

# SINGAPORE FUND FLOWS SUMMARY

QUARTER-END ANALYSIS

June 30, 2016

**Total Net Fund Flows Continues to be Negative for Q2 2016; Equity Funds Suffer the Biggest Net Outflows**

- Unit trusts registered for sale in Singapore reported net outflows of S\$324.12 million for Q2 2016; they had posted a net outflow of S\$823.22 million for Q1 2016.
- Bond funds turned around and posted S\$535.99 million of net inflows, taking the lead position for Q2 2016. They had suffered S\$676.99 million of net outflows the previous quarter.
- The total inflow of capital for Q2 2016 rose 11.42% to S\$4,452.10 million, while the total outflow of capital fell a slight 0.89% to S\$4,776.22 million for the period.
- Equity funds' capital inflows slid 31.39% to S\$1,046.23 million for Q2 2016, while bond funds rallied 81.11% to S\$1,779.08 million for the period.
- Capital outflows from equity funds rose 13.85% to S\$1,993.03 million for Q2 2016, while bond funds recorded capital outflows of S\$1,243.09 million, decreasing 25.08% for the period.
- Mixed-asset funds' capital inflows rallied 17.56% to S\$953.15 million for Q2 2016, while their capital outflows increased 16.53% to S\$875.86 million for the period.

## Contents

1. Fund Flows Overview for Q2 2016 .....	1
2. Equity Fund Flows Analysis.....	3
3. Bond and Money Market Fund Flows Analysis.....	5
4. Mixed-Asset Fund Flows Analysis .....	6
5. Outlook.....	7
6.1 Appendix A—Data Sources.....	8
6.2 Appendix B—Net Fund Flows by Lipper Global Classification for Q2 2016(S\$ Million) .....	9
6.3 Appendix C—CPF Fund Flows by Lipper Global Classification for Q2 2016(S\$ Million) .....	12

## 1. Fund Flows Overview for Q2 2016

**Table 1 Estimated Fund Flows by Major Asset Classes for Q2 2016 (\$\$ Million)**

Asset Class	Inflows			Outflows			Net Flows
	CPF	Non-CPF	Total	CPF	Non-CPF	Total	
Alternatives	0.00	3.95	3.95	0.00	2.82	2.82	1.13
Bond	1.21	1,777.87	1,779.08	1.41	1,241.68	1,243.09	535.99
Commodity	0.00	1.53	1.53	0.00	4.23	4.23	-2.70
Equity	27.10	1,019.13	1,046.23	39.63	1,953.40	1,993.03	-946.80
Mixed Assets	4.26	948.89	953.15	13.58	862.28	875.86	77.29
Money Market	0.00	668.17	668.17	0.00	657.19	657.19	10.98
<b>Total</b>	<b>32.57</b>	<b>4,419.53</b>	<b>4,452.10</b>	<b>54.62</b>	<b>4,721.60</b>	<b>4,776.22</b>	<b>-324.12</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 registered net outflows of S\$324.12million for Q2 2016 in aggregate; they had posted net outflows of S\$823.22 million for Q1 2016. By asset-type fund group, equity funds suffered the biggest net outflows (-S\$946.80 million) for Q2 2016, while bond funds turned around and enjoyed net inflows of S\$535.99 million.

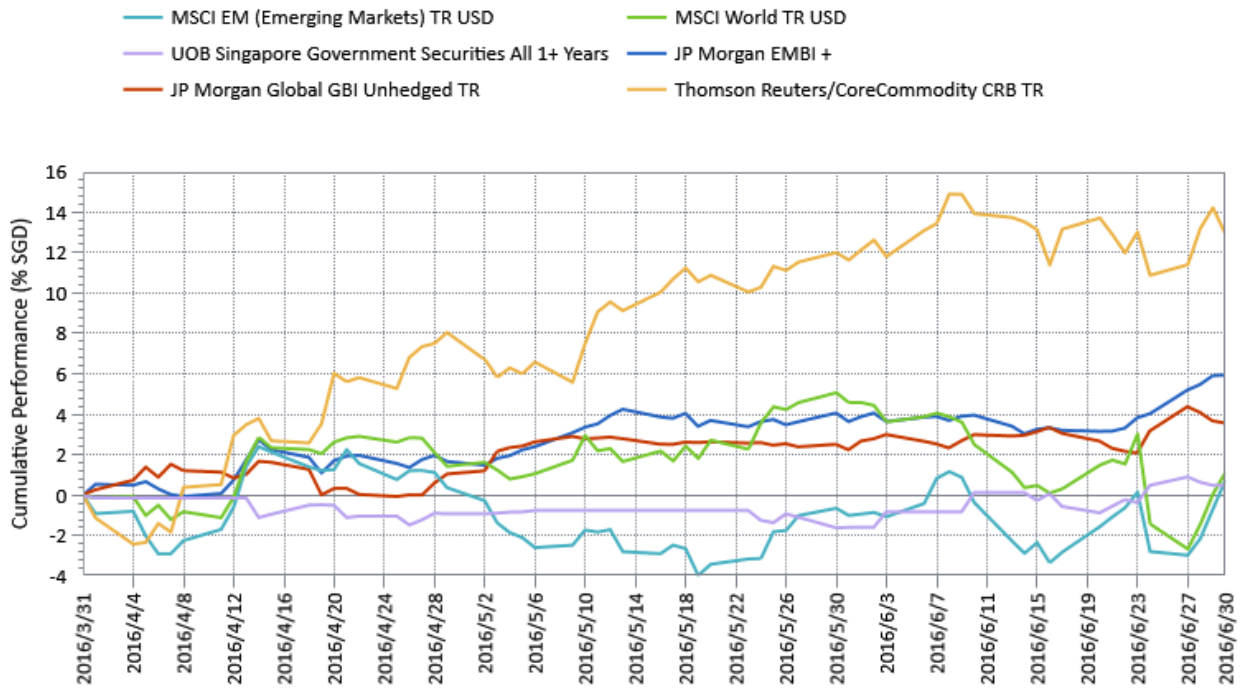
On a quarterly basis, the capital inflows for equity funds slumped 31.39%—from S\$1,524.96 million for Q1 2016 to S\$1,046.23 million for Q2 2016. That accounted for 23.50% of the overall capital inflows (+S\$4,452.10 million) into unit trusts for Q2 2016. The capital outflows of equity funds soared 13.85%—from S\$1,750.54 million for Q1 2016 to S\$1,993.03 million for Q2 2016.

The capital inflows for bond funds soared 81.11% to S\$1,779.08 million, accounting for 39.96% of the overall capital inflows. Meanwhile, bond funds recorded capital outflows of S\$1,243.09 million for Q2 2016, sliding 25.08% compared to the previous quarter.

Mixed-asset funds' capital inflows rallied 17.56%—from S\$810.80 million for Q1 2016 to S\$953.15 million for Q2 2016, accounting for 21.41% of the overall capital inflows. The capital outflows of mixed-asset funds rose 16.53%—from S\$751.63 million for Q1 2016 to S\$875.86 million for Q2 2016.

The total inflow of capital for Q2 2016 rose 11.42%—from S\$3,995.78 million in Q1 2016 to S\$4,452.10 million, while the total outflow of capital fell a slight 0.89%—from S\$4,819.01 million for Q1 2016 to S\$4,776.22 million for Q2 2016.

**Figure 1 Performance of Key Technical Indicators During Q2 2016**



Source: Thomson Reuters Lipper

**Table 2 Top Ten Fund Sectors' Inflows and Outflows by Lipper Global Classification for Q2 2016**  
 (\$ Million)

Inflows			Outflows		
	Lipper Global Classification	Fund Flow		Lipper Global Classification	Fund Flow
1	Bond Global USD Hedged	541.13	1	Money Market SGD	537.40
2	Money Market SGD	540.48	2	Equity Europe	337.06
3	Bond SGD	433.45	3	Equity Europe Income	300.99
4	Equity Asia Pacific Ex Japan	204.86	4	Mixed Asset USD Bal - US	245.34
5	Bond Asia Pacific HC	195.58	5	Equity Asia Pacific Ex Japan	230.01
6	Mixed Asset USD Flex - Global	194.55	6	Bond Global	223.09
7	Bond Global	174.85	7	Equity Global Income	185.24
8	Mixed Asset SGD Balanced	159.56	8	Bond SGD	183.39
9	Absolute Return EUR High	132.88	9	Equity Global	174.04
10	Mixed Asset EUR Bal - Global	129.01	10	Mixed Asset USD Flex - Global	163.01

*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 from country to country for Q2 2016. The MSCI World Index rose 1.21% (in U.S.-dollar terms) for Q2 2016, while it had slumped a slight 0.19% for Q1 2016. The Philippines PSE Composite CR and the S&P BSE SENSEX index rallied over 6.5% for Q2 2016. For the U.S. market, the Dow Jones Industrial Average and the S&P 500 rallied 1.38% and 1.90%, respectively, while the NASDAQ slumped 0.56% for the period. Most European equity markets also delivered negative performance after the "Brexit" vote. The Xetra DAX and the CAC 40 dropped 2.86% and 3.37%, respectively, while the FTSE 100 soared 5.33% (all in local currencies). In Asia, the Philippines PSE Composite CR index took the lead, soaring 7.35%, while the Japan Nikkei 225 CR index plunged 7.06% for Q2 2016.

For all funds registered for sale in Singapore and contributing fund flows information by participating IMAS members, only 18 of the 59 Lipper Global Classification (LGC)-type equity fund groups posted net capital inflows for the quarter, and 41 fund groups posted net capital outflows. Among all equity types, Equity India, Equity Singapore, and Equity Europe ex UK posted the largest net inflows of S\$35.86 million, S\$22.27 million, and S\$18.28 million, respectively, while Equity Europe, Equity Europe Income, and Equity Global Income posted the biggest outflows of S\$293.71 million, S\$248.61 million, and S\$110.65 million, respectively.

Among the equity fund groups investing in the seven different regions and sectors, LGC-type equity fund groups investing in Europe posted the largest capital net outflows of S\$554.59 million. Only funds investing in Latin America posted minor positive net flows (+S\$0.65 million) for the period.

**Table 3 Top Ten and Bottom Ten Equity Fund Classifications by Net Flows for Q2 2016 (in S\$ Million)**

Equity Sector	Net Flows
Equity India	35.86
Equity Singapore	22.27
Equity Europe ex UK	18.28
Equity Japan Sm&Mid Cap	6.07
Equity Philippines	1.11
Equity Iberia	0.62
Equity Global Sm&Mid Cap	0.37
Equity Emerging Mkts Latin Am	0.36
Equity Hong Kong	0.35
Equity Sector Biotechnology	0.34
Equity Emerging Mkts Asia	-16.13
Equity Sector Information Tech	-17.52
Equity Greater China	-17.99
Equity Asia Pacific Ex Japan	-25.15
Equity China	-27.84
Equity Japan	-40.38
Equity Global	-45.50
Equity Global Income	-110.65
Equity Europe Income	-248.61
Equity Europe	-293.71

Source: Thomson Reuters Lipper

**Table 4 Estimated Equity Fund Flows by Broad Geographical Classifications for Q2 2016 (in S\$ Million)**

Geographical Classification	
Asia-Pacific	-98.37
Europe	-554.59
Global	-170.26
Latin America	0.65
North America	-74.09
Middle East/Other	-1.78
Sector	-48.26
<b>Total</b>	<b>-946.70</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

The Citigroup WGBI rallied 3.41% for the quarter (in U.S.-dollar terms). The ten-year Treasury ended at 1.492% for Q2 2016 versus 1.784% at the end of Q1 2016.

Ten of the 26 LGC-type bond fund groups recorded net capital inflows for Q2 2016. The three leading LGC-type bond fund groups were: Bond Global USD Hedged (+S\$379.59 million), Bond SGD (+S\$250.06 million), and Bond Asia Pacific HC (+S\$65.52 million). For money market funds Money Market USD recorded net inflows of S\$7.89 million, and Money Market SGD posted net inflows of S\$3.09 million for the period.

**Table 5 Net Flows Into Bond and Money Market Funds for Q2 2016 (in S\$ Million)**

Bond Funds	Net Flows	Money Market Funds	Net Flows
Bond Global USD Hedged	379.59	Money Market USD	7.89
Bond SGD	250.06	Money Market SGD	3.09
Bond Asia Pacific HC	65.52		
Bond USD Corporates	57.59		
Bond Global Corporates	26.52		
Bond Asia Pacific LC	14.88		
Bond Other Hedged	5.81		
Bond USD	1.83		
Loan Participation Funds	0.21		
Bond USD Mortgages	-0.08		
Bond EUR	-0.09		
Bond GBP	-0.15		
Bond EUR Corporates	-0.17		
Bond Convertibles Global	-0.27		
Bond Emrg Mkts Global LC	-0.82		
Bond USD Short Term	-4.63		
Bond CNY	-7.11		
Bond Europe	-9.70		
Bond USD High Yield	-11.05		
Bond Global High Yield	-12.00		
Bond Emrg Mkts Global HC	-16.61		
Bond Europe High Yield	-27.73		
Bond EUR High Yield	-35.22		
Bond Global	-48.24		
Bond Global Inflation Linked	-89.06		

Source: Thomson Reuters Lipper

The total net number is slightly different from Table 1 because it doesn't include alternatives that belong to the 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 negative S\$42.09 million for Q2 2016. The net capital outflows of this fund category were mainly attributed to Balanced funds.

**Table 6 Net Flows of Mixed-Asset and Other Funds for Q2 2016 (S\$ Million)**

<b>Funds</b>	<b>Net Flows</b>
Aggressive	-1.97
Balanced	-132.64
Flexible	31.27
Conservative	62.36
Target Maturity	-1.10
<b>Total Mixed-Asset</b>	<b>-42.09</b>
Absolute Return	116.19
Alternative	6.26
Commodity	-2.50
<b>Subtotal Other Assets</b>	<b>119.95</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

Global markets were hammered and shaken up by the United Kingdom's referendum decision to leave the European Union. However, market behavior did a 180-degree turn, and most major stock markets recovered, bond yields tumbled, and even the currency markets settled after the Brexit panic.

It is expected that uncertainty over Britain's looming departure from the European Union will dampen near-term economic growth for the U.K. and Europe and will also affect output globally. Global central banks are considering adding to liquidity or reducing excess volatility if the uncertainty threatens to further affect global economic growth.

**Xav Feng**

[xav.feng@thomsonreuters.com](mailto:xav.feng@thomsonreuters.com)

*© Thomson Reuters 2016. All Rights Reserved. Lipper FundFlows Insight Reports are for informational purposes only, and do not constitute investment advice or an offer to sell or the solicitation of an offer to buy any security of any entity in any jurisdiction. No guarantee is made that the information in this report is accurate or complete and no warranties are made with regard to the results to be obtained from its use. In addition, Thomson Reuters Lipper will not be liable for any loss or damage resulting from information obtained from Lipper or any of its affiliates.*

## 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 First State Investments (Singapore)
- 10 FIL Investment Management (Singapore) Limited
- 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 PineBridge Investments Singapore Limited
- 18 PIMCO Asia Pte Ltd
- 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 2016 (\$ Million)

Lipper Global Classification	CPF Net Flow	Non-CPF Net Flow
Absolute Return EUR High		116.45
Absolute Return Other	-0.07	-5.81
Absolute Return USD Low		0.49
Absolute Return USD Medium		5.13
Alternative Credit Focus		-0.24
Alternative Currency Strats		-0.89
Alternative Global Macro		-0.54
Alternative Multi Strategies		2.80
Bond Asia Pacific HC		65.52
Bond Asia Pacific LC	-0.39	15.27
Bond CNY		-7.11
Bond Convertibles Global		-0.27
Bond Emrg Mkts Global HC		-16.61
Bond Emrg Mkts Global LC		-0.82
Bond EUR		-0.09
Bond EUR Corporates		-0.17
Bond EUR High Yield		-35.22
Bond Europe		-9.70
Bond Europe High Yield		-27.73
Bond GBP		-0.15
Bond Global	-0.06	-48.18
Bond Global Corporates		26.52
Bond Global High Yield		-12.00
Bond Global Inflation Linked		-89.06
Bond Global USD Hedged		379.59
Bond Other Hedged		5.81
Bond SGD	0.26	249.80
Bond USD		1.83
Bond USD Corporates		57.59
Bond USD High Yield		-11.05
Bond USD Mortgages		-0.08
Bond USD Short Term		-4.63
Commodity Agriculture		-0.22

Commodity Blended		-0.77
Commodity Precious Metals		-1.71
Equity ASEAN	-0.88	2.08
Equity Asia Pacific	-0.19	3.78
Equity Asia Pacific Ex Japan	4.44	-29.59
Equity Asia Pacific Sm&Mid Cap	-0.36	-7.34
Equity Australia		-0.01
Equity Brazil		0.29
Equity China	-1.00	-26.83
Equity Emerging Mkts Asia	-0.10	-16.03
Equity Emerging Mkts Europe	-0.02	0.17
Equity Emerging Mkts Global	-0.58	-13.89
Equity Emerging Mkts Latin Am		0.36
Equity Emerging Mkts Other		-0.30
Equity Europe	-4.07	-289.65
Equity Europe ex UK		18.28
Equity Europe Income		-248.61
Equity Europe Sm&Mid Cap		-8.52
Equity EuroZone		-15.53
Equity France		0.04
Equity Frontier Markets		-0.81
Equity Germany		-4.85
Equity Global	-1.71	-43.79
Equity Global Income	-1.15	-109.51
Equity Global Sm&Mid Cap		0.37
Equity Greater China	-2.12	-15.88
Equity Hong Kong		0.35
Equity Iberia		0.62
Equity India	-0.88	36.73
Equity Indonesia	-0.74	-8.59
Equity Italy		0.14
Equity Japan	-0.49	-39.89
Equity Japan Income		-1.00
Equity Japan Sm&Mid Cap		6.07
Equity Korea	-0.06	-1.23
Equity Malaysia	-0.17	-8.93
Equity Malaysia/Singapore	-0.09	-1.40
Equity MENA		-0.67
Equity Philippines		1.11
Equity Russia		-2.78

Equity Russia		-2.78
Equity Sector Biotechnology	-0.12	0.45
Equity Sector Consumer Discret		-0.13
Equity Sector Energy		-0.90
Equity Sector Financials	-0.05	-5.01
Equity Sector Gold&Prec Metals	-0.01	-7.18
Equity Sector Healthcare	-0.33	-12.28
Equity Sector Industrials		-0.01
Equity Sector Information Tech	-1.70	-15.82
Equity Sector Materials		-0.04
Equity Sector Real Est As Pac	-0.23	-1.03
Equity Sector Real Est Europe	-0.10	-2.59
Equity Sector Real Est Global	-0.25	-0.43
Equity Sector Telecom Srvcs		-0.52
Equity Singapore	1.64	20.62
Equity Taiwan		-1.79
Equity Thailand	-0.38	-11.11
Equity UK		0.19
Equity US	-0.85	-72.98
Equity US Income		-0.03
Equity US Small & Mid Cap		-0.23
Equity Vietnam		1.87
Loan Participation Funds		0.21
Mixed Asset EUR Bal - Europe		-0.16
Mixed Asset EUR Bal - EuroZone		-0.19
Mixed Asset EUR Bal - Global		11.64
Mixed Asset EUR Flex - Global		-0.02
Mixed Asset Other Balanced		-2.97
Mixed Asset Other Conservative		49.78
Mixed Asset Other Flexible	-0.05	-0.21
Mixed Asset SGD Aggressive	-0.06	-1.10
Mixed Asset SGD Balanced	-7.60	22.51
Mixed Asset SGD Conservative	-0.02	8.76
Mixed Asset USD Aggressive		-0.81
Mixed Asset USD Bal - Global	-1.06	-38.12
Mixed Asset USD Bal - US		-116.70
Mixed Asset USD Conservative		3.84
Mixed Asset USD Flex - Global	-0.02	31.56
Money Market SGD		3.09
Money Market USD		7.89
Target Maturity Other	-0.45	-0.66

Source: Thomson Reuters Lipper

### 6.3 Appendix C—CPF Fund Flows by Lipper Global Classification for Q2 2016(\$\$ Million)

Rank	Lipper Global Classification	CPF Inflow
1	Equity Asia Pacific Ex Japan	14.64
2	Equity Singapore	4.74
3	Mixed Asset SGD Balanced	3.57
4	Equity US	3.56
5	Equity China	0.89
6	Equity Emerging Mkts Global	0.79
7	Bond SGD	0.69
8	Mixed Asset USD Bal - Global	0.68
9	Equity Greater China	0.57
10	Bond Global	0.48

Source: Thomson Reuters Lipper

Rank	Lipper Global Classification	CPF Outflow
1	Mixed Asset SGD Balanced	11.16
2	Equity Asia Pacific Ex Japan	10.20
3	Equity US	4.41
4	Equity Europe	4.39
5	Equity Singapore	3.10
6	Equity Greater China	2.69
7	Equity Global	2.19
8	Equity Sector Information Tech	1.92
9	Equity China	1.89
10	Mixed Asset USD Bal - Global	1.74

Source: Thomson Reuters Lipper