

SINGAPORE FUND FLOWS SUMMARY

QUARTER-END ANALYSIS
DECEMBER 31, 2017

Total Net Fund Flows for Q4 2017 Still Positive, Bond Funds Experience a Seventh Consecutive Quarter of Net Inflows

- Unit trusts registered for sale in Singapore reported net inflows of S\$2,871.80 million for Q4 2017; they had posted net inflows of S\$3,903.99 million for Q3 2017.
- Bond funds posted S\$1,520.92 million of net inflows, taking the lead position for Q4 2017 for a seventh consecutive quarter, while equity funds ended their seventh consecutive quarter of net outflows and turned to net inflows of S\$226.86 million.
- The total inflows of capital for Q4 2017 compared to Q3 2017 slid 13.13% to S\$8,867.16 million, while the total outflows of capital fell 2.20% to S\$5,995.37 million for the period.
- Equity funds' capital inflows surged 17.35% to S\$2,527.28 million for Q4 2017, while bond funds' capital inflows slid 36.35% to S\$2,855.28 million for the period.
- Capital outflows from equity funds fell 2.79% to S\$2,300.42 million for Q4 2017, while bond funds recorded capital outflows of S\$1,334.36 million, a slight rise of 1.79% compared with Q3 2017.
- Mixed-asset funds' capital inflows slid 23.25% to S\$2,436.65 million for Q4 2017, while their capital outflows fell 10.16% to S\$1,211.23 million for the period.

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1. Fund Flows Overview for Q4 2017

Table 1 Estimated Fund Flows by Major Asset Classes for Q4 2017 (\$\$ Million)

Asset Class	Inflows			Outflows			Net Flows
	CPF	Non-CPF	Total	CPF	Non-CPF	Total	
Alternatives	0.00	39.30	39.30	0.00	49.20	49.20	-9.90
Bond	3.12	2,852.16	2,855.28	1.30	1,333.05	1,334.36	1,520.92
Commodity	0.00	1.70	1.70	0.00	1.80	1.80	-0.10
Equity	31.52	2,495.76	2,527.28	66.99	2,233.43	2,300.42	226.86
Mixed Assets	14.86	2,421.79	2,436.65	18.23	1,193.00	1,211.23	1,225.42
Money Market	0.00	1,006.96	1,006.96	0.00	1,098.36	1,098.36	-91.40
Total	49.50	8,817.66	8,867.16	86.53	5,908.84	5,995.37	2,871.80

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 the data submitted by the participating IMAS members (see Appendix A), the various authorized and recognized unit trusts registered for sale in Singapore continued registering net inflows (+S\$2,871.80 million in aggregate) for Q4 2017; they had posted net inflows of S\$3,903.99 million for Q3 2017. Breaking the data down by asset-type fund group, bond funds continued enjoying a seventh consecutive quarter of net inflows (+S\$1,520.92 million for Q4 2017). Equity funds ended their seventh consecutive quarter of net outflows and turned to net inflows of S\$226.86 million for Q4 2017.

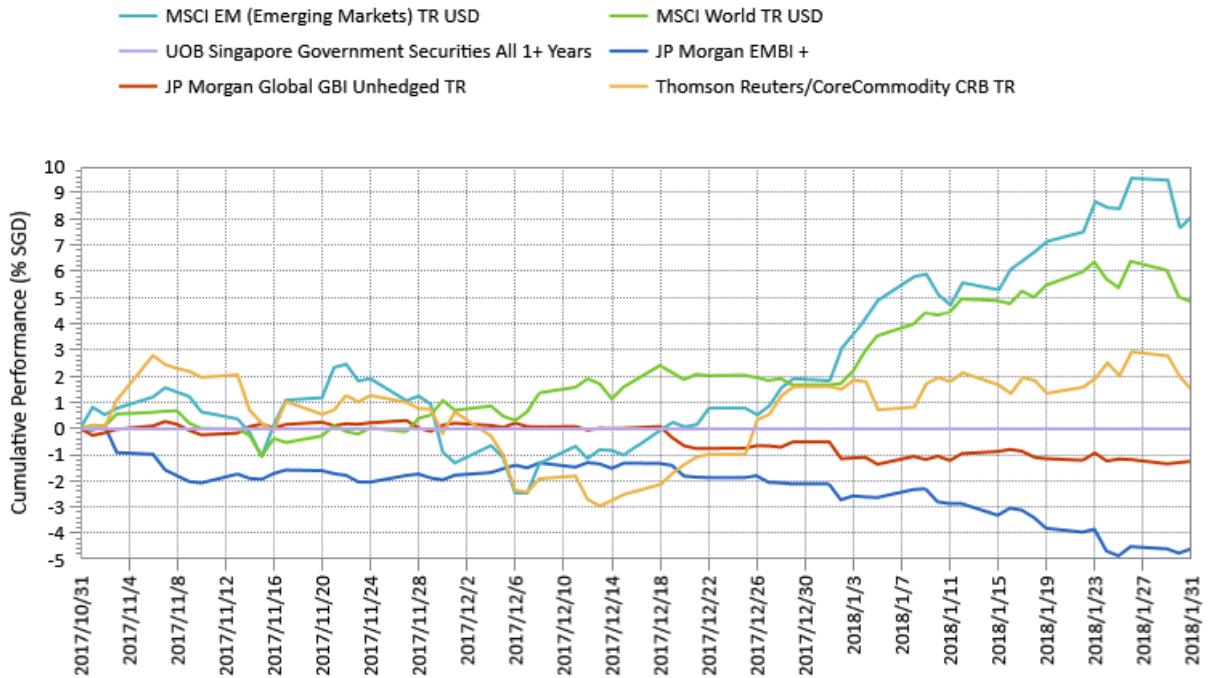
On a quarterly basis the capital inflows for equity funds rose from Q3 2017's S\$2,088.81 million to S\$2,527.28 million for Q4 2017. That accounted for 28.50% of the overall capital inflows (+S\$8,867.16 million) into unit trusts for Q4 2017. The capital outflows of equity funds slightly decreased—from S\$2,364.30 million for Q3 2017 to S\$2,300.42 million for Q4 2017.

The capital inflows for bond funds slid from Q3 2017's S\$3,893.06 to S\$2,855.28 million for Q4 2017, accounting for 32.20% of the overall capital inflows (+S\$8,867.16 million). Meanwhile, bond funds recorded capital outflows of S\$1,334.36 million for Q4 2017, compared with the previous quarter's S\$1,310.43 million.

Mixed-asset funds' capital inflows slid from S\$3,003.22 million for Q3 2017 to S\$2,436.65 million for Q4 2017, accounting for 27.48% of the overall capital inflows. The capital outflows of mixed-asset funds fell from Q3 2017's S\$1,334.25 million to S\$1,211.23 million for Q4 2017.

The total inflows of capital for Q4 2017 slid from S\$10,031.15 million for Q3 2017 to S\$8,867.16 million, while the total outflows of capital fell from S\$6,127.76 million for Q3 2017 to S\$5,995.37 million for Q4 2017.

Figure 1 Performance of Key Technical Indicators During Q4 2017



Source: Thomson Reuters Lipper

Table 2 Top Ten Fund Sectors' Inflows and Outflows by Lipper Global Classification for Q4 2017
(S\$ Million)

Inflows			Outflows		
	Lipper Global Classification	Fund Flow		Lipper Global Classification	Fund Flow
1	Bond Global USD Hedged	1,043.55	1	Money Market SGD	884.08
2	Money Market SGD	797.72	2	Equity Asia Pacific Ex Japan	375.44
3	Equity Asia Pacific Ex Japan	522.50	3	Equity Global	335.86
4	Mixed Asset USD Flex - Global	507.62	4	Equity China	335.36
5	Mixed Asset SGD Balanced	477.71	5	Bond SGD	315.56
6	Bond Asia Pacific HC	413.74	6	Mixed Asset SGD Balanced	282.40
7	Mixed Asset Other Conservative	388.75	7	Mixed Asset USD Flex - Global	270.41
8	Mixed Asset EUR Bal - Global	382.25	8	Money Market USD	214.28
9	Bond Global	354.89	9	Mixed Asset USD Bal - US	212.02
10	Bond SGD	351.18	10	Bond Global	209.11

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 continued rallying for Q4 2017. The MSCI World Index soared 5.62% (in U.S.-dollar terms) for Q4 2017, while it had rallied 4.96% for Q3 2017. The Nikkei 225 and Dow Jones Industrial Average soared 11.83% and 10.33%, respectively, and took the lead among the global major markets for Q4 2017. In Asia the India S&P BSE SENSEX, Hong Kong Hang Seng CR, and Indonesia Jakarta SE Composite Index rallied 8.86%, 8.58%, and 7.71%, respectively, while the China Shanghai Composite CR slid 1.25% for Q4 2017.

Of all the funds registered for sale in Singapore and contributing fund-flows information by participating IMAS members, only 24 of the 61 Lipper Global Classification (LGC)-type equity fund groups posted net capital inflows for the quarter, while 37 fund groups posted net capital outflows. Among all equity types, Equity Asia Pacific Ex Japan, Equity Japan, and Equity Europe posted the largest net inflows: S\$147.06 million, S\$142.38 million, and S\$128.06 million, respectively. Equity Global Income, Equity Global, and Equity China posted the biggest net outflows of S\$39.82 million, S\$159.39 million, and S\$208.41million, respectively.

Among the equity fund groups investing in the seven different regions and sectors, LGC-type equity fund groups investing in sectors posted the largest net capital inflows (+S\$205.82 million). The biggest net outflows exited from global funds, posting minus S\$85.40 million for the period.

Table 3 Top Ten and Bottom Ten Equity Fund Classifications by Net Flows for Q4 2017 (in S\$ Million)

Equity Sector	Net Flows
Equity Asia Pacific Ex Japan	147.06
Equity Japan	142.38
Equity Europe	128.06
Equity Sector Real Est As Pac	124.78
Equity Emerging Mkts Global	112.76
Equity Sector Information Tech	79.78
Equity Europe Income	13.34
Equity Singapore	12.50
Equity US Small & Mid Cap	6.96
Equity Asia Pacific	6.82
Equity Sector Energy	-7.11
Equity US	-8.51
Equity Emerging Mkts Europe	-13.06
Equity Vietnam	-18.52
Equity India	-20.00
Equity Asia Pacific Sm&Mid Cap	-25.57
Equity Emerging Mkts Asia	-26.95
Equity Global Income	-39.82
Equity Global	-159.39
Equity China	-208.41

Source: Thomson Reuters Lipper

Table 4 Estimated Equity Fund Flows by Broad Geographical Classifications for Q4 2017 (in S\$ Million)

Geographical Classification	
Asia-Pacific	-11.08
Europe	120.43
Global	-85.40
Latin America	0.66
North America	-1.55
Middle East/Other	-1.72
Sector	205.82
Total	227.17

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 1.04% for the quarter (in U.S. dollars). The ten-year Treasury yield ended at 2.411% for Q4 2017 versus 2.326% at the end of Q3 2017.

A total of 18 of the 29 LGC-type bond fund groups recorded net capital inflows for Q4 2017. The three leading LGC-type bond fund groups were: Bond Global USD Hedged (+S\$883.42 million), Bond Asia Pacific HC (+S\$246.00 million), and Bond Global High Yield (+S\$184.37million). For the money market fund groups all types recorded net outflows for the period.

Table 5 Net Flows Into Bond and Money Market Funds for Q4 2017 (in S\$ Million)

Bond Funds	Net Flows	Money Market Funds	Net Flows
Bond Global USD Hedged	883.42	Money Market SGD	-86.36
Bond Asia Pacific HC	246.00	Money Market USD	-5.04
Bond Global High Yield	184.37		
Bond Global	145.78		
Bond Asia Pacific LC	40.48		
Bond USD	37.45		
Bond Emrg Mkts Global LC	36.24		
Bond SGD	35.62		
Bond USD Short Term	15.30		
Bond Europe	7.22		
Bond Emrg Mkts Global HC	6.74		
Bond CNY	0.52		
Bond EUR Corporates	0.48		
Bond USD Inflation Link	0.35		
Bond GBP	0.32		
Bond Europe High Yield	0.14		
Bond USD Government	0.10		
Bond Emerging Mkts Glb Corp	0.00		
Bond EUR Short Term	-0.09		
Bond Convertibles Global	-0.19		
Bond EUR	-0.24		
Bond Other Hedged	-0.44		
Bond USD Mortgages	-1.62		
Bond Global Corporates	-2.08		
Loan Participation Funds	-2.59		
Bond USD Corporates	-9.53		
Total Bond Funds	1,533.81	Total Money Market Funds	-91.40

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\$1,227.95 million for Q4 2017. Most of the inflows were attributed to balanced funds, conservative funds, and flexible funds.

Table 6 Net Flows of Mixed-Asset and “Other” Funds for Q4 2017 (\$ Million)

Funds	Net Flows
Aggressive	12.20
Balanced	520.02
Flexible	423.05
Conservative	274.16
Target Maturity	-1.49
Total Mixed-Asset	1,227.95
Absolute Return	-9.38
Alternative	-4.32
Commodity	-0.10
Subtotal Other Assets	-13.80

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 December 2017 the U.S. Federal Reserve raised its benchmark federal funds rate 25 basis points to a range of 1.25% to 1.50%. However, President Donald Trump's tax reform seems likely to boost the U.S. economy and move the Fed to raise interest rates faster than it had anticipated (it expects to raise rates three times in 2018). Moreover, the dollar continues to weaken, triggering a lot of money flows into emerging markets. Global equity markets have continued to rally for another quarter and hit record highs. Investors should, therefore, be aware of potential volatility 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 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 Q4 2017 (\$\$ Million)

	Lipper Global Classification	CPF Net Flow	Non-CPF Net Flow
1	Absolute Return EUR High	0.00	-5.58
2	Absolute Return Other	-0.08	-0.35
3	Absolute Return USD Low	0.00	-1.67
4	Absolute Return USD Medium	0.00	-1.60
5	Alternative Credit Focus	0.00	-0.15
6	Alternative Long/Short Eq Eu	0.00	-0.04
7	Alternative Multi Strategies	0.00	-4.13
8	Bond Asia Pacific HC	0.00	246.00
9	Bond Asia Pacific LC	0.05	40.43
10	Bond CNY	0.00	0.52
11	Bond Convertibles Global	0.00	-0.19
12	Bond Emerging Mkts Glb Corp	0.00	0.00
13	Bond Emrg Mkts Global HC	0.00	6.74
14	Bond Emrg Mkts Global LC	0.00	36.24
15	Bond EUR	0.00	-0.24
16	Bond EUR Corporates	0.00	0.48
17	Bond EUR High Yield	0.00	-10.67
18	Bond EUR Short Term	0.00	-0.09
19	Bond Europe	0.00	7.22
20	Bond Europe High Yield	0.00	0.14
21	Bond GBP	0.00	0.32
22	Bond Global	1.45	144.32
23	Bond Global Corporates	0.00	-2.08
24	Bond Global High Yield	0.00	184.37
25	Bond Global Inflation Linked	0.00	-12.12
26	Bond Global USD Hedged	0.00	883.42
27	Bond Other Hedged	-0.11	-0.33
28	Bond SGD	0.42	35.20
29	Bond USD	0.00	37.45
30	Bond USD Corporates	0.00	-9.53
31	Bond USD Government	0.00	0.10
32	Bond USD High Yield	0.00	-67.18

33	Bond USD Inflation Link	0.00	0.35
34	Bond USD Mortgages	0.00	-1.62
35	Bond USD Short Term	0.00	15.30
36	Commodity Agriculture	0.00	-0.04
37	Commodity Blended	0.00	-0.06
38	Equity ASEAN	-1.10	-1.78
39	Equity Asia Pacific	-0.32	7.15
40	Equity Asia Pacific Ex Japan	-8.96	156.02
41	Equity Asia Pacific Sm&Mid Cap	-0.98	-24.59
42	Equity Australia	0.00	-0.50
43	Equity Brazil	0.00	1.41
44	Equity China	-0.72	-207.70
45	Equity Emerging Mkts Asia	-0.59	-26.36
46	Equity Emerging Mkts Europe	0.00	-13.06
47	Equity Emerging Mkts Global	-1.08	113.84
48	Equity Emerging Mkts Latin Am	0.00	-0.75
49	Equity Emerging Mkts Other	0.00	-1.25
50	Equity Emrg Mkts Glb Sm&Md Cap	0.00	1.52
51	Equity Europe	-0.68	128.74
52	Equity Europe ex UK	0.00	-3.01
53	Equity Europe Income	0.00	13.34
54	Equity Europe Sm&Mid Cap	0.00	-1.81
55	Equity EuroZone	0.00	-1.27
56	Equity France	0.00	-0.01
57	Equity Frontier Markets	0.00	-0.28
58	Equity Germany	0.00	-0.91
59	Equity Global	-3.15	-156.24
60	Equity Global Income	-1.07	-38.75
61	Equity Global Sm&Mid Cap	0.00	-0.48
62	Equity Greater China	-2.96	-1.55
63	Equity Hong Kong	-0.04	-1.05
64	Equity Iberia	0.00	-0.07
65	Equity India	-0.24	-19.77
66	Equity Indonesia	0.26	-6.69
67	Equity Italy	0.00	-0.06
68	Equity Japan	-0.70	143.08

69	Equity Japan Income	-0.33	-0.68
70	Equity Japan Sm&Mid Cap	0.00	2.68
71	Equity Korea	-0.30	0.02
72	Equity Malaysia	-0.15	0.61
73	Equity Malaysia/Singapore	-0.38	-0.93
74	Equity MENA	0.00	-0.19
75	Equity Philippines	0.00	0.11
76	Equity Russia	0.00	-0.98
77	Equity Sector Biotechnology	-0.13	5.30
78	Equity Sector Consumer Discret	-0.00	0.10
79	Equity Sector Energy	0.00	-7.11
80	Equity Sector Financials	-0.01	3.27
81	Equity Sector Gold&Prec Metals	0.00	-0.48
82	Equity Sector Healthcare	-0.40	3.40
83	Equity Sector Industrials	0.00	0.03
84	Equity Sector Information Tech	-1.25	81.03
85	Equity Sector Materials	0.00	-2.35
86	Equity Sector Real Est As Pac	-0.21	124.99
87	Equity Sector Real Est Europe	-0.11	-1.12
88	Equity Sector Real Est Global	-0.36	1.77
89	Equity Sector Telecom Srvcs	0.00	-0.54
90	Equity Singapore	-7.86	20.36
91	Equity Switzerland	0.00	0.03
92	Equity Taiwan	-0.03	-2.40
93	Equity Thailand	-0.73	-2.46
94	Equity UK	0.00	0.16
95	Equity US	-0.80	-7.71
96	Equity US Income	0.00	0.01
97	Equity US Small & Mid Cap	0.00	6.96
98	Equity Vietnam	0.00	-18.52
99	Loan Participation Funds	0.00	-14.60
100	Mixed Asset EUR Bal - EuroZone	0.00	-0.30
101	Mixed Asset EUR Bal - Global	0.00	210.09
102	Mixed Asset EUR Cons - Europe	0.00	19.35
103	Mixed Asset EUR Flex - Europe	0.00	0.18
104	Mixed Asset Other Balanced	0.00	50.41
105	Mixed Asset Other Conservative	0.00	299.09

106	Mixed Asset Other Flexible	-0.16	185.83
107	Mixed Asset SGD Aggressive	0.00	-1.39
108	Mixed Asset SGD Balanced	-3.85	199.16
109	Mixed Asset SGD Conservative	-0.01	-44.85
110	Mixed Asset USD Aggressive	0.00	13.60
111	Mixed Asset USD Bal - Global	1.19	13.68
112	Mixed Asset USD Bal - US	0.00	49.66
113	Mixed Asset USD Conservative	0.00	0.58
114	Mixed Asset USD Flex - Global	-0.04	237.24
115	Money Market SGD	0.00	-86.36
116	Money Market USD	0.00	-5.04
117	Target Maturity Other	-0.51	-0.99

Source: Thomson Reuters Lipper

6.3 Appendix C—CPF Fund Flows by Lipper Global Classification for Q4 2017 (\$\$ Million)

Rank	Lipper Global Classification	CPF Inflow
1	Equity Asia Pacific Ex Japan	17.13
2	Mixed Asset SGD Balanced	12.15
3	Mixed Asset USD Bal - Global	2.71
4	Equity Greater China	2.44
5	Bond Global	2.00
6	Equity Global Income	1.96
7	Equity Europe	1.61
8	Equity Singapore	1.46
9	Equity Emerging Mkts Global	1.31
10	Equity Japan Income	1.22

Source: Thomson Reuters Lipper

Rank	Lipper Global Classification	CPF Outflow
1	Equity Asia Pacific Ex Japan	26.08
2	Mixed Asset SGD Balanced	16.00
3	Equity Singapore	9.32
4	Equity Greater China	5.40
5	Equity Global	4.36
6	Equity Global Income	3.03
7	Equity Emerging Mkts Global	2.40
8	Equity Europe	2.30
9	Equity Japan Income	1.55
10	Mixed Asset USD Bal - Global	1.52

Source: Thomson Reuters Lipper