

# SINGAPORE FUND FLOWS SUMMARY

QUARTER-END ANALYSIS

December 31, 2015

**Total Net Fund Flows Turn Positive for Q4 2015, Bond Funds Suffer Significant Net Outflows**

- Unit trusts registered for sale in Singapore reported aggregate net inflows of S\$53.73 million for Q4 2015, turning positive from the previous quarter’s net outflows of S\$146.31 million.
- Equity funds posted S\$366.99 million of net inflows and took the lead position for Q4 2015, while bond funds suffered S\$479.20 million of net outflows for the period.
- The total inflow of capital for Q4 2015 slid 21.77% to S\$4,586.31 million, while the total outflow of capital plunged 24.57% to S\$4,532.58 million for the period.
- Equity funds’ capital inflows rose a slight 3.62% to S\$1,971.68 million for Q4 2015, while bond funds plunged 56.39% to S\$841.06 million for the period.
- Capital outflows of equity funds dropped 25.16% to S\$1,604.69 million for Q4 2015, while bond funds recorded a capital outflow of S\$1,320.26 million, sliding 36.56% for the period.
- Mixed-asset funds’ capital inflows fell 6.59% to S\$1,099.74 million for Q4 2015, while their capital outflows fell a slight 1.40% to S\$920.86 million for the period.

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## 1. Fund Flows Overview for Q4 2015

**Table 1 Estimated Fund Flows by Major Asset Classes for Q4 2015 (\$\$ Million)**

Asset Class	Inflows			Outflows			Net Flows
	CPF	Non-CPF	Total	CPF	Non-CPF	Total	
Alternatives	0.00	4.31	4.31	0.00	1.57	1.57	2.73
Bond	2.47	838.59	841.06	0.96	1,319.30	1,320.26	-479.20
Commodity	0.00	1.31	1.31	0.00	3.81	3.81	-2.50
Equity	97.50	1,874.19	1,971.68	97.20	1,507.49	1,604.69	366.99
Mixed Assets	71.35	1,028.39	1,099.74	81.54	839.32	920.86	178.88
Money Market	0.00	668.20	668.20	0.00	681.38	681.38	-13.19
<b>Total</b>	<b>171.32</b>	<b>4,414.99</b>	<b>4,586.31</b>	<b>179.71</b>	<b>4,352.87</b>	<b>4,532.58</b>	<b>53.73</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 in aggregate registered a net inflow of S\$53.73 million for Q4 2015, while they posted a net outflow of S\$146.31million for Q3 2015. By asset-type fund group, bond funds suffered the largest net outflows (-S\$479.20 million) for Q4 2015, while equity funds enjoyed net inflows of S\$366.99 million.

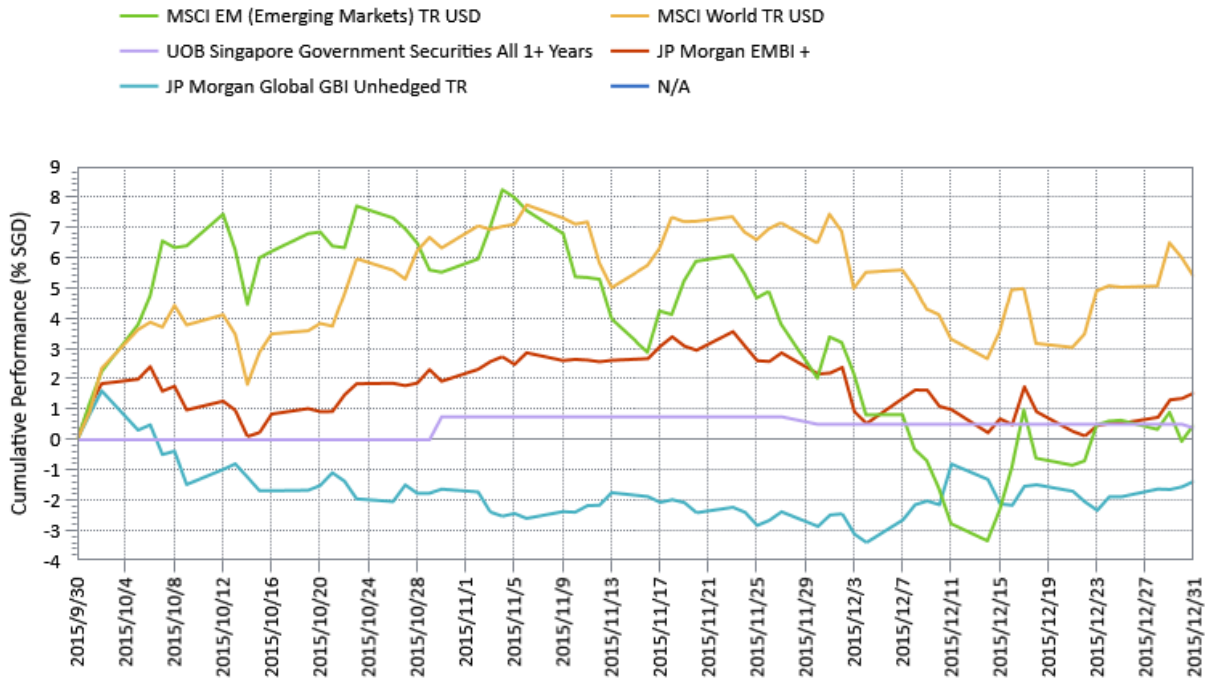
On a quarterly basis the capital inflows for equity funds rose a slight 3.62%—from S\$1,902.71 million for Q3 2015 to S\$1,971.68 million for Q4 2015. That accounted for 42.99% of the overall capital inflows (+S\$4,586.31 million) into unit trusts for Q4 2015. The capital outflows of equity funds dropped 25.16%—from S\$2,144.15 million for Q3 2015 to S\$1,604.69 million for Q4 2015.

The capital inflows for bond funds plunged 56.39% to S\$841.06 million, accounting for 18.34% of the overall capital inflows. Meanwhile, bond funds recorded a capital outflow of S\$1,320.26 million for Q4 2015, sliding 36.56% compared to the previous quarter.

Mixed-asset funds' capital inflows fell 6.59%—from S\$1,117.28 million for Q3 2015 to S\$1,099.74 million for Q4 2015, accounting for 23.98% of the overall capital inflows. The capital outflows of mixed-asset funds fell a slight 1.40%—from S\$933.97 million for Q3 2015 to S\$920.86 million for Q4 2015.

The total inflow of capital for Q4 2015 slid 21.77%—from Q3 2015’s S\$5,862.60 million to S\$4,586.31 million, while the total outflow of capital in 4Q2015 plunged 24.57%—from S\$6,008.91 million for Q3 2015 to S\$4,532.58 million for Q4 2015.

**Figure 1 Performance of Key Technical Indicators During Q4 2015**



Source: Thomson Reuters Lipper

**Table 2 Top Ten Fund Sectors' Inflows and Outflows by Lipper Global Classification for Q4 2015  
(S\$ Million)**

Inflows			Outflows		
	Lipper Global Classification	Fund Flow		Lipper Global Classification	Fund Flow
1	Bond Global	1,007.26	1	Money Market SGD	697.97
2	Money Market SGD	698.71	2	Bond Global	658.88
3	Mixed Asset EUR Bal - Global	498.32	3	Equity Asia Pacific Ex Japan	437.45
4	Equity Asia Pacific Ex Japan	334.28	4	Mixed Asset USD Bal - US	322.71
5	Bond SGD	325.65	5	Bond Global High Yield	261.16
6	Equity Europe	231.23	6	Bond USD High Yield	259.44
7	Mixed Asset USD Bal - US	230.48	7	Mixed Asset SGD Balanced	199.89
8	Mixed Asset SGD Balanced	223.92	8	Equity Europe	184.40
9	Bond Global Inflation Linked	170.65	9	Bond SGD	176.87
10	Equity Europe Income	170.51	10	Bond Global Inflation Linked	174.84

*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 global equity markets rebounded after a big correction in Q3 2015. The MSCI World Index soared 5.62% (in U.S.-dollar terms) for Q4 2015, while it plunged 8.33% for Q3 2015. For the U.S. market the Dow Jones Industrial Average, the NASDAQ, and the S&P 500 Index rallied 7.00%, 8.38%, and 6.45%, respectively, for the period. Most European equity markets also delivered positive performance for Q4 2015. Xetra DAX, CAC 40, and FTSE 100 Index rallied 11.21%, 4.08%, and 2.98%, respectively (all in local-currency terms). In Asia the China Shanghai Composite Index took the lead and soared 15.93% for Q4 2015.

For all funds registered for sale in Singapore and contributing fund flows by participating IMAS members, 30 of the 58 LGC (Lipper Global Classification)-type equity fund groups posted a net capital inflow for the quarter, and 28 fund groups posted a net capital outflow. Among all equity types Equity Greater China, Equity Global, Equity Singapore, and Equity Asia Pacific Ex Japan posted the largest net inflows of S\$75.28 million, S\$72.81 million, S\$56.72 million, and S\$51.55 million, respectively, while Equity Emerging Markets Global posted the biggest outflow of S\$29.45 million.

Among the equity fund groups investing in all seven different regions and sectors, LGC-type equity fund groups investing in Asia Pacific gained the largest capital net inflows of S\$203.22 million, while Middle East/Other posted the biggest net capital outflows of S\$1.67 million for the period.

**Table 3 Top Ten and Bottom Ten Equity Fund Classifications by Net Flows for Q4 2015 (in S\$ Million)**

Equity Sector	Net Flows
Equity Greater China	75.28
Equity Global	72.81
Equity Singapore	56.72
Equity Asia Pacific Ex Japan	51.55
Equity Europe	30.24
Equity Europe Income	25.67
Equity Global Income	21.94
Equity US	15.60
Equity Sector Healthcare	15.20
Equity Japan	11.82
Equity Sector Biotechnology	-1.26
Equity Malaysia	-1.39
Equity Asia Pacific Sm&Mid Cap	-2.27
Equity Indonesia	-2.49
Equity Sector Information Tech	-3.05
Equity Emerging Mkts Asia	-3.50
Equity Thailand	-4.70
Equity India	-5.07
Equity Malaysia/Singapore	-21.22
Equity Emerging Mkts Global	-29.45

Source: Thomson Reuters Lipper

**Table 4 Estimated Equity Fund Flows by Broad Geographical Classifications for Q4 2015 (in S\$ Million)**

Geographical Classification	
Asia-Pacific	203.22
Europe	56.98
Global	65.42
Latin America	-0.76
North America	16.30
Middle East/Other	-1.67
Sector	27.78
<b>Total</b>	<b>367.28</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

Citigroup WGBI slid 1.21% for the quarter (in U.S.-dollar terms). The ten-year Treasury ended at 2.275% for Q4 2015 versus 2.06% at the end of Q3 2015.

Nine of the 26 LGC-type bond fund groups recorded a net capital inflow for Q4 2015. The three leading LGC-type bond fund groups were: Bond SGD (+S\$11.73 million), Bond Asia Pacific HC (+S\$10.16 million), and Bond Global Corporates (+S\$8.26 million). For money market funds Money Market USD recorded a net inflow of S\$70.36 million, while Money Market SGD posted a net outflow of S\$83.53 million for the period.

**Table 5 Net Flows Into Bond and Money Market Funds for Q4 2015 (in S\$ Million)**

<b>Bond Funds</b>	<b>Net Flows</b>	<b>Money Market Funds</b>	<b>Net Flows</b>
Bond SGD	11.73	Money Market USD	70.36
Bond Asia Pacific HC	10.16	Money Market EUR	-0.01
Bond Global Corporates	8.26	Money Market SGD	-83.53
Bond Europe	7.12		
Bond Global Inflation Linked	2.87		
Bond USD Mortgages	1.41		
Bond Emerging Markets Other	0.40		
Bond GBP	0.15		
Bond EUR	-0.15		
Bond Convertibles Global	-0.52		
Bond Other Hedged	-1.29		
Loan Participation Funds	-4.98		
Bond EUR High Yield	-6.00		
Bond Europe High Yield	-6.25		
Bond CNY	-6.48		
Bond Asia Pacific LC	-7.05		
Bond Emrg Mkts Global LC	-15.64		
Bond USD	-21.56		
Bond USD Corporates	-22.93		
Bond Global USD Hedged	-30.07		
Bond Emrg Mkts Global HC	-35.43		
Bond USD Short Term	-57.65		
Bond Global High Yield	-78.81		
Bond Global	-90.84		
<b>Total Bond Funds</b>	<b>-467.59</b>	<b>Total Money Market Funds</b>	<b>-13.19</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\$183.78 million for Q4 2015. The increase in the net capital inflows of this fund category was attributed entirely to Mixed-Asset Balanced funds, which enabled mixed-asset to become the second most popular asset type for the period.

**Table 6 Net Flows of Mixed-Asset and Other Funds for Q4 2015 (S\$ Million)**

<b>Funds</b>	<b>Net Flows</b>
Aggressive	-2.45
Balanced	280.07
Flexible	-80.77
Conservative	-11.64
Target Maturity	-1.42
<b>Total Mixed-Asset</b>	<b>183.78</b>
Absolute Return	-16.80
Alternative	2.95
Commodity	-2.50
Protected	-0.22
<b>Subtotal Other Assets</b>	<b>-16.56</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

The U.S. Federal Reserve finally decided to raise rates in December, the first rate hike in almost a decade, ending a seven-year stretch in which rates were held at a near-zero level in response to the 2007-2009 global financial crisis. The Federal Open Market Committee forecasted the central bank is likely to raise short-term rates a total of one percentage point this year, implying another four rate increases. However, multiple Black Swan events (a Black Swan is an event that is rare, virtually unpredictable, and can cause a sudden catastrophe) occurred at the beginning of 2016. In the past 18 months the price of a barrel of WTI crude has dropped from near \$100 to \$30; in addition, China's economic slowdown/soft landing, the strong dollar, a possible manufacturing recession, and the decline in corporate earnings have all had an impact. The global economy and the financial market volatility are more the factors casting doubts over the Fed's readiness to continue raising interest rates in 2016, and global markets are fluctuating more than in 2015.

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

## 6.2 Appendix B—Net Fund Flows by Lipper Global Classification for Q4 2015 (\$\$ Million)

Lipper Global Classification	CPF Net Flow	Non-CPF Net Flow
Absolute Return Other	-0.03	-15.19
Absolute Return USD Medium		-1.58
Alternative Credit Focus		-0.42
Alternative Currency Strats		-0.06
Alternative Global Macro		-0.09
Alternative Multi Strategies		3.52
Bond Asia Pacific HC		10.16
Bond Asia Pacific LC	-0.41	-6.63
Bond CNY		-6.48
Bond Convertibles Global		-0.52
Bond Emerging Markets Other		0.40
Bond Emrg Mkts Global HC		-35.43
Bond Emrg Mkts Global LC		-15.64
Bond EUR		-0.15
Bond EUR High Yield		-6.00
Bond Europe		7.12
Bond Europe High Yield		-6.25
Bond GBP		0.15
Bond Global	2.11	-92.95
Bond Global Corporates		8.26
Bond Global High Yield		-78.81
Bond Global Inflation Linked		2.87
Bond Global USD Hedged		-30.07
Bond Other Hedged		-1.29
Bond SGD	-0.19	11.92
Bond USD		-21.56
Bond USD Corporates		-22.93
Bond USD High Yield		-124.06
Bond USD Mortgages		1.41
Bond USD Short Term		-57.65
Commodity Agriculture		-0.15
Commodity Blended		-0.77
Commodity Precious Metals		-1.57

Equity ASEAN	-0.51	15.12
Equity Asia Pacific	-0.23	-0.89
Equity Asia Pacific Ex Japan	2.90	48.64
Equity Asia Pacific Sm&Mid Cap	-0.17	-2.10
Equity Australia		-0.65
Equity Brazil		0.24
Equity China	2.09	7.72
Equity Emerging Mkts Asia	-0.19	-3.31
Equity Emerging Mkts Europe	-0.06	-0.52
Equity Emerging Mkts Global	-1.79	-27.66
Equity Emerging Mkts Latin Am		-0.99
Equity Emerging Mkts Other		-0.36
Equity Europe	1.00	29.24
Equity Europe ex UK		-0.02
Equity Europe Income		25.67
Equity Europe Sm&Mid Cap		0.22
Equity EuroZone		1.21
Equity France		0.01
Equity Frontier Markets		-0.29
Equity Germany		1.41
Equity Global	-8.18	80.99
Equity Global Income	6.48	15.46
Equity Global Sm&Mid Cap		0.13
Equity Greater China	-0.94	76.22
Equity Hong Kong	-0.03	0.30
Equity Iberia		-0.12
Equity India	-0.70	-4.36
Equity Indonesia	0.02	-2.51
Equity Italy		0.20
Equity Japan	-0.30	12.12
Equity Japan Income		6.28
Equity Japan Sm&Mid Cap		10.47
Equity Korea	-0.06	0.69
Equity Malaysia	-0.02	-1.37
Equity Malaysia/Singapore	-0.12	-21.10
Equity MENA		-1.02
Equity Nordic		-0.00
Equity Philippines		-0.08
Equity Russia		-1.25
Equity Sector Biotechnology	-0.46	-0.79

Equity Sector Biotechnology	-0.46	-0.79
Equity Sector Consumer Discret		-0.40
Equity Sector Financials	-0.00	6.88
Equity Sector Gold&Prec Metals		-0.86
Equity Sector Healthcare	-0.26	15.46
Equity Sector Industrials		0.00
Equity Sector Information Tech	-1.22	-1.83
Equity Sector Materials		0.10
Equity Sector Real Est As Pac	-0.17	-0.88
Equity Sector Real Est Europe	-0.10	7.14
Equity Sector Real Est Global	-0.07	5.84
Equity Sector Telecom Srvcs		-0.58
Equity Singapore	-0.64	57.36
Equity Switzerland		-0.03
Equity Taiwan	-0.01	-0.50
Equity Thailand	-0.11	-4.60
Equity UK		0.04
Equity US	4.18	11.43
Equity US Income		-0.02
Equity US Small & Mid Cap		0.71
Equity Vietnam		8.78
Loan Participation Funds		-4.98
Mixed Asset EUR Bal - Europe		1.32
Mixed Asset EUR Bal - EuroZone		0.25
Mixed Asset EUR Bal - Global		217.67
Mixed Asset Other Balanced		-1.76
Mixed Asset Other Conservative		34.63
Mixed Asset Other Flexible	-0.09	-0.51
Mixed Asset SGD Aggressive	-0.05	-0.95
Mixed Asset SGD Balanced	-6.44	61.89
Mixed Asset SGD Conservative	-2.07	-44.20
Mixed Asset USD Aggressive		-1.45
Mixed Asset USD Bal - Global	-1.12	-21.59
Mixed Asset USD Bal - US		29.84
Mixed Asset USD Flex - Global		-80.17
Money Market EUR		-0.01
Money Market SGD		-83.53
Money Market USD		70.36
Protected		-0.22
Target Maturity MA USD 2020		-0.02
Target Maturity Other	-0.40	-1.01

Source: Thomson Reuters Lipper

### 6.3 Appendix C—CPF Fund Flows by Lipper Global Classification for Q4 2015 (\$\$ Million)

Rank	Lipper Global Classification	CPF Inflow
1	Mixed Asset USD Bal - Global	69.25
2	Equity Global Income	31.52
3	Equity US	22.35
4	Equity Asia Pacific Ex Japan	13.24
5	Equity Global	10.78
6	Equity China	6.67
7	Equity Europe	4.90
8	Equity India	3.12
9	Bond Global	2.34
10	Mixed Asset SGD Balanced	2.08

Source: Thomson Reuters Lipper

Rank	Lipper Global Classification	CPF Outflow
1	Mixed Asset USD Bal - Global	70.37
2	Equity Global Income	25.04
3	Equity Global	18.97
4	Equity US	18.17
5	Equity Asia Pacific Ex Japan	10.33
6	Mixed Asset SGD Balanced	8.52
7	Equity China	4.58
8	Equity Europe	3.89
9	Equity India	3.83
10	Equity Greater China	2.71

Source: Thomson Reuters Lipper