

SINGAPORE FUND FLOWS SUMMARY

QUARTER END ANALYSIS

March 31, 2014

LIPPER

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INVESTMENT MANAGEMENT
ASSOCIATION OF SINGAPORE



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Total Negative Net Fund Flow Continues,
Equity Funds Enjoyed Its “Privilege” For Net Inflows in 1Q2014

- Unit trusts registered for sale in Singapore, in aggregate, registered a net outflow of S\$1,256.94 million for 1Q2014, a second consecutive quarter of net outflows.
- Bond funds continued its third consecutive quarter’s net outflow of S\$759.72 million and Equity funds continued enjoying a net inflow of S\$310.93 million for 1Q2014, one and the only asset type which posted positive net inflows for the period.
- The total inflow of capital for 1Q2014 soared 25.66% to S\$5,860.13 million and the total outflow of capital for 1Q2014 also rallied 45.99% to S\$7,117.07 million.
- Equity funds retained its top leading position and attracted the largest amount of capital inflow (S\$2,223.98 million) by asset-type fund group, and rallied 36.76% for the quarter, while it recorded a capital outflow of S\$1,913.04 million for the period.
- The capital inflow of bond funds rose 8.09% to S\$1,626.44 million for 1Q2014 and bond funds recorded a capital outflow of S\$2,386.16 million, soared 17.27% for the period.
- Mixed-asset funds capital inflow rallied 57.28% to S\$1,248.89 million for 1Q2014, meanwhile, the capital outflow of mixed-asset funds had a big jump of 328.14% to S\$1,952.71 million for the period.

Contents

1.	Fund Flow Overview for Q1 2014	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 Q1 2014(S\$ Million).....	9
6.3	Appendix C CPF Fund Flow by Lipper Global Classification for Q1 2014(S\$ Million)	12

1. Fund Flow Overview for Q1 2014

Table 1 Estimated Fund Flow by Major Asset Classes for Q1 2014(\$\$ Million)

Asset Class	Inflows			Outflows			Net Flows
	CPF	Non-CPF	Total	CPF	Non-CPF	Total	
Alternatives	0.00	0.19	0.19	0.00	2.31	2.31	-2.12
Bond	0.69	1,625.75	1,626.44	2.91	2,383.25	2,386.16	-759.72
Commodity	0.00	7.88	7.88	0.00	21.47	21.47	-13.60
Equity	82.27	2,141.70	2,223.98	89.12	1,823.92	1,913.04	310.93
Mixed Assets	13.75	1,235.14	1,248.89	20.44	1,932.27	1,952.71	-703.82
Money Market	0.00	752.76	752.76	0.00	841.37	841.37	-88.61
Total	74.60	4,588.90	5,860.13	113.78	4,761.36	7,117.07	-1,256.94

NB: Non-CPF numbers may include flows into/from the 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.

For there're different assets types in alternatives, the total net flows of bond type has included Absolute Return USD Medium. Equity type has included part of Absolute Return Other and Mixed-Assets has included part of Absolute Return Other and Absolute Return USD High.

Mixed-Assets include Target Maturity Funds.

Source: Lipper, a Thomson Reuters company

Based on data submitted by participating IMAS members (see Appendix A), the various authorised and recognised unit trusts registered for sale in Singapore, in aggregate, registered a net outflow of S\$1,256.94 million for 1Q2014, a second consecutive quarter of net outflows. By asset-type fund group, bond funds continued its third consecutive quarter's net outflow of S\$759.72 million. Equity funds continued enjoying a net inflow of S\$310.93 million for 1Q2014, while soared from the net inflow of S\$100.74 million recorded for 4Q2013. It was also the only asset type which posted positive net inflows for 1Q2014. Mixed-asset funds turned from net inflows to net outflows of S\$703.82 million recorded for 1Q2014. Money market funds continued recording a net outflow of S\$88.61 million for 1Q2014 versus a net inflow of S\$106.90 million for 4Q2013.

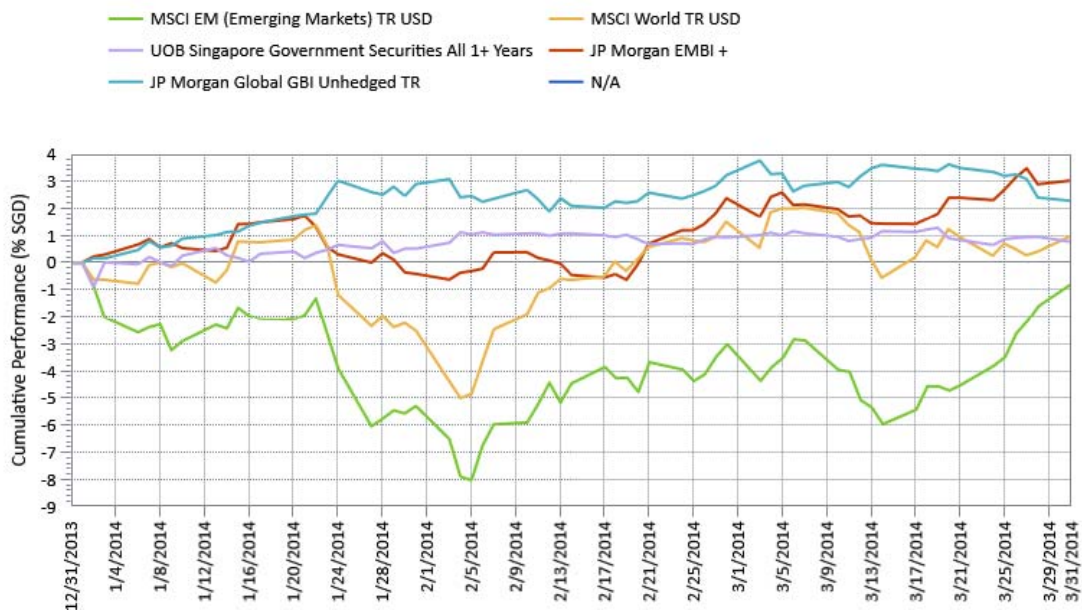
Equity funds retained its top leading position and attracted the largest amount of capital inflow by asset-type fund group for 1Q2014. On a quarterly basis, the amount of capital inflow for equity funds rallied 36.76% for the quarter. It accounted for 37.95% (S\$2,223.98 million) of the overall capital inflow into the unit trusts for 1Q2014. The capital outflow of Equity funds raised 25.41% from S\$1,525.48 million for 4Q2013 to S\$1,913.04 million for 1Q2014.

The capital inflow for bond funds rose 8.09% to S\$1,626.44 million, which accounted for 27.75% of the overall capital inflow. Meanwhile bond funds recorded a capital outflow of S\$2,386.16 million for 1Q2014, soared 17.27% for the period.

Mixed-asset funds capital inflow rallied 57.28% from S\$794.05 million for 4Q2013 to S\$1,248.89 million for 1Q2014, which accounted for 21.31% of the overall capital inflow. On the contrary, the capital outflow of mixed-asset funds had a big jump of 328.14% from S\$456.09 million for 4Q2013 to S\$1,952.71 million for 1Q2014.

The total inflow of capital for 1Q2014 has soared 25.66% from S\$4,663.49 million for 4Q2013 to S\$5,860.13 million for 1Q2014. The total outflow of capital for 1Q2014 also rallied 45.99% from S\$4,875.14 million for 4Q2013 to S\$7,117.07 million for 1Q2014.

Figure 1 Performance of Key Technical Indicators during 1Q 2014



Source: Lipper, a Thomson Reuters company

Table 2 Ten Top Fund Sector Inflow and Outflow by Lipper Global Classification for Q1 2014(\$\$ Million)

Inflows			Outflows		
	Lipper Global Classification	Fund Flow		Lipper Global Classification	Fund Flow
1	Bond USD High Yield	651.98	1	Mixed Asset SGD Balanced	1,282.79
2	Money Market SGD	631.14	2	Bond Global	851.01
3	Mixed Asset USD Bal - US	583.42	3	Money Market SGD	708.47
4	Equity Europe	570.34	4	Equity Asia Pacific Ex Japan	398.98
5	Bond Global	344.83	5	Bond Global High Yield	301.28
6	Equity US	294.42	6	Bond USD	292.04
7	Mixed Asset USD Flex - Global	235.61	7	Target Maturity Other	215.76
8	Equity Asia Pacific Ex Japan	215.41	8	Bond USD High Yield	214.31
9	Equity Global	201.60	9	Bond Emrg Mkts Global HC	195.51
10	Bond SGD	191.50	10	Bond SGD	182.38

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 will be categorised in an equivalent category where appropriate or placed in "Other."

Source: Lipper, a Thomson Reuters company

2. Equity Fund Flow Analysis

Global equity markets varied from country to country in Q1 2014. Asia emerging markets outperformed other regions. The MSCI World Index rose 1.40% (in U.S.dollar terms) for Q1 2014, while it rose 8.11% for Q4 2013. The U.S. equity markets fluctuated for Q1 2014. The NASDAQ and S&P 500 slightly raised 1.30% and 0.54% for Q1 2014, but Dow Jones Industrial slightly fell 0.72% for the period. European equity core markets were also volatile for Q1 2014: the CAC 40 and Xetra DAX rose 2.22% and 0.04% for Q1 2014, but the FTSE 100 fell 2.23% for the period (all in local currencies).

Most of emerging equity markets rebounded and outperformed for Q1 2014. Jakarta SE Composite Index soared 11.56% and reached to the leading position. Philippine PSE Composite and Thailand SET index also rallied 9.15% and 5.97% for Q1 2014, while Russia RTS CR Index slid 15.02% for the period.

For all funds registered for sale in Singapore and contributed fund flows by participating IMAS members, 28 of the 60 LGC (Lipper Global Classification) –type equity fund groups posted a net capital inflow and 31 LGC-typed equity fund groups posted net capital outflow for the quarter. Among all Equity types, Equity Europe continued gaining the largest fund net inflows for S\$435.01 million, while Equity Asia Pacific Ex Japan posted the biggest outflows for S\$183.58 million.

Among all equity fund groups investing in all seven different regions and sectors, LGC-type equity fund groups that invest in Asia Pacific continued suffering the biggest capital net outflow for S\$387.26 million of equity funds, while Europe region posted the biggest net capital inflow for S\$441.43 million for the period.

Table 3 Ten Top and Bottom Equity Fund Classification by Net Flow for Q1 2014(in S\$ Million)

Equity Sector	Net Flows
Equity Europe	435.01
Equity Global Income	133.35
Equity US	117.13
Equity Global	53.54
Equity Sector Information Tech	50.30
Equity Japan	22.91
Equity Global Sm&Mid Cap	9.90
Equity China	9.67
Equity Sector Pharma&Health	8.78
Equity Sector Biotechnology	5.65
Equity Korea	-9.25
Equity Emerging Mkts Asia	-11.36
Equity Japan Sm&Mid Cap	-15.95
Equity Asia Pacific Sm&Mid Cap	-19.93
Equity India	-29.16
Equity Sector Natural Resource	-29.68
Equity Greater China	-52.51
Equity Singapore	-57.82
Equity Emerging Mkts Global	-74.32
Equity Asia Pacific Ex Japan	-183.58

Source: Lipper, a Thomson Reuters company

Table 4 Estimated Equity Fund Flow by Broad Geographical Classifications for Q1 2014(in S\$ Million)

Geographical Classification	
Asia-Pacific	-387.26
Europe	441.43
Global	122.47
Latin America	-5.05
North America	117.14
Middle East/Other	-2.10
Sector	23.44
Total	310.06

Source: Lipper, a Thomson Reuters company

The total net number is slightly different from table 1 for it doesn't include Alternatives which belongs to equity type.

3. Bond and Money Market Fund Flow Analysis

The Citigroup WGBI soared 2.66% for the quarter (in USD). The ten-year Treasury ended at 2.724% for the first quarter versus 2.976% on the end of Q4 2013.

There were 8 of 25 LGC (Lipper Global Classification)-type bond fund groups recorded a net capital inflow for 1Q2014. The top 3 leading LGC-type bond fund groups were: Bond USD High Yield (+S\$437.67 million), Bond Europe (+S\$35.49 million) and Bond Europe High Yield (+S\$27.81 million). As for money market funds, Money Market USD and SGD fund groups recorded a net outflow of capital for the period.

Table 5 Net Flow into Bond and Money Market Funds for Q1 2014(in S\$ Million)

Bond Funds	Net Flows	Money Market Funds	Net Flows
Bond USD High Yield	437.67	Money Market EUR	0.00
Bond Europe	35.49	Money Market SGD	-77.33
Bond Europe High Yield	27.81	Money Market USD	-11.28
Bond Convertibles Global	15.29		
Bond SGD	9.12		
Bond CNY	2.80		
Bond Emerging Markets Other	0.69		
Bond USD Short Term	0.66		
Bond GBP	0.00		
Bond EUR High Yield	-0.25		
Bond EUR Corporates	-0.67		
Bond Other Hedged	-1.03		
Bond Global Corporates	-5.13		
Bond Global Inflation Linked	-12.23		
Bond Emrg Mkts Global LC	-15.22		
Bond USD Corporates	-54.74		
Bond Asia Pacific	-116.83		
Bond Global High Yield	-125.06		
Bond Emrg Mkts Global HC	-184.04		
Bond USD	-247.56		
Bond Global	-506.18		
Total Bond Funds	-739.45	Total Money Market Funds	-88.61

Source: Lipper, a Thomson Reuters company

The total net number is slightly different from table 1 for it doesn't include Alternatives which belongs to bond type.

4. Mixed-Asset Funds Flows Analysis

Total net flow in asset-allocation products including mixed-asset funds and target maturity fund posted a negative of S\$712.51 million for 1Q2014. The increase in the net capital inflow of this fund category was attributed mainly to mixed-asset flexible funds. However, what brought to our attention is mixed-asset balanced and target maturity funds had big net outflows of S\$675.08 million and S\$214.67 million for the period.

Table 6 Net Flow of Mixed-Asset and Other Funds for Q1 2014(S\$ Million)

Funds	Net Flows
Aggressive	-6.16
Balanced	-675.08
Flexible	162.50
Conservative	20.90
Target Maturity	-214.67
Total Mixed-Asset	-712.51
Absolute Return	0.09
Alternative	-11.88
Commodity	-13.60
Protected	0.00
Subtotal Other Assets	-25.39

Source: Lipper, a Thomson Reuters company

The total net number is slightly different from table 1 for it doesn't include Alternatives which belongs to Mixed-Assets type.

5. Outlook

U.S. GDP grew at a glacial 0.1% for the first quarter 2014 and far under expectation. However, it was not enough to prevent the Fed from continuing tapering its asset purchases. In U.S Fed's March meeting, the FOMC altered its conditions for an increase in the short-term federal funds interest rate, scrapping its 6.5% unemployment threshold for a more vague set of circumstances involving "labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments". As the improvement of economy is not ideal enough, the U.S Fed has delivered a clear message that the rates would likely remain near zero for a considerable time after the asset purchase program ends. Investors have construed that to mean a rate increase isn't likely until the middle of next year. Moreover, the crisis in Ukraine threatens peace across Europe, global markets will become more volatile and investors should pay more attention to global money flows, U.S economy recovery and regional military crisis development.

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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 Aviva 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 ING Investment Management Asia Pacific (Singapore) Ltd
- 13 JPMorgan Asset Management (Singapore) Limited
- 14 Lion Global Investors Limited
- 15 Navigator Investment Services Limited
- 16 Nikko Asset Management Asia Limited
- 17 Phillip Capital Management (S) Ltd
- 18 PIMCO Asia Pte Ltd
- 19 PineBridge Investments Singapore Limited
- 20 Schroder Investment Management (Singapore) Ltd
- 21 Singapore Unit Trusts Limited
- 22 Singapore Consortium Investment Management Ltd
- 23 Templeton Asset Management Ltd
- 24 UBS Global Asset Management (Singapore) Ltd
- 25 UOB Asset Management Ltd
- 26 Western Asset Management Company Pte Ltd

6.2 Appendix B Net Fund Flow by Lipper Global Classification for Q1 2014(\$\$ Million)

Lipper Global Classification	CPF Net Flow	Non-CPF Net Flow
Absolute Return Other	-0.07	7.55
Absolute Return USD Low		-4.96
Absolute Return USD Medium		-2.45
Alternative Credit Focus		-0.60
Alternative Currency Strats		-0.80
Alternative Global Macro		-10.48
Bond Asia Pacific	-1.35	-115.47
Bond CNY		2.80
Bond Convertibles Global		15.29
Bond Emerging Markets Other		0.69
Bond Emrg Mkts Global HC		-184.04
Bond Emrg Mkts Global LC		-15.22
Bond EUR		-0.04
Bond EUR Corporates		-0.67
Bond EUR High Yield		-0.25
Bond Europe		35.49
Bond Europe High Yield		27.81
Bond GBP		0.00
Bond Global	-0.08	-506.10
Bond Global Corporates		-5.13
Bond Global High Yield		-125.06
Bond Global Inflation Linked		-12.23
Bond Other Hedged		-1.03
Bond SGD	-0.77	9.89
Bond USD	-0.01	-247.55
Bond USD Corporates		-54.74
Bond USD High Yield		437.67
Bond USD Short Term		0.66
Commodity Agriculture		-1.64
Commodity Blended		-10.77
Commodity Precious Metals		-1.18

Equity ASEAN	-3.93	-21.29
Equity Asia Pacific	-0.38	6.68
Equity Asia Pacific Ex Japan	-1.46	-182.12
Equity Asia Pacific Sm&Mid Cap	-0.55	-19.38
Equity Australasia		-0.73
Equity Australia		-0.84
Equity Brazil		0.03
Equity China	-2.26	11.94
Equity Emerging Mkts Asia	-0.24	-11.12
Equity Emerging Mkts Europe	-0.17	2.41
Equity Emerging Mkts Global	-2.23	-72.09
Equity Emerging Mkts Latin Am		-5.09
Equity Emerging Mkts Other		-0.40
Equity Europe	13.22	421.79
Equity Europe ex UK		0.37
Equity Europe Sm&Mid Cap		0.12
Equity EuroZone		1.94
Equity France		0.21
Equity Germany		0.29
Equity Global	2.90	50.64
Equity Global Income	1.57	131.78
Equity Global Sm&Mid Cap	-0.27	10.17
Equity Greater China	-4.20	-48.31
Equity Hong Kong	-0.09	0.37
Equity Iberia		0.28
Equity India	-1.61	-27.55
Equity Indonesia	-0.49	-4.44
Equity Italy		0.38
Equity Japan	-0.53	23.44
Equity Japan Sm&Mid Cap	1.36	-17.31
Equity Korea	-0.23	-9.02
Equity Malaysia	-0.49	-6.03
Equity Malaysia/Singapore	-0.56	-4.41
Equity MENA		-1.69
Equity Philippines		0.48
Equity Russia		-0.30

Equity Sector Banks&Financial	-0.14	-1.04
Equity Sector Basic Industries		-0.30
Equity Sector Biotechnology	-0.34	5.99
Equity Sector Cyc Cons Gds&Svc	-0.08	-0.54
Equity Sector General Industry		-0.34
Equity Sector Gold&Prec Metals	0.06	0.46
Equity Sector Information Tech	-0.30	50.60
Equity Sector Natural Resource	-1.00	-28.68
Equity Sector Pharma&Health	-0.60	9.38
Equity Sector Real Est As Pac	-0.43	-1.75
Equity Sector Real Est Europe	-0.13	0.61
Equity Sector Real Est Global	-0.64	-6.49
Equity Sector Tech Media&Tele		0.09
Equity Sector Telecom Srvcs		-0.93
Equity Singapore	-3.29	-54.52
Equity Switzerland		-0.06
Equity Taiwan	-0.18	-0.10
Equity Thailand	-0.06	4.78
Equity UK		0.94
Equity US	0.96	116.16
Equity US Income		0.08
Equity US Small & Mid Cap		-0.07
Equity Vietnam		-8.56
Mixed Asset EUR Bal - EuroZone		0.98
Mixed Asset EUR Bal - Global		44.61
Mixed Asset Other Aggressive		-0.72
Mixed Asset Other Balanced		-70.09
Mixed Asset Other Flexible	-0.18	-5.69
Mixed Asset SGD Aggressive	-0.29	-3.41
Mixed Asset SGD Balanced	-3.60	-1,172.41
Mixed Asset SGD Conservative	-0.01	20.86
Mixed Asset USD Aggressive		-1.73
Mixed Asset USD Bal - Global	-1.35	28.75
Mixed Asset USD Bal - US		498.04
Mixed Asset USD Conservative	0.05	0.01
Mixed Asset USD Flex - Global	-0.03	168.40
Money Market SGD		-77.33
Money Market USD		-11.28
Protected		-1.04
Target Maturity MA USD 2020		0.00
Target Maturity Other	-1.21	-213.46
Total	-15.75	-1,241.19

Source: Lipper, a Thomson Reuters company

6.3 Appendix C CPF Fund Flow by Lipper Global Classification for Q1 2014(\$\$ Million)

Rank	Lipper Global Classification	CPF Inflow
1	Equity Asia Pacific Ex Japan	19.80
2	Equity Europe	17.28
3	Equity US	14.84
4	Mixed Asset SGD Balanced	12.28
5	Equity Singapore	6.42
6	Equity Global	6.26
7	Equity Global Income	3.51
8	Equity China	3.28
9	Equity Greater China	2.04
10	Equity Japan Sm&Mid Cap	1.94

Source: Lipper, a Thomson Reuters company

Rank	Lipper Global Classification	CPF Outflow
1	Equity Asia Pacific Ex Japan	21.26
2	Mixed Asset SGD Balanced	15.88
3	Equity US	13.88
4	Equity Singapore	9.71
5	Equity Greater China	6.24
6	Equity China	5.54
7	Equity ASEAN	4.10
8	Equity Europe	4.06
9	Equity Emerging Mkts Global	4.01
10	Equity Global	3.37

Source: Lipper, a Thomson Reuters company