

SINGAPORE FUND FLOWS SUMMARY

QUARTER-END ANALYSIS

September 30, 2015

Total Net Fund Flows Turn Negative, Equity Funds Suffer Significant Net Outflows for Q3 2015

- Unit trusts registered for sale in Singapore registered in aggregate net outflows of S\$146.31 million for Q3 2015, turning negative from the previous quarter’s net inflows of S\$1,261.86 million.
- Mixed-asset funds posted S\$243.31 million of net inflows and continued their leading position for Q3 2015, while equity funds suffered S\$241.43 million of net outflows for the period.
- The total inflow of capital for Q3 2015 slid 26.05% to S\$5,862.60 million, while the total outflow of capital fell 9.86% to S\$6,008.91 million.
- Equity funds’ capital inflows decreased a dramatic 50.44% for Q3 2015 to S\$1,902.71 million.
- Capital outflows of equity funds plunged 28.24% to S\$2144.15 million for Q3 2015, while bond funds recorded capital outflows of S\$2,081.24 million, surging 17.53% for the period.
- Mixed-asset funds’ capital inflows slid 37.77% to S\$1,177.28 million for Q3 2015, while their capital outflows fell 9.29% to S\$933.97 million for the period.

Contents

1.	Fund Flow Overview for Q3 2015	1
2.	Equity Fund Flow Analysis	3
3.	Bond and Money Market Fund Flow Analysis	5
4.	Mixed-Asset Funds Flows Analysis	6
5.	Outlook	7
6.1	Appendix A Data Sources	8
6.2	Appendix B Net Fund Flow by Lipper Global Classification for Q3 2015(S\$ Million).....	9
6.3	Appendix C CPF Fund Flow by Lipper Global Classification for Q3 2015(S\$ Million)	12

1. Fund Flows Overview for Q3 2015

Table 1 Estimated Fund Flows by Major Asset Classes for Q3 2015 (S\$ Million)

Asset Class	Inflows			Outflows			Net Flows
	CPF	Non-CPF	Total	CPF	Non-CPF	Total	
Alternatives	0.00	16.77	16.77	0.00	1.69	1.69	15.08
Bond	0.60	1,928.03	1,928.63	1.87	2,079.38	2,081.24	-152.61
Commodity	0.00	1.97	1.97	0.00	4.96	4.96	-2.99
Equity	62.34	1,840.37	1,902.71	90.06	2,054.08	2,144.15	-241.43
Mixed Assets	11.78	1,165.50	1,177.28	14.00	919.97	933.97	243.31
Money Market	0.00	835.24	835.24	0.00	842.90	842.90	-7.66
Total	74.73	5,787.88	5,862.60	105.93	5,902.98	6,008.91	-146.31

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 in 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 outflow of S\$146.31 million for Q3 2015, while it posted a net inflow of S\$1,261.86 million for Q2 2015. By asset-type fund group, equity funds suffered the largest net outflows (-S\$241.43 million), while mixed-asset funds enjoyed net inflows of S\$243.31.

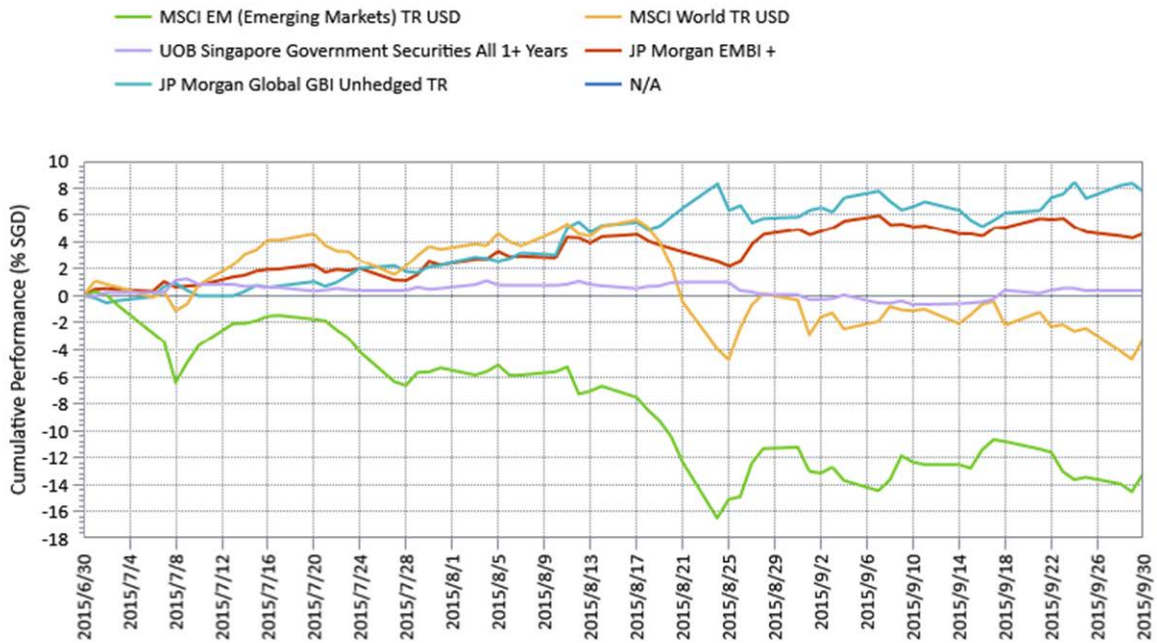
On a quarterly basis the capital inflows for equity funds slid 50.44%—from S\$3,839.44 million for Q2 2015 to S\$1,902.71 million for Q3 2015. That accounted for 32.46% of the overall capital inflows (+S\$5,862.60 million) into unit trusts for Q2 2015. The capital outflows of equity funds dropped 28.24%—from S\$2,988.12 million for Q2 2015 to S\$2,144.15 million for Q3 2015.

The capital inflows for bond funds rallied 44.53% to S\$1,928.63 million, accounting for 32.90% of the overall capital inflows. Meanwhile, bond funds recorded a capital outflow of S\$2,081.24 million for Q3 2015, surging 17.53% compared to the previous quarter.

Mixed-asset funds' capital inflows plunged 37.77%—from S\$1,891.67 million for Q2 2015 to S\$1,117.28 million for Q3 2015. This accounted for 20.08% of the overall capital inflows. The capital outflows of mixed-asset funds fell 9.29%—from S\$1,029.64 million for Q2 2015 to S\$933.97 million for Q3 2015.

The total inflow of capital for Q3 2015 slid 26.05%—from Q2 2015’s S\$7,927.82 million to S\$5,862.60 million, while the total outflow of capital in 3Q2015 fell a slight 9.86%—from S\$6,665.96 million for Q2 2015 to S\$6,008.91 million for Q3 2015.

Figure 1 Performance of Key Technical Indicators During Q3 2015



Source: Thomson Reuters Lipper

Table 2 Ten Top Fund Sectors' Inflows and Outflows by Lipper Global Classification for Q3 2015 (\$\$ 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

Global equity markets suffered a big correction and posted negative returns for Q3 2015. The MSCI World Index plunged 8.33% (in U.S.-dollar terms) for Q3 2015, while it had soared 0.49% for Q2 2015. For the U.S. market the Dow Jones Industrial Average, NASDAQ, and S&P 500 slid 7.58%, 7.35%, and 6.94%, respectively, for the period. Most European equity markets also delivered negative performance for Q3 2015. Xetra DAX, CAC 40, and FTSE 100 Index plunged 11.74%, 6.99%, and 7.04%, respectively (all in local currencies). All Asia markets retreated, and China plunged 28.63% for Q3 2015.

For all funds registered for sale in Singapore and contributing fund flows by participating IMAS members, 19 of the 62 LGC (Lipper Global Classification)-type equity fund groups posted a net capital inflow, and 41 LGC-type equity fund groups posted a net capital outflow for the quarter. Among all equity types Equity Europe Income, Equity Europe, and Equity Singapore gained the largest net inflows of S\$87.54 million, S\$46.83 million, and S\$46.50 million, respectively, while Equity US posted the biggest outflows of S\$140.48 million.

Among the equity fund groups investing in all seven different regions and sectors, LGC-type equity fund groups investing in Europe continued gaining the largest capital net inflows of S\$163.56 million, while Asia Pacific posted the biggest net capital outflows of S\$340.27 million for the period.

Table 3 Ten Top and Bottom Equity Fund Classifications by Net Flows for Q3 2015 (in S\$ Million)

Equity Sector	Net Flows
Equity Europe Income	87.54
Equity Europe	46.83
Equity Singapore	46.50
Equity Germany	22.13
Equity Japan	20.12
Equity Sector Healthcare	10.24
Equity EuroZone	7.93
Equity Global	7.12
Equity Sector Financials	5.41
Equity Sector Biotechnology	3.06
Equity Sector Information Tech	-10.13
Equity China	-12.58
Equity Thailand	-16.95
Equity Indonesia	-17.55
Equity Emerging Mkts Asia	-27.32
Equity Asia Pacific Sm&Mid Cap	-27.93
Equity Emerging Mkts Global	-54.16
Equity Greater China	-66.31
Equity India	-83.38
Equity Asia Pacific Ex Japan	-103.17

Source: Thomson Reuters Lipper

Table 4 Estimated Equity Fund Flows by Broad Geographical Classifications for Q3 2015 (in S\$ Million)

Geographical Classification	
Asia-Pacific	-340.27
Europe	163.56
Global	-53.71
Latin America	-0.66
North America	-8.35
Middle East/Other	-3.87
Sector	2.52
Total	-240.79

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 soared 1.71% for the quarter (in U.S.-dollar terms). The ten-year Treasury bill ended at 2.060% for third quarter versus 2.333% at the end of Q2 2015.

Five of the 26 LGC-type bond fund groups recorded a net capital inflow for Q3 2015. The three leading LGC-type bond fund groups were: Bond Global (+S\$348.38 million), Bond SGD (+S\$148.78 million), and Bond USD Corporates (+S\$16.13 million). For money market funds Money Market SGD recorded a net inflow of S\$0.75 million, while Money Market USD posted a net outflow of S\$7.66 million for the period.

Table 5 Net Flows Into Bond and Money Market Funds for Q3 2015 (in S\$ Million)

Bond Funds	Net Flows	Money Market Funds	Net Flows
Bond Global	348.38	Money Market SGD	0.75
Bond SGD	148.78	Money Market EUR	0.01
Bond USD Corporates	16.13	Money Market USD	-8.41
Bond CNY	10.57		
Loan Participation Funds	3.78		
Bond USD Mortgages	-0.02		
Bond EUR	-0.13		
Bond Convertibles Global	-0.19		
Bond GBP	-0.51		
Bond Global Corporates	-0.61		
Bond Global USD Hedged	-0.69		
Bond Europe	-0.82		
Bond Emerging Mkts Glb Corp	-0.84		
Bond Other Hedged	-1.58		
Bond Global Inflation Linked	-4.20		
Bond Emrg Mkts Global LC	-7.47		
Bond EUR High Yield	-15.36		
Bond Europe High Yield	-17.03		
Bond Asia Pacific HC	-23.70		
Bond Asia Pacific LC	-37.25		
Bond Emrg Mkts Global HC	-57.63		
Bond USD	-62.77		
Bond Global High Yield	-214.45		
Bond USD High Yield	-230.14		
Total Bond Funds	-147.71	Total Money Market Funds	-7.66

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\$246.48 million for Q3 2015. The increase in the net capital inflows of this fund category was attributed mainly to Mixed-Asset Balanced funds, which enabled mixed-asset to become the most popular asset type for the period.

Table 6 Net Flows of Mixed-Asset and Other Funds for Q3 2015 (\$ Million)

Funds	Net Flows
Aggressive	-2.72
Balanced	344.98
Flexible	-20.17
Conservative	-73.84
Target Maturity	-1.77
Total Mixed-Asset	246.48
Absolute Return	-8.51
Alternative	15.58
Commodity	-2.99
Protected	-0.70
Subtotal Other Assets	3.38

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

All global markets corrected and plunged dramatically in Q3 2015 because of China worries and the uncertainty of a U.S. Federal Reserve interest rate rise. In September, following concerns about the Chinese economy and global economic and financial developments, the U.S. Fed decided against raising U.S. interest rates, leaving them at 0.0% to 0.25%. Global investors were slightly relieved for the time being, and global markets started to regain momentum. However, the U.S. Fed continued to hint of a possible rate hike in Q4 2015. The European Central Bank and the Bank of Japan recently suggested they would further loosen their monetary policies, while China's central bank continued cutting rates. The divergent monetary policies of the U.S., China, Japan, and the Eurozone continued to be the key influencing factors for the global markets.

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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 Q3 2015 (\$\$ Million)

Lipper Global Classification	CPF Net Flow	Non-CPF Net Flow
Absolute Return Other	-0.04	-19.60
Absolute Return USD Low	0.00	17.96
Absolute Return USD Medium	0.00	-6.82
Alternative Credit Focus	0.00	-0.42
Alternative Global Macro	0.00	-0.30
Alternative Multi Strategies	0.00	16.30
Bond Asia Pacific HC	0.00	-23.70
Bond Asia Pacific LC	-0.45	-36.81
Bond CNY	0.00	10.57
Bond Convertibles Global	0.00	-0.19
Bond Emerging Mkts Glb Corp	0.00	-0.84
Bond Emrg Mkts Global HC	0.00	-57.63
Bond Emrg Mkts Global LC	0.00	-7.47
Bond EUR	0.00	-0.13
Bond EUR High Yield	0.00	-15.36
Bond Europe	0.00	-0.82
Bond Europe High Yield	0.00	-17.03
Bond GBP	0.00	-0.51
Bond Global	0.03	348.35
Bond Global Corporates	0.00	-0.61
Bond Global High Yield	0.00	-214.45
Bond Global Inflation Linked	0.00	-4.20
Bond Global USD Hedged	0.00	-0.69
Bond Other Hedged	-0.02	-1.56
Bond SGD	-0.82	149.61
Bond USD	0.00	-62.77
Bond USD Corporates	0.00	16.13
Bond USD High Yield	0.00	-230.14
Bond USD Mortgages	0.00	-0.02
Commodity Agriculture	0.00	-1.37
Commodity Blended	0.00	-0.80
Commodity Precious Metals	0.00	-0.81
Equity ASEAN	-0.06	-9.18

Equity Asia Pacific	-0.26	-2.67
Equity Asia Pacific Ex Japan	7.82	-110.99
Equity Asia Pacific Sm&Mid Cap	-0.38	-27.56
Equity Australia	0.00	0.20
Equity Brazil	0.00	0.03
Equity China	-13.48	0.91
Equity Emerging Mkts Asia	-0.13	-27.19
Equity Emerging Mkts Europe	-0.06	-0.96
Equity Emerging Mkts Global	-2.61	-51.55
Equity Emerging Mkts Latin Am	0.00	-0.69
Equity Emerging Mkts Other	0.00	-0.46
Equity Emrg Mkts Glb Sm&Md Cap	0.00	0.00
Equity Europe	-1.29	48.12
Equity Europe ex UK	0.00	-0.00
Equity Europe Income	0.00	87.54
Equity Europe Sm&Mid Cap	0.00	-0.56
Equity EuroZone	0.00	7.93
Equity France	0.00	0.25
Equity Frontier Markets	0.00	-1.55
Equity Germany	0.00	22.13
Equity Global	-1.48	8.59
Equity Global Income	-0.04	-6.80
Equity Global Sm&Mid Cap	0.00	0.16
Equity Greater China	-2.77	-63.54
Equity Hong Kong	0.28	2.33
Equity Iberia	0.00	-0.09
Equity India	-2.04	-81.34
Equity Indonesia	-0.18	-17.37
Equity Italy	0.00	0.50
Equity Japan	-0.60	20.71
Equity Japan Income	0.00	-1.86
Equity Japan Sm&Mid Cap	0.00	-2.79
Equity Korea	-0.11	-5.93
Equity Malaysia	-0.27	-3.87
Equity Malaysia/Singapore	-0.11	-0.89
Equity MENA	-0.00	-1.86
Equity Philippines	0.00	-0.42
Equity Russia	0.00	-0.17
Equity Sector Biotechnology	-0.31	3.37
Equity Sector Consumer Discret	0.00	-0.36

Equity Sector Energy	0.00	-0.36
Equity Sector Financials	-0.02	5.42
Equity Sector Gold&Prec Metals	0.05	-1.88
Equity Sector Healthcare	-0.44	10.69
Equity Sector Information Tech	-1.38	-8.74
Equity Sector Materials	0.00	-0.02
Equity Sector Real Est As Pac	-0.11	-3.33
Equity Sector Real Est Europe	-0.10	2.66
Equity Sector Real Est Global	-0.42	-1.47
Equity Sector Telecom Srvcs	0.00	-0.73
Equity Singapore	-1.26	47.76
Equity Switzerland	0.00	-0.05
Equity Taiwan	-0.00	-0.34
Equity Thailand	-1.03	-15.92
Equity UK	0.00	0.26
Equity US	-4.87	-2.86
Equity US Income	0.00	-0.04
Equity US Small & Mid Cap	0.00	-0.58
Equity Vietnam	0.00	-25.74
Loan Participation Funds	0.00	3.78
Mixed Asset EUR Bal - Europe	0.00	5.26
Mixed Asset EUR Bal - EuroZone	0.00	0.78
Mixed Asset EUR Bal - Global	0.00	406.36
Mixed Asset Other Balanced	0.00	-30.91
Mixed Asset Other Flexible	-0.11	-1.05
Mixed Asset SGD Aggressive	-0.12	-2.05
Mixed Asset SGD Balanced	-0.61	24.64
Mixed Asset SGD Conservative	-0.14	-73.70
Mixed Asset USD Aggressive	0.00	-0.56
Mixed Asset USD Bal - Global	-0.48	32.17
Mixed Asset USD Bal - US	-0.24	-91.99
Mixed Asset USD Flex - Global	0.00	-19.02
Money Market EUR	0.00	0.01
Money Market SGD	0.00	0.75
Money Market USD	0.00	-8.41
Protected	-0.02	-0.69
Target Maturity MA USD 2020	-0.01	0.01
Target Maturity Other	-0.50	-1.27

Source: Thomson Reuters Lipper

6.3 Appendix C—CPF Fund Flows by Lipper Global Classification for Q3 2015 (\$\$ Million)

Rank	Lipper Global Classification	CPF Inflow
1	Equity Asia Pacific Ex Japan	23.44
2	Equity China	12.47
3	Mixed Asset SGD Balanced	10.82
4	Equity US	7.89
5	Equity Europe	4.51
6	Equity Singapore	3.22
7	Equity Global Income	2.82
8	Equity Greater China	2.14
9	Equity Global	1.84
10	Equity India	1.25

Source: Thomson Reuters Lipper

Rank	Lipper Global Classification	CPF Outflow
1	Equity China	25.95
2	Equity Asia Pacific Ex Japan	15.62
3	Equity US	12.77
4	Mixed Asset SGD Balanced	11.43
5	Equity Europe	5.81
6	Equity Greater China	4.91
7	Equity Singapore	4.48
8	Equity Global	3.32
9	Equity India	3.29
10	Equity Emerging Mkts Global	3.13

Source: Thomson Reuters Lipper