

SINGAPORE FUND FLOWS SUMMARY

QUARTER-END ANALYSIS
JUNE 30, 2018

A Sixth Consecutive Quarter of Overall Total Net Inflows, but Bond Funds End Their Run of Eight Consecutive Quarters of Net Inflows

- Unit trusts registered for sale in Singapore reported net inflows of S\$798.76 million for Q2 2018; they had posted net inflows of S\$2,867.38 million for Q1 2018.
- Bond funds discontinued their record of eight consecutive quarterly net inflows, posting S\$659.05 million of net outflows. Mixed-asset funds, with net inflows of S\$1,215.26 million for Q2 2018, continued in the lead position.
- The total inflows of capital for Q2 2018 compared to Q1 2018 slid 29.03% to S\$6,894.79 million, and the total outflows of capital decreased 10.97% to S\$6,096.04 million for the period.
- Equity funds' capital inflows for Q2 2018 slid 29.74% to S\$2,052.74 million, while bond funds' capital inflows plunged 44.64% to S\$1,308.35 million for the period.
- Capital outflows from equity funds for Q2 2018 fell 10.04% to S\$1,890.55 million, while bond funds recorded capital outflows of S\$1,967.40 million—a minor decrease of 4.16% compared with Q1 2018.
- Mixed-asset funds' capital inflows for Q2 2018 slid 23.07% to S\$2,346.28 million, and their capital outflows fell 22.99% to S\$1,131.02 million for the period.

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1. Fund Flows Overview for Q2 2018

Table 1 Estimated Fund Flows by Major Asset Classes for Q2 2018 (\$\$ Million)

Asset Class	Inflows			Outflows			Net Flows
	CPF	Non-CPF	Total	CPF	Non-CPF	Total	
Alternatives	0.00	66.44	66.44	0.00	19.13	19.13	47.31
Bond	0.46	1,307.88	1,308.35	1.64	1,965.76	1,967.40	-659.05
Commodity	0.00	0.37	0.37	0.00	1.52	1.52	-1.15
Equity	36.07	2,016.67	2,052.74	49.11	1,841.45	1,890.55	162.19
Mixed Assets	14.67	2,331.60	2,346.28	15.06	1,115.95	1,131.02	1,215.26
Money Market	0.00	1,120.62	1,120.62	0.00	1,086.42	1,086.42	34.21
Total	51.21	6,843.58	6,894.79	65.81	6,030.22	6,096.04	798.76

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\$798.76 million in aggregate) for Q2 2018; they had posted net inflows of S\$2,867.38 million for Q1 2018. Breaking down the data by asset-type fund group, bond funds discontinued their record of eight consecutive quarters of net inflows, turning to outflows of S\$659.05 million for Q2 2018. Equity funds continued posting net inflows (+S\$162.19 million) for Q2 2018.

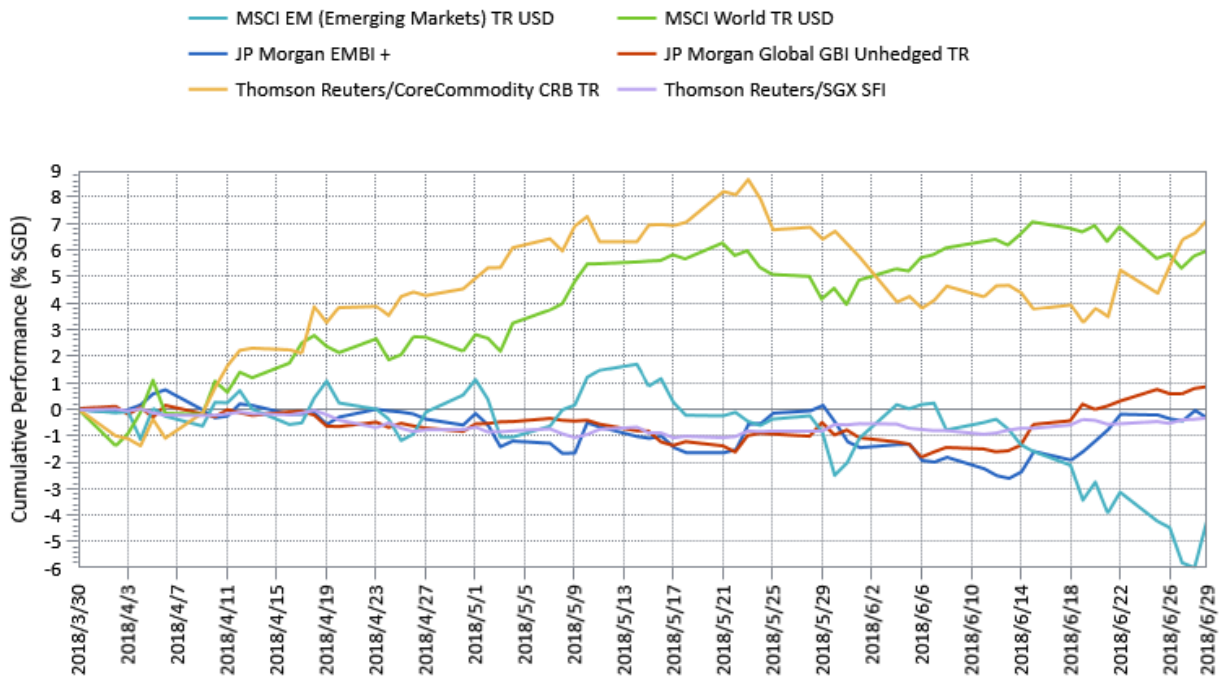
On a quarterly basis the capital inflows for equity funds slid from Q1 2018's S\$2,921.60 million to S\$2,052.74 million for Q2 2018. That accounted for 29.77% of the overall capital inflows (+S\$6,894.79 million) into unit trusts for Q2 2018. The capital outflows of equity funds decreased—from S\$2,101.65 million for Q1 2018, to S\$1,890.55 million for Q2 2018.

The capital inflows for bond funds plunged from Q1 2018's S\$2,363.14 million to S\$1,308.35 million for Q2 2018, accounting for 18.98% of the overall capital inflows. Meanwhile, bond funds recorded capital outflows of S\$1,967.40 million for Q2 2018, compared with the previous quarter's S\$2,052.75 million.

Mixed-asset funds' capital inflows slid from S\$3,049.80 million for Q1 2018 to S\$2,346.28 million for Q2 2018, accounting for 34.03% of the overall capital inflows. The capital outflows of mixed-asset funds decreased from Q1 2018's S\$1,468.68 million to S\$1,131.02 million for Q2 2018.

The total inflows of capital for Q2 2018 plunged from S\$9,714.48 million for Q1 2018 to S\$6,894.79 million, and the total outflows of capital also decreased—from S\$6,847.10 million for Q1 2018 to S\$6,096.04 million for Q2 2018.

Figure 1 Performance of Key Technical Indicators During Q2 2018



Source: Thomson Reuters Lipper

Table 2 Top Ten Fund Sectors' Inflows and Outflows by Lipper Global Classification for Q2 2018 (\$ Million)

Inflows			Outflows		
	Lipper Global Classification	Fund Flow		Lipper Global Classification	Fund Flow
1	Money Market SGD	870.06	1	Money Market SGD	833.70
2	Equity Asia Pacific Ex Japan	580.39	2	Bond Global USD Hedged	592.36
3	Mixed Asset USD Bal - US	527.82	3	Equity Asia Pacific Ex Japan	349.27
4	Mixed Asset SGD Balanced	428.22	4	Bond Asia Pacific HC	296.85
5	Mixed Asset USD Flex - Global	351.93	5	Mixed Asset SGD Balanced	283.95
6	Mixed Asset EUR Bal - Global	345.11	6	Money Market USD	252.72
7	Mixed Asset Other Conservative	340.01	7	Bond Global	245.68
8	Bond Global USD Hedged	330.73	8	Mixed Asset USD Flex - Global	240.49
9	Money Market USD	250.57	9	Equity Europe Income	227.58
10	Bond Global	238.06	10	Bond Global High Yield	216.18

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 market performance was varied for Q2 2018. The MSCI World Index fell 1.93% (in U.S.-dollar terms), while it had risen 1.15% for Q1 2018. The FTSE 100 CR, S&P/ASX 200 CR, S&P BSE SENSEX, and NASDAQ Composite CR indices rallied 8.22%, 7.56%, 7.45%, and 6.33%, respectively, taking the lead among the global major markets for Q2 2018. In Asia only the Indian and Japanese markets posted positive returns for Q2 2018, while most of the Asian markets delivered negative returns.

Of all the funds registered for sale in Singapore and contributing fund-flows information by participating IMAS members, 30 of the 61 Lipper Global Classification (LGC)-type equity fund groups posted net capital inflows for the quarter, while 31 fund groups posted net capital outflows. Among all equity types Equity Asia Pacific Ex Japan, Equity Sector Information Tech, Equity US, and Equity Emerging Mkts Global posted the largest net inflows: S\$231.12 million, S\$61.96 million, S\$52.16 million, and S\$52.00 million, respectively. Equity Europe Income, Equity Europe, Equity Global Income, and Equity India posted the biggest net outflows of S\$144.54 million, S\$46.99 million, S\$45.68 million, and S\$40.71 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 inflows (+S\$191.07 million). The biggest net outflows exited from Europe (-S\$201.35 million) for the period.

Table 3 Top Ten and Bottom Ten Equity Fund Classifications by Net Flows for Q2 2018 (in S\$ Million)

Equity Sector	Net Flows
Equity Asia Pacific Ex Japan	231.12
Equity Sector Information Tech	61.96
Equity US	52.16
Equity Emerging Mkts Global	52.00
Equity China	35.02
Equity Sector Financials	31.92
Equity Sector Real Est As Pac	15.85
Equity Global	14.67
Equity Japan Income	10.01
Equity Singapore	9.78
Equity Asia Pacific Sm&Mid Cap	-5.91
Equity Sector Real Est Global	-6.27
Equity Sector Energy	-11.51
Equity ASEAN	-13.60
Equity Emerging Mkts Asia	-14.80
Equity Korea	-16.36
Equity India	-40.71
Equity Global Income	-45.68
Equity Europe	-46.99
Equity Europe Income	-144.54

Source: Thomson Reuters Lipper

Table 4 Estimated Equity Fund Flows by Broad Geographical Classifications for Q2 2018 (in S\$ Million)

Geographical Classification	
Asia-Pacific	191.07
Europe	-201.35
Global	28.77
Latin America	4.65
North America	57.66
Middle East/Other	0.66
Sector	81.61
Total	163.06

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 FTSE WGBI rose 2.50% for the quarter (in USD). The ten-year Treasury yield ended at 2.851% for Q2 2018 versus 2.744% at the end of Q1 2018.

A total of 8 of the 28 LGC-type bond fund groups recorded net capital inflows for Q2 2018. The three leading LGC-type bond fund groups posting net inflows were: Bond Emrg Mkts Global LC (+S\$47.57 million), Bond SGD (+S\$20.86 million), and Bond Asia Pacific LC (+S\$11.76 million). Bond Global USD Hedged, Bond Asia Pacific HC, Bond USD High Yield, and Bond Global High Yield posted the largest net outflows—S\$261.63, S\$121.36, S\$118.85, and S\$100.04 million, respectively. For the money market fund groups only Money Market SGD (+S\$36.36 million) recorded net inflows for the period.

Table 5 Net Flows Into Bond and Money Market Funds for Q2 2018 (in S\$ Million)

Bond Funds	Net Flows	Money Market Funds	Net Flows
Bond Asia Pacific HC	-121.36	Money Market SGD	36.36
Bond Asia Pacific LC	11.76	Money Market USD	-2.15
Bond CNY	-2.73		
Bond Convertibles Global	-0.38		
Bond Emerging Mkts Glb Corp	0.60		
Bond Emrg Mkts Global HC	-21.93		
Bond Emrg Mkts Global LC	47.57		
Bond EUR	-0.36		
Bond EUR Corporates	-0.24		
Bond EUR High Yield	-20.47		
Bond EUR Short Term	0.07		
Bond Europe	3.65		
Bond Europe High Yield	-9.02		
Bond GBP	-0.02		
Bond Global	-7.62		
Bond Global Corporates	-12.91		
Bond Global High Yield	-100.04		
Bond Global Inflation Linked	-0.22		
Bond Global USD Hedged	-261.63		
Bond Other Hedged	-0.93		
Bond SGD	20.86		
Bond USD	-56.51		
Bond USD Corporates	0.64		
Bond USD High Yield	-118.85		
Bond USD Inflation Link	-0.61		
Bond USD Mortgages	0.12		
Bond USD Short Term	-0.12		
Loan Participation Funds	-5.33		
Total Bond Funds	-655.99	Total Money Market Funds	34.21

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\$1,217.58 million for Q2 2018. Most of the inflows were attributed to balanced funds, flexible funds, and conservative funds.

Table 6 Net Flows of Mixed-Asset and “Other” Funds for Q2 2018 (S\$ Million)

Funds	Net Flows
Aggressive	-0.86
Balanced	762.78
Flexible	243.88
Conservative	212.46
Target Maturity	-0.67
Total Mixed-Asset	1,217.58
Absolute Return	12.53
Alternative	28.53
Commodity	-1.15
Subtotal Other Assets	39.91

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 trade row between the U.S. and China escalated in April after the U.S. slapped 25% and 10% tariffs on steel and aluminum imports, respectively, from China. China hit back by placing reciprocal tariffs on a number of U.S. imports. In an earlier round the U.S. had announced 25% duties on \$50 billion worth of Chinese goods, to which China responded by imposing restrictions for the same amount of U.S. imports.

The trade spat between the U.S. and China shows no sign of ceasing amid fears that President Donald Trump's plans to slap 25% tariffs on European cars may further add to a full-blown global trade war. Trade tensions are posing a great risk to global economic growth, and investors should continue monitoring further developments and 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 Q2 2018 (\$\$ Million)

	Lipper Global Classification	CPF Net Flow	Non-CPF Net Flow
1	Absolute Return EUR High	0.00	18.78
2	Absolute Return Other	-0.12	-4.10
3	Absolute Return USD Low	0.00	0.85
4	Absolute Return USD Medium	0.00	-2.88
5	Alternative Credit Focus	0.00	11.74
6	Alternative Global Macro	0.00	-0.21
7	Alternative Long/Short Eq Eu	0.00	-0.02
8	Alternative Multi Strategies	0.00	17.01
9	Bond Asia Pacific HC	0.00	-121.36
10	Bond Asia Pacific LC	-0.21	11.98
11	Bond CNY	0.00	-2.73
12	Bond Convertibles Global	0.00	-0.38
13	Bond Emerging Mkts Glb Corp	0.00	0.60
14	Bond Emrg Mkts Global HC	0.00	-21.93
15	Bond Emrg Mkts Global LC	0.00	47.57
16	Bond EUR	0.00	-0.36
17	Bond EUR Corporates	0.00	-0.24
18	Bond EUR High Yield	0.00	-20.47
19	Bond EUR Short Term	0.00	0.07
20	Bond Europe	0.00	3.65
21	Bond Europe High Yield	0.00	-9.02
22	Bond GBP	0.00	-0.02
23	Bond Global	-0.71	-6.91
24	Bond Global Corporates	0.00	-12.91
25	Bond Global High Yield	0.00	-100.04
26	Bond Global Inflation Linked	0.00	-0.22
27	Bond Global USD Hedged	0.00	-261.63
28	Bond Other Hedged	0.00	-0.93
29	Bond SGD	-0.26	21.12
30	Bond USD	0.00	-56.51
31	Bond USD Corporates	0.00	0.64
32	Bond USD High Yield	0.00	-118.85



33	Bond USD Inflation Link	0.00	-0.61
34	Bond USD Mortgages	0.00	0.12
35	Bond USD Short Term	0.00	-0.12
36	Commodity Agriculture	0.00	-0.16
37	Commodity Blended	0.00	-0.99
38	Equity ASEAN	-1.01	-12.59
39	Equity Asia Pacific	-0.28	-3.12
40	Equity Asia Pacific Ex Japan	5.04	226.08
41	Equity Asia Pacific Sm&Mid Cap	-0.01	-5.90
42	Equity Australia	0.00	0.13
43	Equity Brazil	0.00	0.43
44	Equity China	0.01	35.02
45	Equity Emerging Mkts Asia	-0.36	-14.44
46	Equity Emerging Mkts Europe	0.00	0.16
47	Equity Emerging Mkts Global	-1.16	53.16
48	Equity Emerging Mkts Latin Am	0.00	4.22
49	Equity Emerging Mkts Other	0.00	0.45
50	Equity Emrg Mkts Glb Sm&Md Cap	0.00	1.00
51	Equity Europe	-2.05	-44.94
52	Equity Europe ex UK	0.00	-3.07
53	Equity Europe Income	0.00	-144.54
54	Equity Europe Sm&Mid Cap	0.00	-1.77
55	Equity EuroZone	0.00	-2.88
56	Equity France	0.00	0.00
57	Equity Frontier Markets	0.00	0.12
58	Equity Germany	0.00	-1.01
59	Equity Global	-4.55	19.22
60	Equity Global Income	-1.26	-44.42
61	Equity Global Sm&Mid Cap	0.00	6.77
62	Equity Greater China	0.73	2.45
63	Equity Hong Kong	-0.05	-0.11
64	Equity Iberia	0.00	-0.07
65	Equity India	0.13	-40.84
66	Equity Indonesia	-0.28	-1.61
67	Equity Italy	0.00	0.07
68	Equity Japan	0.26	0.94



69	Equity Japan Income	1.03	8.98
70	Equity Japan Sm&Mid Cap	0.00	-0.04
71	Equity Korea	-3.77	-12.58
72	Equity Malaysia	0.10	-0.12
73	Equity Malaysia/Singapore	-0.17	-1.66
74	Equity MENA	0.00	0.08
75	Equity Philippines	0.00	0.67
76	Equity Russia	0.00	-1.31
77	Equity Sector Biotechnology	-0.20	-2.73
78	Equity Sector Consumer Discret	0.00	0.00
79	Equity Sector Energy	0.00	-11.51
80	Equity Sector Financials	0.00	31.92
81	Equity Sector Gold&Prec Metals	0.00	-1.76
82	Equity Sector Healthcare	-0.19	-5.19
83	Equity Sector Industrials	0.00	-0.00
84	Equity Sector Information Tech	-1.18	63.14
85	Equity Sector Materials	0.00	0.87
86	Equity Sector Real Est As Pac	-0.21	16.06
87	Equity Sector Real Est Europe	-0.20	-0.57
88	Equity Sector Real Est Global	-0.33	-5.94
89	Equity Sector Telecom Srvcs	0.00	-0.36
90	Equity Singapore	-2.12	11.89
91	Equity Switzerland	0.00	0.10
92	Equity Taiwan	-0.01	-1.09
93	Equity Thailand	-0.24	-4.12
94	Equity UK	0.00	-0.04
95	Equity US	-0.57	52.73
96	Equity US Income	0.00	0.03
97	Equity US Small & Mid Cap	0.00	5.47
98	Equity Vietnam	0.00	4.13
99	Loan Participation Funds	0.00	-5.33
100	Mixed Asset EUR Bal - EuroZone	0.00	-0.85
101	Mixed Asset EUR Bal - Global	0.00	173.56
102	Mixed Asset EUR Cons - Europe	0.00	5.67
103	Mixed Asset EUR Cons - Global	0.00	0.00
104	Mixed Asset EUR Flex - Europe	0.00	-0.03
105	Mixed Asset Other Balanced	0.00	80.43



106	Mixed Asset Other Conservative	0.00	267.22
107	Mixed Asset Other Flexible	-0.13	132.59
108	Mixed Asset SGD Aggressive	0.00	-1.64
109	Mixed Asset SGD Balanced	1.47	142.80
110	Mixed Asset SGD Conservative	-0.04	-60.30
111	Mixed Asset USD Aggressive	0.00	0.78
112	Mixed Asset USD Bal - Global	-1.34	1.04
113	Mixed Asset USD Bal - US	0.00	365.67
114	Mixed Asset USD Conservative	0.00	-0.09
115	Mixed Asset USD Flex - Global	-0.04	111.49
116	Money Market SGD	0.00	36.36
117	Money Market USD	0.00	-2.15
118	Target Maturity Other	-0.31	-0.36

Source: Thomson Reuters Lipper

6.3 Appendix C – CPF Fund Flows by Lipper Global Classification for Q2 2018 (\$\$ Million)

Rank	Lipper Global Classification	CPF Inflow
1	Equity Asia Pacific Ex Japan	21.53
2	Mixed Asset SGD Balanced	13.80
3	Equity Greater China	4.62
4	Equity US	2.28
5	Equity Singapore	1.71
6	Equity Japan Income	1.29
7	Equity India	1.16
8	Mixed Asset USD Bal - Global	0.88
9	Equity Emerging Mkts Global	0.68
10	Equity Japan	0.54

Source: Thomson Reuters Lipper

Rank	Lipper Global Classification	CPF Outflow
1	Equity Asia Pacific Ex Japan	16.50
2	Mixed Asset SGD Balanced	12.33
3	Equity Global	4.61
4	Equity Greater China	3.89
5	Equity Singapore	3.82
6	Equity Korea	3.77
7	Equity US	2.84
8	Equity Europe	2.46
9	Mixed Asset USD Bal - Global	2.22
10	Equity Emerging Mkts Global	1.84

Source: Thomson Reuters Lipper