

SINGAPORE FUND FLOWS SUMMARY

QUARTER-END ANALYSIS

December 31, 2016

Total Net Fund Flows Turn Negative for Q4 2016; Bond Funds Continue to Gain the Biggest Net Inflows

- Unit trusts registered for sale in Singapore reported net outflows of S\$626.57 million for Q4 2016; they had posted net inflows of S\$299.48 million for Q3 2016.
- Bond funds posted S\$345.08 million of net inflows, taking the lead position for Q4 2016—for a third consecutive quarter.
- The total inflow of capital for Q4 2016 slid 17.52% to S\$5,223.77 million, while the total outflow of capital fell a slight 3.05% to S\$5,850.34 million for the period.
- Equity funds’ capital inflows slid to S\$993.44 million for Q4 2016, while bond funds’ fell 25.75% to S\$2,036.61 million for the period.
- Capital outflows from equity funds fell to S\$2,176.99 million for Q4 2016, while bond funds recorded capital outflows of S\$1,691.53 million, rising a slight 5.63% for the period.
- Mixed-asset funds’ capital inflows slid 27.35% to S\$1,194.34 million for Q4 2016, while their capital outflows fell 15% to S\$1,093.65 million for the period.

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1. Fund Flows Overview for Q4 2016

Table 1 Estimated Fund Flows by Major Asset Classes for Q4 2016 (\$\$ Million)

Asset Class	Inflows			Outflows			Net Flows
	CPF	Non-CPF	Total	CPF	Non-CPF	Total	
Alternatives	0.00	14.25	14.25	0.00	48.87	48.87	-34.62
Bond	1.43	2,035.18	2,036.61	0.95	1,690.59	1,691.53	345.08
Commodity	0.00	0.81	0.81	0.00	1.64	1.64	-0.83
Equity	31.04	962.39	993.44	60.94	2,116.05	2,176.99	-1,183.55
Mixed Assets	4.39	1,189.96	1,194.34	19.35	1,074.30	1,093.65	100.69
Money Market	0.00	984.32	984.32	0.00	837.66	837.66	146.66
Total	36.86	5,186.91	5,223.77	81.24	5,769.10	5,850.34	-626.57

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 outflows of S\$626.57 million in aggregate for Q4 2016; they had posted net inflows of S\$299.48 million for Q3 2016. By asset-type fund group, equity funds continued suffering the biggest net outflows (-S\$1,183.55 million) for Q4 2016, while bond funds continued enjoying net inflows (+S\$345.08 million).

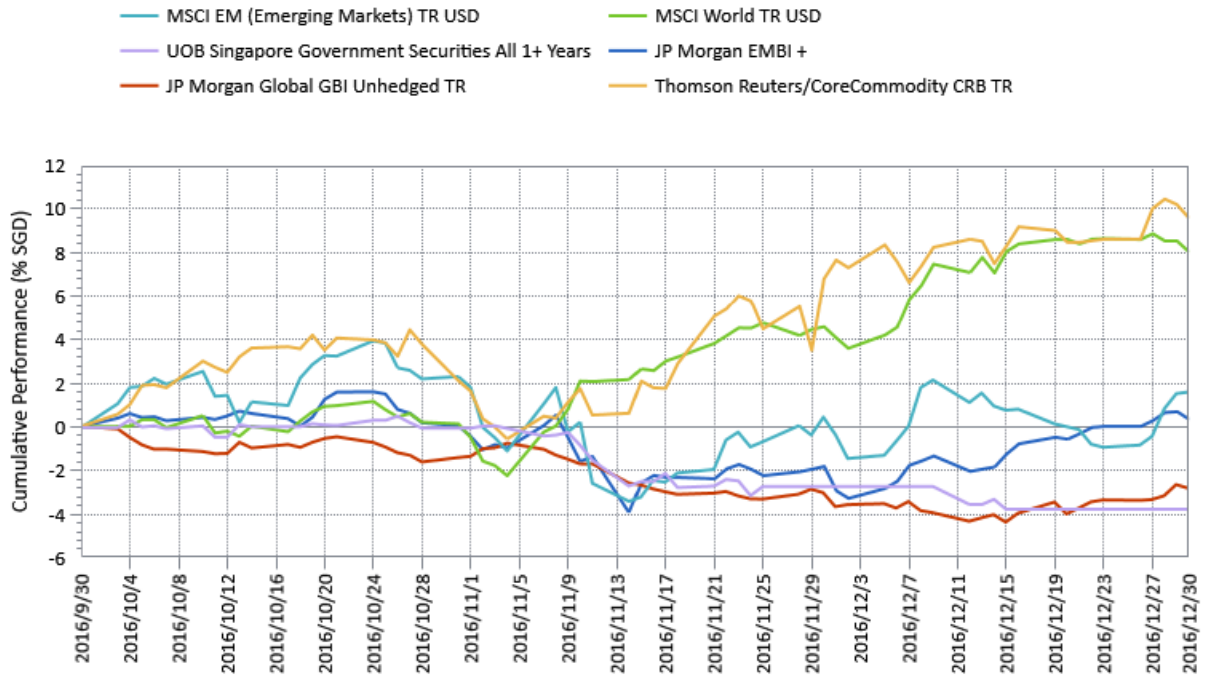
On a quarterly basis, the capital inflows for equity funds fell from Q3's S\$1,186.66 million to S\$993.44 million for Q4 2016. That accounted for 19.02% of the overall capital inflows (+S\$5,223.77 million) into unit trusts for Q4 2016. The capital outflows of equity funds fell from S\$2,405.00 million for Q3 2016 to S\$2,176.99 million for Q4 2016.

The capital inflows for bond funds slid from S\$2,742.96 million in Q3 to S\$2,036.61 million in Q4 2016, accounting for 38.99% of the overall capital inflows. Meanwhile, bond funds recorded capital outflows of S\$1,691.53 million for Q4 2016, rising from the previous quarter's S\$1,601.34 million.

Mixed-asset funds' capital inflows slid from S\$1,643.97 million for Q3 2016 to S\$1,194.34 million for Q4 2016, accounting for 22.86% of the overall capital inflows. The capital outflows of mixed-asset funds fell from Q3's S\$1,286.67 million to S\$1,093.65 million for Q4 2016.

The total inflow of capital for Q4 2016 slid 17.52%—from S\$6,333.70 million for Q3 2016 to S\$5,223.77 million, while the total outflow of capital fell a slight 3.05%—from S\$6,034.21 million for Q3 2016 to S\$5,850.34 million for Q4 2016.

Figure 1 Performance of Key Technical Indicators During Q4 2016



Source: Thomson Reuters Lipper

Table 2 Top Ten Fund Sectors' Inflows and Outflows by Lipper Global Classification for Q4 2016
 (\$\$ Million)

Inflows			Outflows		
	Lipper Global Classification	Fund Flow		Lipper Global Classification	Fund Flow
1	Money Market SGD	799.65	1	Money Market SGD	647.24
2	Bond Global USD Hedged	665.05	2	Bond Global USD Hedged	452.58
3	Bond SGD	363.83	3	Equity Asia Pacific Ex Japan	323.36
4	Bond Global	281.92	4	Bond Global	280.90
5	Mixed Asset SGD Balanced	270.80	5	Mixed Asset USD Flex - Global	233.06
6	Mixed Asset USD Flex - Global	269.15	6	Equity India	224.92
7	Bond Asia Pacific HC	263.66	7	Mixed Asset EUR Bal - Global	219.57
8	Equity Asia Pacific Ex Japan	238.57	8	Mixed Asset USD Bal - US	217.00
9	Mixed Asset Other Conservative	187.63	9	Equity Europe Income	212.36
10	Money Market USD	184.63	10	Equity Global	205.49

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

Global equity markets performed diversely for Q4 2016. The MSCI World Index rose 1.97% (in U.S.-dollar terms) for Q4 2016, while it had risen 4.99% for Q3 2016. The Russia RTS Index rallied 16.29% and took the lead among the major global markets for Q4 2016. For the U.S. market, the NASDAQ index rose 1.34%, while the Dow Jones Industrial Average and the S&P 500 soared 7.94% and 3.25%, respectively, for the period. Most European equity markets also continued delivering positive performance for Q4 2016. The Xetra DAX, FTSE 100, and CAC 40 index rallied 9.23%, 3.53%, and 9.31%, respectively. In Asia, the Japan Nikkei 225 Index soared 16.20%, while the Philippines PSE Composite CR index slid 10.34% for Q4 2016.

Of all the funds registered for sale in Singapore, and contributing fund flows information by participating IMAS members, only 9 of the 60 Lipper Global Classification (LGC)-type equity fund groups posted net capital inflows for the quarter, and 51 fund groups posted net capital outflows. Among all equity types, Equity Sector Healthcare, Equity Sector Gold&Prec Metals, and Equity Sector Biotechnology posted the largest net inflows of S\$12.58 million, S\$7.74 million, and S\$7.71 million, respectively, while Equity Europe, Equity India, and Equity Europe Income posted the biggest net outflows of S\$143.64 million, S\$181.12 million, and S\$198.21 million, respectively.

Among the equity fund groups investing in the seven different regions and sectors, LGC-type equity fund groups investing in Asia Pacific posted the largest net capital outflows (-S\$549.51 million). The only positive net flows came from funds investing in sector funds, posting S\$6.70 million for the period.

Table 3 Top Ten and Bottom Ten Equity Fund Classifications by Net Flows for Q4 2016 (in S\$ Million)

Equity Sector	Net Flows
Equity Sector Healthcare	12.58
Equity Sector Gold&Prec Metals	7.74
Equity Sector Biotechnology	7.71
Equity Russia	4.22
Equity Sector Real Est Global	3.18
Equity Korea	0.98
Equity Japan Sm&Mid Cap	0.90
Equity Brazil	0.41
Equity Frontier Markets	0.03
Equity Philippines	-0.02
Equity Emerging Mkts Global	-29.68
Equity Japan	-39.57
Equity Greater China	-44.04
Equity China	-55.62
Equity Global	-65.98
Equity Asia Pacific Ex Japan	-84.79
Equity Global Income	-111.18
Equity Europe	-143.64
Equity India	-181.12
Equity Europe Income	-198.21

Source: Thomson Reuters Lipper

Table 4 Estimated Equity Fund Flows by Broad Geographical Classifications for Q4 2016 (in S\$ Million)

Geographical Classification	
Asia-Pacific	-549.51
Europe	-364.30
Global	-208.02
Latin America	-0.71
North America	-65.70
Middle East/Other	-1.98
Sector	6.70
Total	-1,183.52

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 slid 8.53% for the quarter (in USD). The ten-year Treasury ended at 2.432% for Q4 2016 versus 1.606% at the end of Q3 2016.

Eleven of the 28 LGC-type bond fund groups recorded net capital inflows for Q4 2016. The three leading LGC-type bond fund groups were: Bond Global USD Hedged (+S\$212.47 million), Bond SGD (+S\$182.22 million), and Bond Asia Pacific HC (+S\$75.02 million). For money market funds, Money Market SGD recorded net inflows of S\$152.41 million, and Money Market USD posted net inflows of S\$5.78 million for the period.

Table 5 Net Flows Into Bond and Money Market Funds for Q4 2016 (in S\$ Million)

Bond Funds	Net Flows	Money Market Funds	Net Flows
Bond Global USD Hedged	212.47	Money Market SGD	152.41
Bond SGD	182.22	Money Market EUR	0.04
Bond Asia Pacific HC	75.02	Money Market USD	-5.78
Bond USD	21.90		
Loan Participation Funds	17.82		
Bond Global High Yield	13.30		
Bond Emrg Mkts Global LC	2.52		
Bond Global Inflation Linked	2.09		
Bond Global	1.03		
Bond USD Government	0.15		
Bond GBP	0.11		
Bond Emerging Mkts Glb Corp	-0.06		
Bond EUR	-0.12		
Bond EUR Corporates	-0.15		
Bond Convertibles Global	-1.99		
Bond Europe	-2.30		
Bond Other Hedged	-2.98		
Bond USD Short Term	-3.67		
Bond Asia Pacific LC	-4.39		
Bond Global Corporates	-5.54		
Bond Europe High Yield	-6.09		
Bond USD Mortgages	-7.30		
Bond CNY	-11.62		
Bond USD Inflation Link	-15.71		
Bond USD Corporates	-19.68		
Bond Emrg Mkts Global HC	-25.19		
Bond USD High Yield	-35.17		
Total Bond Funds	347.16	Total Money Market Funds	146.66

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\$104.32 million for Q4 2016. The capital outflows of this fund category were mainly attributed to balanced and aggressive funds.

Table 6 Net Flows of Mixed-Asset and “Other” Funds for Q4 2016 (S\$ Million)

Funds	Net Flows
Aggressive	-7.09
Balanced	-105.89
Flexible	38.08
Conservative	180.69
Target Maturity	-1.47
Total Mixed-Asset	104.32
Absolute Return	-36.82
Alternative	-3.55
Commodity	-0.83
Subtotal Other Assets	-41.20

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

The U.S. Federal Reserve increased its key interest rate by 0.25% in the middle of December. It was just the second time in a decade the Fed had raised rates; the first time was in December 2015. The Fed's "dot plot" showed it had penciled in three rate hikes for 2017. Stronger-than-expected U.S. economic data boosted the U.S. dollar before the FOMC meeting, but it then lost momentum and pulled back, trimming most of its gains after the Fed's decision. Moreover, Donald Trump was elected as the new U.S. President, formally replacing President Barack Obama in the White House. The new U.S. President's further executive actions and the Fed's decisions this year may trigger some potential systematic risks globally.

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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 Q4 2016 (\$\$ Million)

Lipper Global Classification	CPF Net Flow	Non-CPF Net Flow
Absolute Return EUR High		-31.07
Absolute Return Other	-0.07	-4.64
Absolute Return USD Low		-2.54
Absolute Return USD Medium		1.50
Alternative Credit Focus		-0.59
Alternative Global Macro		-0.02
Alternative Long/Short Eq Eu		-0.23
Alternative Multi Strategies		-2.71
Bond Asia Pacific HC		75.02
Bond Asia Pacific LC	-0.08	-4.31
Bond CNY		-11.62
Bond Convertibles Global		-1.99
Bond Emerging Mkts Glb Corp		-0.06
Bond Emrg Mkts Global HC		-25.19
Bond Emrg Mkts Global LC		2.52
Bond EUR		-0.12
Bond EUR Corporates		-0.15
Bond EUR High Yield		-39.51
Bond Europe		-2.30
Bond Europe High Yield		-6.09
Bond GBP		0.11
Bond Global	0.18	0.84
Bond Global Corporates		-5.54
Bond Global High Yield		13.30
Bond Global Inflation Linked		2.09
Bond Global USD Hedged		212.47
Bond Other Hedged		-2.98
Bond SGD	0.38	181.84
Bond USD		21.90
Bond USD Corporates		-19.68
Bond USD Government		0.15
Bond USD High Yield		-35.17
Bond USD Inflation Link		-15.71

Bond USD Mortgages		-7.30
Bond USD Short Term		-3.67
Commodity Agriculture		-0.18
Commodity Blended		-0.65
Equity ASEAN	-1.10	-7.54
Equity Asia Pacific	-0.38	-6.40
Equity Asia Pacific Ex Japan	-3.72	-81.07
Equity Asia Pacific Sm&Mid Cap	-0.38	-28.05
Equity Australia		-0.48
Equity Brazil		0.41
Equity China	-1.08	-54.55
Equity Emerging Mkts Asia	-0.14	-25.81
Equity Emerging Mkts Europe	-0.19	-6.70
Equity Emerging Mkts Global	-1.44	-28.24
Equity Emerging Mkts Latin Am		-1.12
Equity Emerging Mkts Other		-0.81
Equity Emrg Mkts Glb Sm&Md Cap		-0.05
Equity Europe	-2.78	-140.85
Equity Europe ex UK	-0.04	-13.23
Equity Europe Income		-198.21
Equity Europe Sm&Mid Cap		-0.51
Equity EuroZone		-3.99
Equity France		0.00
Equity Frontier Markets		0.03
Equity Germany		-1.35
Equity Global	-1.99	-63.99
Equity Global Income	-1.31	-109.87
Equity Global Sm&Mid Cap		-1.13
Equity Greater China	-3.83	-40.21
Equity Hong Kong	-0.26	-0.16
Equity Iberia		-0.08
Equity India	-1.77	-179.36
Equity Indonesia	-0.62	-6.13
Equity Italy		-0.12
Equity Japan	-0.44	-39.13
Equity Japan Income	-0.10	-10.68
Equity Japan Sm&Mid Cap		0.90
Equity Korea	-0.15	1.13
Equity Malaysia	-0.21	-1.31
Equity Malaysia/Singapore	-0.48	-1.32

Equity MENA		-1.20
Equity Nordic		-0.05
Equity Philippines		-0.02
Equity Russia		4.22
Equity Sector Biotechnology	-0.14	7.85
Equity Sector Consumer Discret		-0.18
Equity Sector Energy		-16.88
Equity Sector Financials	-0.01	-1.56
Equity Sector Gold&Prec Metals		7.74
Equity Sector Healthcare	-0.22	12.80
Equity Sector Information Tech	-1.80	1.56
Equity Sector Materials		-2.66
Equity Sector Real Est As Pac	-0.21	-1.11
Equity Sector Real Est Europe	-0.08	-1.01
Equity Sector Real Est Global	-0.22	3.40
Equity Sector Telecom Srvcs		-0.57
Equity Singapore	-4.15	-26.84
Equity Swiss Sm&Mid Cap		-0.14
Equity Taiwan	-0.01	-1.88
Equity Thailand	0.07	-4.47
Equity UK		-0.29
Equity US	-0.74	-63.11
Equity US Income		-0.02
Equity US Small & Mid Cap		-1.82
Equity Vietnam		-17.39
Loan Participation Funds		17.82
Mixed Asset EUR Agg - Global		0.01
Mixed Asset EUR Bal - Europe		-0.20
Mixed Asset EUR Bal - EuroZone		-0.25
Mixed Asset EUR Bal - Global		-79.19
Mixed Asset EUR Flex - Europe		0.02
Mixed Asset Other Balanced		-42.36
Mixed Asset Other Conservative		170.46
Mixed Asset Other Flexible	-0.08	2.05
Mixed Asset SGD Aggressive		-6.04
Mixed Asset SGD Balanced	-11.22	93.67
Mixed Asset SGD Conservative	-0.04	9.70
Mixed Asset USD Aggressive		-1.06
Mixed Asset USD Bal - Global	-2.91	-27.04
Mixed Asset USD Bal - US		-36.38
Mixed Asset USD Conservative		0.56
Mixed Asset USD Flex - Global		36.10

Source: Thomson Reuters Lipper

6.3 Appendix C—CPF Fund Flows by Lipper Global Classification for Q4 2016 (\$\$ Million)

Rank	Lipper Global Classification	CPF Inflow
1	Equity Asia Pacific Ex Japan	15.26
2	Equity Global	9.76
3	Mixed Asset SGD Balanced	4.17
4	Equity Singapore	1.78
5	Equity Global Income	1.37
6	Bond Global	0.72
7	Equity Greater China	0.70
8	Bond SGD	0.69
9	Equity India	0.48
10	Equity Thailand	0.40

Source: Thomson Reuters Lipper

Rank	Lipper Global Classification	CPF Outflow
1	Equity Asia Pacific Ex Japan	18.99
2	Mixed Asset SGD Balanced	15.39
3	Equity Global	11.75
4	Equity Singapore	5.93
5	Equity Greater China	4.52
6	Mixed Asset USD Bal - Global	3.12
7	Equity Europe	2.83
8	Equity Global Income	2.68
9	Equity India	2.25
10	Equity Sector Information Tech	1.80

Source: Thomson Reuters Lipper