPF numbers may include flows into/from Supplementary Retirement Scheme (SRS) accounts as well as selected sophisticated funds distributed by participating IMAS members. Total net flows in the table may differ because of rounding of numbers.

Because there are different asset types of alternatives funds, the total net flows of the bond type include Absolute Return USD Medium. The equity type includes part of Absolute Return Other, and the mixed-asset type includes part of Absolute Return Other and Absolute Return USD High.

Mixed-asset includes Target Maturity Funds.

Source: Thomson Reuters Lipper

Based on data submitted by participating IMAS members (see Appendix A), the various authorized and recognized unit trusts registered for sale in Singapore registered net inflows of S\$299.48 million in aggregate for Q3 2016; they had posted net outflows of S\$324.12 million for Q2 2016. By asset-type fund group, equity funds suffered the biggest net outflows (-S\$1,218.33 million) for Q3 2016, while bond funds enjoyed net inflows of S\$1,141.62 million.

On a quarterly basis, the capital inflows for equity funds rose 13.42%—from S\$1,046.23 million for Q2 2016 to S\$1,186.66 million for Q3 2016. That accounted for 18.74% of the overall capital inflows (+S\$6,333.70 million) into unit trusts for Q3 2016. The capital outflows of equity funds soared 20.67%—from S\$1,993.03 million for Q2 2016 to S\$2,405.00 million for Q3 2016.

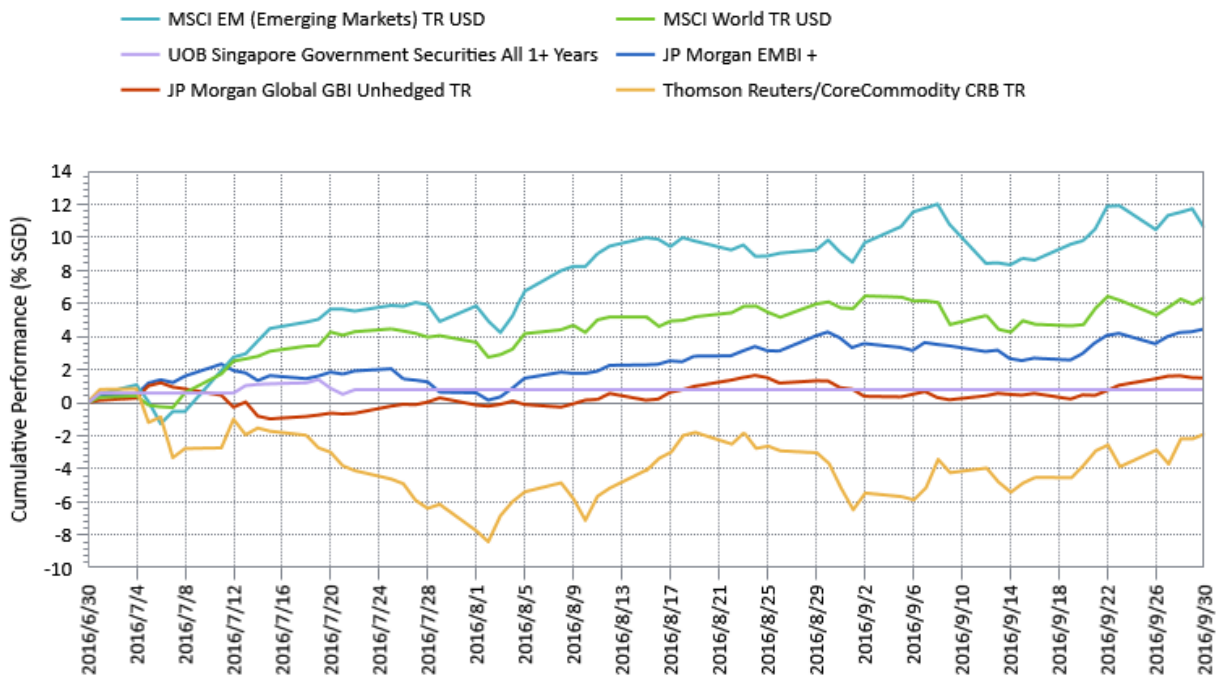
The capital inflows for bond funds soared 54.18% to S\$2,742.96 million, accounting for 43.31% of the overall capital inflows. Meanwhile, bond funds recorded capital outflows of S\$1,601.34 million for Q3 2016, soaring 28.82% compared to the previous quarter.

Mixed-asset funds' capital inflows rallied 72.48%—from S\$953.15 million for Q2 2016 to S\$1,643.97 million for Q3 2016, accounting for 25.96% of the overall capital inflows. The capital outflows of

mixed-asset funds rose 46.90%—from S\$875.86 million for Q2 2016 to S\$1,286.67 million for Q3 2016.

The total inflow of capital for Q3 2016 rose 42.26%—from S\$4,452.10 million for Q2 2016 to S\$6,333.70 million, while the total outflow of capital soared 26.34%—from S\$4,776.22 million for Q2 2016 to S\$6,034.21 million for Q3 2016.

**Figure 1 Performance of Key Technical Indicators During Q3 2016**



Source: Thomson Reuters Lipper

**Table 2 Top Ten Fund Sectors' Inflows and Outflows by Lipper Global Classification for Q3 2016 (\$ Million)**

Inflows			Outflows		
	Lipper Global Classification	Fund Flow		Lipper Global Classification	Fund Flow
1	Bond Global USD Hedged	993.19	1	Money Market SGD	611.39
2	Money Market SGD	613.41	2	Equity Asia Pacific Ex Japan	381.78
3	Bond Asia Pacific HC	413.51	3	Bond Emrg Mkts Global HC	378.41
4	Mixed Asset USD Flex - Global	398.36	4	Equity Europe Income	334.23
5	Mixed Asset SGD Balanced	370.05	5	Mixed Asset USD Flex - Global	304.09
6	Bond SGD	355.52	6	Equity Europe	292.27
7	Equity Asia Pacific Ex Japan	281.72	7	Bond Global	274.50
8	Bond Global	254.75	8	Equity Global Income	248.39
9	Mixed Asset Other Conservative	231.47	9	Mixed Asset EUR Bal - Global	234.22
10	Mixed Asset USD Bal - US	176.31	10	Mixed Asset USD Bal - US	230.70

*Note: Lipper Global Classifications are created only when there are a minimum of ten representative products with a similar investment mandate. Fund groupings not meeting this requirement are categorized in an equivalent category where appropriate or are placed in "Other."*

Source: Thomson Reuters Lipper

## 2. Equity Fund Flows Analysis

Most of the global equity markets rebounded and delivered positive returns for Q3 2016. The MSCI World Index rose 4.99% (in U.S.-dollar terms) for Q3 2016, while it rose a slight 1.21% for Q2 2016. Brazil's BOVESPA (Ibovespa) Index rallied 13.27% and took the lead among most of the global major markets for Q3 2016. For the U.S. market, the NASDAQ index soared 9.69%, while the Dow Jones Industrial Average and the S&P 500 rose 2.11% and 3.31%, respectively, for the period. Most European equity markets also delivered positive performance for Q3 2016. The Xetra DAX, FTSE 100, and CAC 40 index rallied 8.58%, 6.07%, and 4.97%, respectively. In Asia, the Indonesia Jakarta SE Composite Index soared 6.94%, while the Philippines PSE Composite CR index fell 2.14% for Q3 2016.

Of all the funds registered for sale in Singapore and contributing fund flows information by participating IMAS members, only 13 of the 59 Lipper Global Classification (LGC)-type equity fund groups posted net capital inflows for the quarter, and 46 fund groups posted net capital outflows. Among all equity types, Equity Sector Gold&Prec Metals, Equity Singapore, and Equity Sector Biotechnology posted the largest net inflows of S\$37.06 million, S\$14.98 million, and S\$13.76 million, respectively, while Equity Global Income, Equity Europe, and Equity Europe Income posted the biggest net outflows of S\$162.59 million, S\$268.75 million, and S\$309.85 million, respectively.

Among the equity fund groups investing in the seven different regions and sectors, LGC-type equity fund groups investing in Europe posted the largest net capital outflow (-S\$596.35 million). The only positive net flow came from funds investing in Latin America, posting S\$4.74 million for the period.

**Table 3 Top Ten and Bottom Ten Equity Fund Classifications by Net Flows for Q3 2016 (in S\$ Million)**

Equity Sector	Net Flows
Equity Sector Gold&Prec Metals	37.06
Equity Singapore	14.98
Equity Sector Biotechnology	13.76
Equity Indonesia	8.96
Equity Emerging Mkts Latin Am	5.16
Equity Emerging Mkts Europe	4.21
Equity Sector Energy	3.86
Equity Global	3.67
Equity Japan Income	1.71
Equity Philippines	0.27
Equity Emerging Mkts Global	-20.09
Equity Sector Information Tech	-23.86
Equity Emerging Mkts Asia	-23.91
Equity Japan	-29.26
Equity China	-70.28
Equity India	-78.81
Equity Asia Pacific Ex Japan	-100.06
Equity Global Income	-162.59
Equity Europe	-268.75
Equity Europe Income	-309.85

Source: Thomson Reuters Lipper

**Table 4 Estimated Equity Fund Flows by Broad Geographical Classifications for Q3 2016 (in S\$ Million)**

Geographical Classification	
Asia-Pacific	-385.17
Europe	-596.35
Global	-179.60
Latin America	4.74
North America	-58.30
Middle East/Other	-2.41
Sector	-0.21
<b>Total</b>	<b>-1,217.29</b>

Source: Thomson Reuters Lipper

The total net number is slightly different from Table 1 because it doesn't include alternatives that belong to the equity type.

### 3. Bond and Money Market Fund Flows Analysis

The Citigroup WGBI rose 0.30% for the quarter (in USD). The ten-year Treasury ended at 1.606% for Q3 2016 versus 1.492% at the end of Q2 2016.

Twelve of the 27 LGC-type bond fund groups recorded net capital inflows for Q3 2016. The three leading LGC-type bond fund groups were: Bond Global USD Hedged (+S\$894.16 million), Bond Asia Pacific HC (+S\$267.60 million), and Bond SGD (+S\$169.19 million). For money market funds, Money Market USD recorded net inflows of S\$17.95 million, and Money Market SGD posted net inflows of S\$2.02 million for the period.

**Table 5 Net Flows Into Bond and Money Market Funds for Q3 2016 (in S\$ Million)**

Bond Funds	Net Flows	Money Market Funds	Net Flows
Bond Global USD Hedged	894.16	Money Market USD	17.95
Bond Asia Pacific HC	267.60	Money Market SGD	2.02
Bond SGD	169.19		
Bond USD Corporates	99.19		
Bond USD	80.84		
Bond USD Short Term	26.26		
Bond Global Corporates	20.63		
Bond Asia Pacific LC	8.44		
Bond Global High Yield	5.09		
Bond USD Mortgages	2.68		
Bond EUR Short Term	0.15		
Bond EUR	0.08		
Bond Emrg Mkts Global LC	-0.05		
Bond Emerging Mkts Glb Corp	-0.26		
Bond Convertibles Global	-0.43		
Bond GBP	-0.48		
Bond Emerging Markets Other	-0.56		
Bond Global Inflation Linked	-0.92		
Bond Europe	-5.61		
Bond Other Hedged	-5.77		
Bond USD High Yield	-7.52		
Bond Europe High Yield	-8.39		
Bond Global	-19.75		
Bond CNY	-22.29		
Loan Participation Funds	-24.96		
Bond EUR High Yield	-62.98		
Bond Emrg Mkts Global HC	-328.52		
<b>Total Bond Funds</b>	<b>1,085.81</b>	<b>Total Money Market Funds</b>	<b>19.97</b>

Source: Thomson Reuters Lipper

The total net number is slightly different from Table 1 because it doesn't include alternatives that belong to the bond type.

## 4. Mixed-Asset Fund Flows Analysis

Total net flows into asset allocation products, including mixed-asset funds and target maturity funds (not including absolute return funds), posted a positive S\$327.41 million for Q3 2016. The net capital outflows of this fund category were mainly attributed to Balanced funds and Aggressive funds.

**Table 6 Net Flows of Mixed-Asset and “Other” Funds for Q3 2016 (S\$ Million)**

<b>Funds</b>	<b>Net Flows</b>
Aggressive	-32.70
Balanced	-40.90
Flexible	93.43
Conservative	239.56
Target Maturity	68.02
<b>Total Mixed-Asset</b>	<b>327.41</b>
Absolute Return	84.66
Alternative	-0.57
Commodity	-0.51
<b>Subtotal Other Assets</b>	<b>83.58</b>

Source: Thomson Reuters Lipper

The total net number is slightly different from Table 1 because it doesn't include alternatives that belong to the mixed-asset type.



## 5. Outlook

Global equity markets turned robust in Q3 2016. However, global investors were holding their breath and waiting for November's U.S. presidential election and a possible rate hike by the Federal Reserve at the end of this year. The final result of the battle between Donald Trump and Hillary Clinton was not confirmed as yet, and there were still many uncertainties. Investors were being warned that they shouldn't ignore the potential risk.

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## 6.1 Appendix A—Data Sources

Data and analyses are based on information provided by the following IMAS members:

- 1 Aberdeen Asset Management Asia Limited
- 2 AllianceBernstein (Singapore) Ltd.
- 3 Allianz Global Investors Singapore Limited
- 4 Amundi Singapore Limited
- 5 APS Asset Management Pte Ltd
- 6 Deutsche Asset Management (Asia) Limited
- 7 Eastspring Investments (Singapore) Ltd
- 8 FIL Investment Management (Singapore) Limited
- 9 First State Investments (Singapore)
- 10 Henderson Global Investors (S) Ltd
- 11 ING Investment Management Asia Pacific (Singapore) Ltd
- 12 JPMorgan Asset Management (Singapore) Limited
- 13 Lion Global Investors Ltd
- 14 Nikko Asset Management Asia Limited
- 15 Phillip Capital Management (S) Ltd
- 16 PIMCO Asia Pte Ltd
- 17 PineBridge Investments Singapore Limited
- 18 Schroder Investment Management (S) Ltd
- 19 Singapore Consortium Investment Management Ltd
- 20 Singapore Unit Trusts Ltd
- 21 Templeton Asset Management Ltd
- 22 UBS Global Asset Management (Singapore) Ltd
- 23 UOB Asset Management Ltd
- 24 Western Asset Management Company Pte Ltd
- 25 BlackRock (Singapore) Limited

## 6.2 Appendix B—Net Fund Flows by Lipper Global Classification for Q3 2016 (\$ Million)

Lipper Global Classification	CPF Net Flow	Non-CPF Net Flow
Absolute Return EUR High		81.43
Absolute Return Other	-0.06	-17.09
Absolute Return USD Low		-0.40
Absolute Return USD Medium		20.78
Alternative Credit Focus		-0.22
Alternative Global Macro		-0.37
Alternative Long/Short Eq Eu		-0.51
Alternative Multi Strategies		0.54
Bond Asia Pacific HC		267.60
Bond Asia Pacific LC	0.16	8.28
Bond CNY		-22.29
Bond Convertibles Global		-0.43
Bond Emerging Markets Other		-0.56
Bond Emerging Mkts Glb Corp		-0.26
Bond Emrg Mkts Global HC		-328.52
Bond Emrg Mkts Global LC		-0.05
Bond EUR		0.08
Bond EUR High Yield		-62.98
Bond EUR Short Term		0.15
Bond Europe		-5.61
Bond Europe High Yield		-8.39
Bond GBP		-0.48
Bond Global	1.20	-20.96
Bond Global Corporates		20.63
Bond Global High Yield		5.09
Bond Global Inflation Linked		-0.92
Bond Global USD Hedged		894.16
Bond Other Hedged		-5.77
Bond SGD	0.97	168.21
Bond USD		80.84
Bond USD Corporates		99.19
Bond USD High Yield		-7.52
Bond USD Mortgages		2.68

Bond USD Short Term		26.26
Commodity Agriculture		-0.15
Commodity Blended		-0.36
Equity ASEAN	-0.85	-2.43
Equity Asia Pacific	-0.31	-13.75
Equity Asia Pacific Ex Japan	-4.29	-95.77
Equity Asia Pacific Sm&Mid Cap	-0.19	-15.09
Equity Australia		-0.40
Equity Brazil		-0.42
Equity China	-0.40	-69.87
Equity Emerging Mkts Asia	-0.11	-23.80
Equity Emerging Mkts Europe	-0.07	4.28
Equity Emerging Mkts Global	-1.51	-18.58
Equity Emerging Mkts Latin Am		5.16
Equity Emerging Mkts Other		-0.79
Equity Emrg Mkts Glb Sm&Md Cap		-0.21
Equity Europe	-4.89	-263.87
Equity Europe ex UK		-13.11
Equity Europe Income		-309.85
Equity Europe Sm&Mid Cap		-1.08
Equity EuroZone		-5.01
Equity France		-0.44
Equity Frontier Markets		0.09
Equity Germany		-1.47
Equity Global	-3.64	7.30
Equity Global Income	-0.55	-162.04
Equity Global Sm&Mid Cap		-0.38
Equity Greater China	-3.43	-16.43
Equity Hong Kong		-0.20
Equity Iberia		-0.16
Equity India	-1.68	-77.13
Equity Indonesia	0.25	8.71
Equity Italy		-0.07
Equity Japan	-0.39	-28.88
Equity Japan Income	0.11	1.59
Equity Japan Sm&Mid Cap		-8.75
Equity Korea	-0.11	-1.75
Equity Malaysia	-0.05	-0.29
Equity Malaysia/Singapore	-0.14	-1.58
Equity MENA		-1.71

Equity Philippines		0.27
Equity Russia		-0.69
Equity Sector Biotechnology	-0.06	13.82
Equity Sector Consumer Discret		-0.20
Equity Sector Energy		3.86
Equity Sector Financials		-4.59
Equity Sector Gold&Prec Metals		37.06
Equity Sector Healthcare	-0.26	-17.41
Equity Sector Information Tech	-2.15	-21.70
Equity Sector Materials		0.26
Equity Sector Real Est As Pac	-0.29	-0.17
Equity Sector Real Est Europe	-0.33	-3.99
Equity Sector Real Est Global	-0.46	-2.73
Equity Sector Telecom Srvcs		-0.87
Equity Singapore	-0.61	15.59
Equity Taiwan	-0.03	-1.73
Equity Thailand	-0.74	-9.12
Equity UK		0.07
Equity US	-0.95	-55.30
Equity US Income		-0.04
Equity US Small & Mid Cap		-2.01
Equity Vietnam		-31.39
Loan Participation Funds		-24.96
Mixed Asset EUR Bal - Europe		-0.01
Mixed Asset EUR Bal - EuroZone		-1.17
Mixed Asset EUR Bal - Global		-79.24
Mixed Asset EUR Flex - Europe		0.00
Mixed Asset EUR Flex - Global		-0.06
Mixed Asset Other Balanced		-5.98
Mixed Asset Other Conservative		215.58
Mixed Asset Other Flexible	-0.07	-0.71
Mixed Asset SGD Aggressive	-6.19	-17.09
Mixed Asset SGD Balanced	1.06	147.71
Mixed Asset SGD Conservative	-0.25	22.27
Mixed Asset USD Aggressive		-9.42
Mixed Asset USD Bal - Global	-0.98	-47.92
Mixed Asset USD Bal - US		-54.38
Mixed Asset USD Conservative		1.96
Mixed Asset USD Flex - Global		94.27
Money Market SGD		2.02
Money Market USD		17.95
Target Maturity Other	-1.42	69.44

Source: Thomson Reuters Lipper

### 6.3 Appendix C—CPF Fund Flows by Lipper Global Classification for Q3 2016 (\$\$ Million)

Rank	Lipper Global Classification	CPF Inflow
1	Equity Asia Pacific Ex Japan	18.78
2	Mixed Asset SGD Balanced	16.22
3	Equity Singapore	5.26
4	Bond Global	1.74
5	Equity Global Income	1.68
6	Bond SGD	1.11
7	Equity Greater China	1.02
8	Equity Indonesia	0.62
9	Equity Global	0.52
10	Mixed Asset USD Bal - Global	0.52

Source: Thomson Reuters Lipper

Rank	Lipper Global Classification	CPF Outflow
1	Equity Asia Pacific Ex Japan	23.07
2	Mixed Asset SGD Balanced	15.16
3	Mixed Asset SGD Aggressive	6.19
4	Equity Singapore	5.87
5	Equity Europe	5.08
6	Equity Greater China	4.45
7	Equity Global	4.16
8	Equity Global Income	2.23
9	Equity India	2.18
10	Equity Sector Information Tech	2.15

Source: Thomson Reuters Lipper