

SINGAPORE FUND FLOWS SUMMARY

QUARTER-END ANALYSIS

June 30, 2017

Total Net Fund Flows Remained Positive for Q2 2017, but Equity Funds Experienced a Sixth Consecutive Quarter of Net Outflows

- Unit trusts registered for sale in Singapore reported net inflows of S\$3,730.78 million for Q2 2017; they had posted net outflows of S\$2,668.53 million for Q1 2017.
- Bond funds posted S\$2,555.28 million of net inflows, taking the lead position for Q2 2017 for a fifth consecutive quarter, while equity funds posted a sixth consecutive quarter of net outflows.
- The total inflows of capital for Q2 2017 rose 6.42% to S\$9,896.85 million, while the total outflows of capital fell 7.01% to S\$6,166.07 million for the period.
- Equity funds' capital inflows rallied 20.74% to S\$2,029.08 million for Q2 2017, while bond funds' capital inflows rose a slight 2.55% to S\$4,033.09 million for the period.
- Capital outflows from equity funds fell 12.70% to S\$2,329.95 million for Q2 2017, while bond funds recorded capital outflows of S\$1,477.81 million, a slight rise of 0.34% compared with Q1 2017.
- Mixed-asset funds' capital inflows soared 7.74% to S\$2,867.07 million for Q2 2017, while their capital outflows fell 5.54% to S\$1,388.14 million for the period.

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1. Fund Flows Overview for Q2 2017

Table 1 Estimated Fund Flows by Major Asset Classes for Q2 2017 (\$\$ Million)

Asset Class	Inflows			Outflows			Net Flows
	CPF	Non-CPF	Total	CPF	Non-CPF	Total	
Alternatives	0.00	11.39	11.39	0.00	49.16	49.16	-37.77
Bond	2.99	4,030.10	4,033.09	1.78	1,476.03	1,477.81	2,555.28
Commodity	0.00	1.13	1.13	0.00	2.59	2.59	-1.46
Equity	40.99	1,988.09	2,029.08	84.53	2,245.42	2,329.95	-300.87
Mixed Assets	12.70	2,854.37	2,867.07	20.60	1,367.54	1,388.14	1,478.93
Money Market	0.00	955.08	955.08	0.00	918.42	918.42	36.67
Total	56.69	9,840.16	9,896.85	106.92	6,059.16	6,166.07	3,730.78

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 continued registering net inflows (+S\$3,730.78 million in aggregate) for Q2 2017; they had posted net outflows of S\$2,668.53 million for Q1 2017. By asset-type fund group equity funds continued to suffer the biggest loss and a sixth consecutive quarter of net outflows (-S\$300.87 million for Q2 2017), while bond funds enjoyed a fifth consecutive quarter of net inflows (+S\$2,555.28 million for Q2 2017).

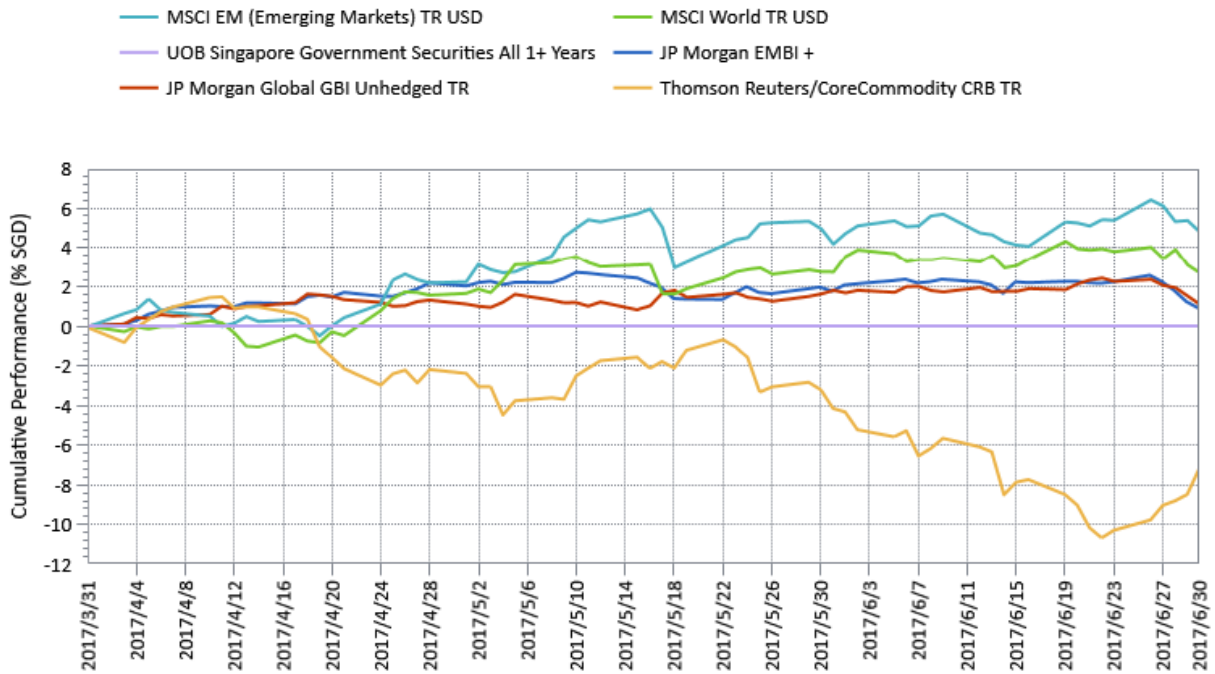
On a quarterly basis, the capital inflows for equity funds rose from Q1 2017's S\$1,680.59 million to S\$2,029.08 million for Q2 2017. That accounted for 20.50% of the overall capital inflows (+S\$9,896.85 million) into unit trusts for Q2 2017. The capital outflows of equity funds decreased from S\$2,668.90 million for Q1 2017 to S\$2,329.95 million for Q2 2017.

The capital inflows for bond funds rose from S\$3,932.84 for Q1 2017 to S\$4,033.09 million for Q2 2017, accounting for 40.75% of the overall capital inflows (+S\$9,896.85 million). Meanwhile, capital outflows for bond funds increased from S\$1,472.83 million for Q1 2017, to S\$1,477.81 million for Q2 2017.

Mixed-asset funds’ capital inflows rose from S\$2,661.18 million for Q1 2017 to S\$2,867.07 million for Q2 2017, accounting for 28.97% of the overall capital inflows. The capital outflows of mixed-asset funds fell from S\$1,469.50 million for Q1 2017 to S\$1,388.14 million for Q2 2017.

The total inflows of capital for Q2 2017 soared 6.42%—from S\$9,299.78 million for Q1 2017 to S\$9,896.85 million, while the total outflows of capital for Q2 2017 plunged 7.01%—from S\$6,631.25 million for Q1 2017 to S\$6,166.07 million.

Figure 1 Performance of Key Technical Indicators During Q2 2017



Source: Thomson Reuters Lipper

Table 2 Top Ten Fund Sectors' Inflows and Outflows by Lipper Global Classification for Q2 2017
 (\$\$ Million)

Inflows			Outflows		
	Lipper Global Classification	Fund Flow		Lipper Global Classification	Fund Flow
1	Bond Global USD Hedged	1,837.27	1	Money Market SGD	754.13
2	Mixed Asset SGD Balanced	788.93	2	Equity Asia Pacific Ex Japan	510.96
3	Money Market SGD	780.84	3	Mixed Asset USD Flex - Global	341.39
4	Bond Asia Pacific HC	574.09	4	Mixed Asset USD Bal - US	339.04
5	Mixed Asset USD Flex - Global	556.34	5	Bond Global High Yield	238.49
6	Mixed Asset EUR Bal - Global	468.37	6	Mixed Asset SGD Balanced	223.21
7	Equity Asia Pacific Ex Japan	436.88	7	Equity Europe Income	215.98
8	Bond Global High Yield	405.30	8	Bond Global USD Hedged	203.19
9	Mixed Asset USD Bal - US	342.45	9	Mixed Asset EUR Bal - Global	203.14
10	Bond Global	325.35	10	Equity Global Income	189.56

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' performance varied for Q2 2017. The MSCI World Index continued to rally (+4.21% in U.S.-dollar terms) for Q2 2017; it had soared 6.53% for Q1 2017. The Korea KOSPI Composite CR and The Philippines PSE Composite CR soared 10.72% and 7.27%, respectively, and took the lead among the major global markets for Q2 2017. For the U.S. market, the NASDAQ index rallied 3.87%, and the Dow Jones Industrial Average and the S&P 500 soared 3.32% and 2.57%, respectively, for the period. For the European equity markets, the Xetra DAX delivered only a 0.1% positive return, while the FTSE 100 and the CAC 40 index posted negative returns of 0.14% and 0.04%, respectively. In Asia, Korea, the Philippines, Hong Kong, Taiwan, and Japan all soared over 5%, while the Russia RTS CR index continued to slide, down 10.13% for Q2 2017.

Of all the funds registered for sale in Singapore and contributing fund flows information provided by participating IMAS members, only 17 of the 62 Lipper Global Classification (LGC)-type equity fund groups posted net capital inflows for the quarter, while 45 fund groups posted net capital outflows. Among all equity types, Equity Greater China, Equity Emerging Mkts Global, and Equity Global posted the largest net inflows of S\$128.52 million, S\$108.75 million, and S\$31.91 million, respectively.

Equity Asia Pacific Ex Japan, Equity India, and Equity Singapore posted the biggest net outflows of S\$74.08 million, S\$81.54 million, and S\$105.24 million, respectively.

Among the equity fund groups investing in the seven different regions and sectors, the LGC-type equity fund groups investing in Asia Pacific continued to post the largest net capital outflows (-S\$325.36 million). The biggest positive net flows went into global funds, posting S\$144.56 million for the period.

Table 3 Top Ten and Bottom Ten Equity Fund Classifications by Net Flows for Q2 2017 (in S\$ Million)

Equity Sector	Net Flows
Equity Greater China	128.52
Equity Emerging Mkts Global	108.75
Equity Global	31.91
Equity Sector Information Tech	29.03
Equity Sector Real Est As Pac	12.21
Equity Sector Energy	10.40
Equity Sector Biotechnology	4.59
Equity Emerging Mkts Latin Am	2.94
Equity Emrg Mkts Glb Sm&Md Cap	2.80
Equity Global Income	1.94
Equity Emerging Mkts Europe	-9.38
Equity Sector Healthcare	-11.52
Equity Asia Pacific Sm&Mid Cap	-18.15
Equity Japan	-36.11
Equity Emerging Mkts Asia	-39.81
Equity China	-40.46
Equity Europe Income	-48.43
Equity Europe	-53.18
Equity Asia Pacific Ex Japan	-74.08
Equity India	-81.54

Source: Thomson Reuters Lipper

Table 4 Estimated Equity Fund Flows by Broad Geographical Classifications for Q2 2017 (in S\$ Million)

Geographical Classification	
Asia-Pacific	-325.36
Europe	-119.70
Global	144.56
Latin America	3.09
North America	-30.95
Middle East/Other	-7.52
Sector	35.16
Total	-300.72

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 2.89% for the quarter (in USD). The ten-year Treasury yield ended at 2.302% for Q2 2017 versus 2.395% at the end of Q1 2017.

A total of 15 of the 26 LGC-type bond fund groups recorded net capital inflows for Q2 2017. The three leading LGC-type bond fund groups were: Bond Global USD Hedged (+S\$1,634.07 million), Bond Asia Pacific HC (+S\$418.88 million), and Bond Global High Yield (+S\$166.81 million). For money market funds, Money Market SGD and Money Market USD recorded net inflows of S\$26.71 million and S\$9.95 million, respectively, for the period.

Table 5 Net Flows Into Bond and Money Market Funds for Q2 2017 (in S\$ Million)

Bond Funds	Net Flows	Money Market Funds	Net Flows
Bond Global USD Hedged	1,634.07	Money Market SGD	26.71
Bond Asia Pacific HC	418.88	Money Market USD	9.95
Bond Global High Yield	166.81		
Bond Global	144.73		
Bond SGD	112.87		
Bond USD	84.77		
Bond USD Short Term	48.19		
Bond Emrg Mkts Global LC	27.75		
Bond Asia Pacific LC	24.60		
Bond Emrg Mkts Global HC	17.49		
Bond Global Corporates	8.24		
Bond USD High Yield	2.58		
Bond Global Inflation Linked	1.73		
Bond GBP	0.19		
Bond EUR	0.05		
Bond USD Government	-0.14		
Bond EUR Corporates	-0.14		
Bond Convertibles Global	-0.82		
Bond Europe High Yield	-2.15		
Bond Europe	-2.24		
Bond USD Mortgages	-6.91		
Loan Participation Funds	-8.60		
Bond USD Corporates	-11.90		
Bond EUR High Yield	-17.70		
Bond CNY	-20.40		
Bond USD Inflation Link	-63.00		
Total Bond Funds	2,558.92	Total Money Market Funds	36.67

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\$1,483.05 million for Q2 2017. Most of the inflows were contributed by balanced, conservative, and flexible funds.

Table 6 Net Flows of Mixed-Asset and “Other” Funds for Q2 2017 (\$ Million)

Funds	Net Flows
Aggressive	9.53
Balanced	810.15
Flexible	428.68
Conservative	236.30
Target Maturity	-1.60
Total Mixed-Asset	1,483.05
Absolute Return	47.93
Alternative	2.24
Commodity	-1.46
Subtotal Other Assets	48.71

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

In June, the U.S. Federal Reserve raised interest rates for a second time this year and revealed details of its plan to unwind its \$4.5-trillion balance sheet which is expected to begin in September. The markets doubt that the Fed will hike rates for a third time this year, as economic and inflation statistics are not strong enough to support another rate hike. The interest rate policy has become the Fed's "Catch-22"; the U.S. dollar has fallen to a 13-month low against a basket of major currencies, while ongoing economic expansion in the euro area has given investors more confidence. The European Central Bank has left interest rates and its quantitative-easing program unchanged. Currently, the global recovery is firming and broadening. Yet, investors must continue to monitor the U.S. Fed's further monetary policy and whether President Donald Trump can push through his expansionary fiscal agenda.

Xav Feng
xav.feng@thomsonreuters.com

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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 BlackRock (Singapore) Limited
- 7 Deutsche Asset Management (Asia) Limited
- 8 Eastspring Investments (Singapore) Limited
- 9 FIL Investment Management (Singapore) Limited
- 10 First State Investments (Singapore)
- 11 Henderson Global Investors (Singapore) Limited
- 12 JPMorgan Asset Management (Singapore) Limited
- 13 Lion Global Investors Limited
- 14 Nikko Asset Management Asia Limited
- 15 NN Investment Partner (S) Ltd
- 16 Phillip Capital Management (S) Ltd
- 17 PIMCO Asia Pte Ltd
- 18 PineBridge Investments Singapore Limited
- 19 Schroder Investment Management (Singapore) Ltd
- 20 Singapore Unit Trusts Limited
- 21 Singapore Consortium Investment Management Ltd
- 22 Templeton Asset Management Ltd
- 23 UBS Global Asset Management (Singapore) Ltd
- 24 UOB Asset Management Ltd
- 25 Western Asset Management Company Pte Ltd

6.2 Appendix B—Net Fund Flows by Lipper Global Classification for Q2 2017 (\$\$ Million)

Lipper Global Classification	CPF Net Flow	Non-CPF Net Flow
Absolute Return EUR High	0.00	-40.02
Absolute Return Other	-0.02	-3.58
Absolute Return USD Low	0.00	-2.10
Absolute Return USD Medium	0.00	-2.22
Alternative Credit Focus	0.00	-0.14
Alternative Global Macro	0.00	0.01
Alternative Long/Short Eq Eu	0.00	-0.32
Alternative Multi Strategies	0.00	2.69
Bond Asia Pacific HC	0.00	418.88
Bond Asia Pacific LC	1.33	23.28
Bond CNY	0.00	-20.40
Bond Convertibles Global	0.00	-0.82
Bond Emerging Mkts Glb Corp	0.00	0.00
Bond Emrg Mkts Global HC	0.00	17.49
Bond Emrg Mkts Global LC	0.00	27.75
Bond EUR	0.00	0.05
Bond EUR Corporates	0.00	-0.14
Bond EUR High Yield	0.00	-17.70
Bond Europe	0.00	-2.24
Bond Europe High Yield	0.00	-2.15
Bond GBP	0.00	0.19
Bond Global	0.45	144.28
Bond Global Corporates	0.00	8.24
Bond Global High Yield	-0.31	167.12
Bond Global Inflation Linked	0.00	1.73
Bond Global USD Hedged	0.00	1,634.07
Bond SGD	-0.24	113.11
Bond USD	0.00	84.77
Bond USD Corporates	0.00	-11.90

Bond USD Government	0.00	-0.14
Bond USD High Yield	0.00	2.58
Bond USD Inflation Link	0.00	-63.00
Bond USD Mortgages	0.00	-6.91
Bond USD Short Term	0.00	48.19
Commodity Agriculture	0.00	-0.75
Commodity Blended	0.00	-0.71
Equity ASEAN	-1.59	-7.98
Equity Asia Pacific	-0.36	-12.07
Equity Asia Pacific Ex Japan	-14.46	-59.62
Equity Asia Pacific Sm&Mid Cap	-0.32	-17.83
Equity Australia	0.00	-0.43
Equity Brazil	0.00	0.15
Equity China	-0.09	-40.37
Equity Emerging Mkts Asia	-0.26	-39.55
Equity Emerging Mkts Europe	-0.04	-9.34
Equity Emerging Mkts Global	-1.70	110.45
Equity Emerging Mkts Latin Am	0.00	2.94
Equity Emerging Mkts Other	0.00	0.43
Equity Emrg Mkts Glb Sm&Md Cap	0.00	2.80
Equity Europe	-5.53	-47.65
Equity Europe ex UK	0.00	1.30
Equity Europe Income	0.00	-48.43
Equity Europe Sm&Mid Cap	0.00	-0.44
Equity EuroZone	0.00	-0.43
Equity France	0.00	0.14
Equity Frontier Markets	0.00	-0.76
Equity Germany	0.00	-6.02
Equity Global	-1.21	33.12
Equity Global Income	-0.61	2.55

Equity Global Sm&Mid Cap	0.00	-0.84
Equity Greater China	-3.00	131.52
Equity Hong Kong	-0.03	-2.13
Equity Iberia	0.00	-0.01
Equity India	-1.95	-79.59
Equity Indonesia	0.12	-6.68
Equity Italy	0.00	-0.02
Equity Japan	-0.79	-35.32
Equity Japan Income	0.24	-1.03
Equity Japan Sm&Mid Cap	0.00	-5.78
Equity Korea	-0.17	-2.27
Equity Malaysia	0.27	0.43
Equity Malaysia/Singapore	-0.15	-2.13
Equity MENA	0.00	-7.19
Equity Nordic	0.00	-0.28
Equity Philippines	0.00	-0.53
Equity Russia	0.00	-0.54
Equity Sector Biotechnology	-0.17	4.76
Equity Sector Consumer Discret	0.00	-0.95
Equity Sector Energy	0.00	10.40
Equity Sector Financials	-0.00	1.16
Equity Sector Gold&Prec Metals	0.00	-3.75
Equity Sector Healthcare	-0.34	-11.18
Equity Sector Industrials	0.00	-0.10
Equity Sector Information Tech	-1.60	30.63
Equity Sector Materials	0.00	-0.40
Equity Sector Real Est As Pac	-0.72	12.94
Equity Sector Real Est Europe	-0.12	-1.25
Equity Sector Real Est Global	-0.22	-3.29
Equity Sector Telecom Srvcs	0.00	-0.63

Equity Singapore	-7.26	-97.98
Equity Swiss Sm&Mid Cap	0.00	-0.57
Equity Taiwan	0.00	-1.68
Equity Thailand	-0.27	-4.73
Equity UK	0.00	-1.84
Equity US	-1.19	-42.04
Equity US Income	0.00	-0.04
Equity US Small & Mid Cap	0.00	12.32
Equity Vietnam	0.00	-9.53
Loan Participation Funds	0.00	-8.60
Mixed Asset EUR Agg - Global	0.00	0.00
Mixed Asset EUR Bal - Europe	0.00	1.79
Mixed Asset EUR Bal - EuroZone	0.00	-1.99
Mixed Asset EUR Bal - Global	0.00	265.22
Mixed Asset EUR Flex - Europe	0.00	0.03
Mixed Asset Other Balanced	0.00	-11.82
Mixed Asset Other Conservative	0.00	225.26
Mixed Asset Other Flexible	-0.02	213.72
Mixed Asset SGD Aggressive	0.00	9.38
Mixed Asset SGD Balanced	-6.57	572.29
Mixed Asset SGD Conservative	-0.05	10.84
Mixed Asset USD Aggressive	0.00	0.15
Mixed Asset USD Bal - Global	-0.65	-11.53
Mixed Asset USD Bal - US	0.00	3.42
Mixed Asset USD Conservative	0.00	0.24
Mixed Asset USD Flex - Global	-0.04	214.99
Money Market SGD	0.00	26.71
Money Market USD	0.00	9.95

Source: Thomson Reuters Lipper

6.3 Appendix C—CPF Fund Flows by Lipper Global Classification for Q2 2017 (\$\$ Million)

Rank	Lipper Global Classification	CPF Inflow
1	Equity Asia Pacific Ex Japan	21.31
2	Mixed Asset SGD Balanced	10.89
3	Equity Greater China	3.14
4	Equity Global Income	2.91
5	Equity Global	2.76
6	Equity Singapore	2.72
7	Equity India	2.32
8	Mixed Asset USD Bal - Global	1.81
9	Bond Asia Pacific LC	1.54
10	Equity US	1.26

Source: Thomson Reuters Lipper

Rank	Lipper Global Classification	CPF Outflow
1	Equity Asia Pacific Ex Japan	35.77
2	Mixed Asset SGD Balanced	17.46
3	Equity Singapore	9.98
4	Equity Europe	6.20
5	Equity Greater China	6.14
6	Equity India	4.28
7	Equity Global	3.97
8	Equity Global Income	3.51
9	Mixed Asset USD Bal - Global	2.47
10	Equity US	2.44

Source: Thomson Reuters Lipper