

SINGAPORE FUND FLOWS SUMMARY

QUARTER END ANALYSIS

June 30, 2014

LIPPER

imas
INVESTMENT MANAGEMENT
ASSOCIATION OF SINGAPORE



THOMSON REUTERS

**Total Net Fund Flow Turned Positive,
Equity Funds Suffered The Largest Net Outflows in 2Q2014**

- Unit trusts registered for sale in Singapore, in aggregate, registered a net inflow of S\$669.93 million for 2Q2014, ending a second consecutive quarter of net outflows.
- Equity funds suffered the biggest net outflow of S\$533.30 million, while bond funds ended its third consecutive quarter's net outflow and turned net inflow of S\$352.09 million for 2Q2014. Mixed-asset funds enjoyed the leading position of net inflows for the period.
- The total inflow of capital for 2Q2014 soared 15.27% to S\$6,754.91 million, while the total outflow of capital plunged 14.50% to S\$6,084.98 million.
- Bond funds stole Equity funds' top leading position and attracted the largest amount of capital inflow (S\$2,678.52 million) by asset-type fund group, and rallied 64.69% for the quarter, while it recorded a capital outflow of S\$2,326.42 million for the period.
- The capital inflow for equity funds slid 24.51% to S\$1,678.89 million and recorded a capital outflow of S\$2,212.19 million for 2Q2014, soared 15.64% for the period.
- Mixed-asset funds capital inflow rallied 21.82% to S\$1,521.42 million for 2Q2014 and the capital outflow of mixed-asset funds slid 61.37% to S\$754.25 million for the period.

Contents

1.	Fund Flow Overview for Q2 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 Q2 2014(S\$ Million).....	9
6.3	Appendix C CPF Fund Flow by Lipper Global Classification for Q2 2014(S\$ Million)	12

1. Fund Flow Overview for Q2 2014

Table 1 Estimated Fund Flow by Major Asset Classes for Q2 2014(\$\$ Million)

Asset Class	Inflows			Outflows			Net Flows
	CPF	Non-CPF	Total	CPF	Non-CPF	Total	
Alternatives	0.00	2.77	2.77	0.00	4.61	4.61	-1.85
Bond	1.56	2,676.95	2,678.52	2.38	2,324.04	2,326.42	352.09
Commodity	0.00	1.70	1.70	0.00	9.02	9.02	-7.33
Equity	74.90	1,603.98	1,678.89	119.00	2,093.19	2,212.19	-533.30
Mixed Assets	7.16	1,514.25	1,521.42	24.95	729.30	754.25	767.17
Money Market	0.00	871.63	871.63	0.00	778.48	778.48	93.14
Total	83.63	6,671.28	6,754.91	146.34	5,938.64	6,084.98	669.93

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 inflow of S\$669.93 million for 2Q2014, ending its second consecutive quarter's of net outflows. By asset-type fund group, equity funds suffered the biggest net outflow of S\$533.30 million. Bond funds ended its third consecutive quarter's net outflow and turned net inflow of S\$352.09 million. Mixed-asset funds turned from net outflows to net inflows of S\$767.17 million recorded for 2Q2014 and became the most popular asset type of fund. Money market funds also turned from net outflows to net inflows of S\$93.14 million for 2Q2014 versus a net outflow of S\$88.61 million for 1Q2014.

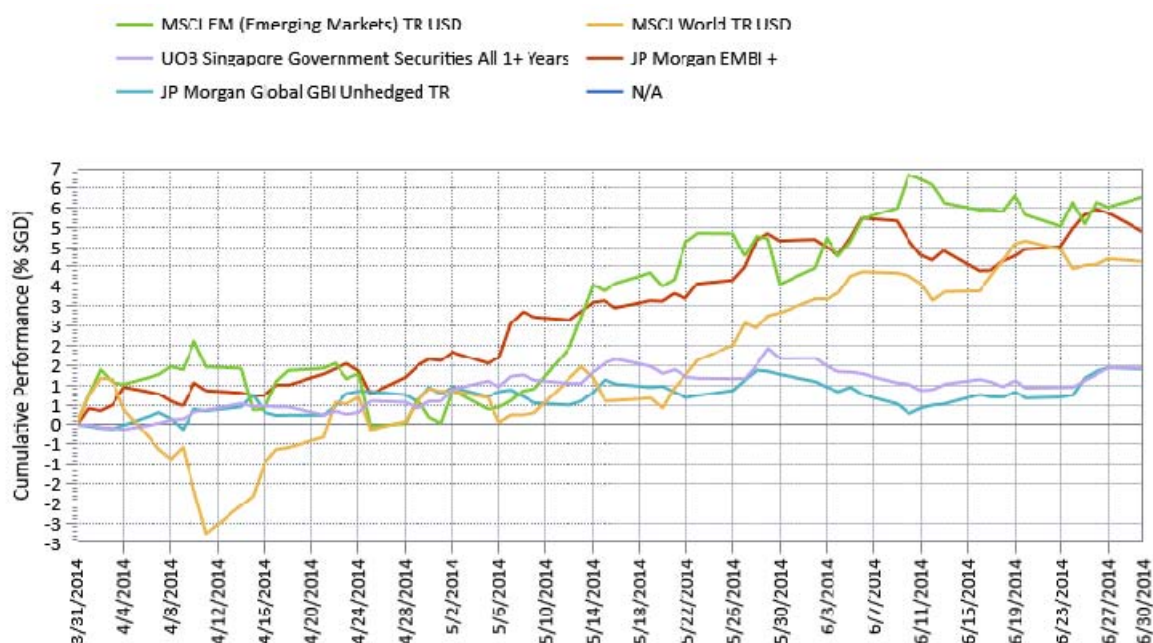
Bond funds stole Equity funds' top leading position and attracted the largest amount of capital inflow by asset-type fund group for 2Q2014. On a quarterly basis, the amount of capital inflow for bond funds rallied 64.69% for the quarter. It accounted for 39.65% (S\$2,678.52 million) of the overall capital inflow into the unit trusts for 2Q2014. The capital outflow of bond funds fell slightly 2.50% from S\$2,386.16 million for 1Q2014 to S\$2,326.42 million for 2Q2014.

The capital inflow for equity funds slid 24.51% to S\$1,678.89 million, which accounted for 24.85% of the overall capital inflow. Meanwhile equity funds recorded a capital outflow of S\$2,212.19 million for 2Q2014, soaring 15.64% for the period.

Mixed-asset funds capital inflow rallied 21.82% from S\$1,248.89 million for 1Q2014 to S\$1,521.42 million for 2Q2014, which accounted for 22.52% of the overall capital inflow. On the contrary, the capital outflow of mixed-asset funds had a big fall of 61.37% from S\$1,952.71 million for 1Q2014 to S\$754.25 million for 2Q2014.

The total inflow of capital for 2Q2014 has soared 15.27% from S\$5,860.13 million for 1Q2014 to S\$6,754.91 million for 2Q2014. However, the total outflow of capital for 2Q2014 plunged 14.50% from S\$7,117.07 million for 1Q2014 to S\$6,084.98 million for 2Q2014.

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 Q2 2014(\$\$ Million)

Inflows			Outflows		
	Lipper Global Classification	Fund Flow		Lipper Global Classification	Fund Flow
1	Mixed Asset USD Bal - US	784.45	1	Bond Global	699.74
2	Money Market SGD	761.08	2	Equity Asia Pacific Ex Japan	683.07
3	Bond Global	678.36	3	Money Market SGD	669.46
4	Bond USD High Yield	601.72	4	Bond Emrg Mkts Global LC	445.82
5	Equity Europe	433.68	5	Bond USD High Yield	264.92
6	Bond Global High Yield	410.87	6	Bond Global High Yield	262.52
7	Bond EUR High Yield	407.23	7	Mixed Asset SGD Balanced	262.50
8	Mixed Asset USD Flex - Global	275.06	8	Equity US	177.58
9	Equity Asia Pacific Ex Japan	253.30	9	Bond USD	165.66
10	Mixed Asset SGD Conservative	195.48	10	Equity Europe	152.10

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 posted impressive performance in Q2 2014. Asia emerging markets continued outperforming other regions. The MSCI World Index rallied 5.05% (in U.S.dollar terms) for Q2 2014, while it rose 1.40% for Q1 2014. The U.S. equity markets rebounded for Q2 2014. The NASDAQ, S&P 500 and Dow Jones Industrial soared 4.98%, 4.69% and 2.24%, respectively, for the period. All European equity core markets posted positive returns for Q2 2014: the Xetra DAX, FTSE 100 and CAC 40 rallied 2.90%, 2.21% and 0.71% for the period (all in local currencies). Most of emerging equity markets continued outperforming for Q2 2014. S&P BSE SENSEX Index soared 13.52% and climbed to the leading position of Asia region.

For all funds registered for sale in Singapore and contributed fund flows by participating IMAS members, only 16 of the 55 LGC (Lipper Global Classification) –type equity fund groups posted a net capital inflow and 39 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\$281.59 million, while Equity Asia Pacific Ex Japan posted the biggest outflows for S\$429.76 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\$701.98 million of equity funds, while Europe region posted the biggest net capital inflow for S\$279.38 million for the period.

Table 3 Ten Top and Bottom Equity Fund Classification by Net Flow for Q2 2014(in S\$ Million)

Equity Sector	Net Flows
Equity Europe	281.59
Equity Global Income	81.13
Equity Vietnam	19.15
Equity Global	8.14
Equity Sector Biotechnology	6.44
Equity China	6.33
Equity Japan	3.58
Equity EuroZone	3.26
Equity Europe Sm&Mid Cap	1.27
Equity Sector Banks&Financial	1.14
Equity Thailand	-16.97
Equity India	-17.25
Equity Sector Natural Resource	-20.68
Equity Emerging Mkts Asia	-33.63
Equity Asia Pacific Sm&Mid Cap	-36.10
Equity Greater China	-49.49
Equity US	-65.96
Equity Emerging Mkts Global	-68.50
Equity Singapore	-79.16
Equity Asia Pacific Ex Japan	-429.76

Source: Lipper, a Thomson Reuters company

Table 4 Estimated Equity Fund Flow by Broad Geographical Classifications for Q2 2014(in S\$ Million)

Geographical Classification	
Asia-Pacific	-701.98
Europe	279.38
Global	11.02
Latin America	-3.00
North America	-66.19
Middle East/Other	-9.04
Sector	-43.14
Total	-532.97

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 2.27% for the quarter (in USD). The ten-year Treasury ended at 2.516% for the second quarter versus 2.724% on the end of Q1 2014.

There were 9 of 25 LGC (Lipper Global Classification)-type bond fund groups recorded a net capital inflow for 2Q2014. The top 3 leading LGC-type bond fund groups were: Bond EUR High Yield(+S\$406.41 million) Bond USD High Yield (+S\$336.81 million) and Bond Global High Yield(+S\$148.35 million). As for money market funds, all groups recorded a net inflow of capital for the period.

Table 5 Net Flow into Bond and Money Market Funds for Q2 2014(in S\$ Million)

Bond Funds	Net Flows	Money Market Funds	Net Flows
Bond EUR High Yield	406.41	Money Market EUR	0.00
Bond USD High Yield	336.81	Money Market SGD	91.62
Bond Global High Yield	148.35	Money Market USD	1.52
Bond Europe High Yield	86.51		
Bond SGD	47.76		
Bond Asia Pacific	29.08		
Bond Europe	25.56		
Bond Global Inflation Linked	3.70		
Bond EUR	0.42		
Bond GBP	-0.02		
Bond Emerging Markets Other	-0.25		
Bond Other Hedged	-0.74		
Bond Global Corporates	-2.86		
Bond USD Short Term	-5.84		
Bond Convertibles Global	-7.92		
Bond CNY	-11.60		
Bond Global	-21.38		
Bond USD Corporates	-37.93		
Bond Emrg Mkts Global HC	-85.12		
Bond USD	-118.27		
Bond Emrg Mkts Global LC	-423.76		
Total Bond Funds	368.91	Total Money Market Funds	93.14

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 positive of S\$775.39 million for 2Q2014. The increase in the net capital inflow of this fund category was attributed mainly to mixed-asset balanced funds, which brought it to become the most popular asset type for the period.

Table 6 Net Flow of Mixed-Asset and Other Funds for Q2 2014(S\$ Million)

Funds	Net Flows
Aggressive	0.47
Balanced	508.75
Flexible	184.86
Conservative	84.98
Target Maturity	-3.67
Total Mixed-Asset	775.39
Absolute Return	-25.12
Alternative	-1.85
Commodity	-7.33
Protected	-0.24
Subtotal Other Assets	-34.54

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

In June's FOMC minutes, Federal Reserve officials have decided to end its asset purchase program in October if U.S. economy stays on track. The Fed will make a \$15 billion final reduction at its October meeting, after trimming it by \$10 billion at each meeting up to that point. For the timing of an increase in interest rates, which the minutes reiterated would depend on "actual and expected progress" towards the committee's inflation and employment targets. Moreover, as there is a big uncertainty with a recent increasing geopolitical risk in Russia and Israel, investors should watch out for further development and potential risk.

Xav Feng

xav.feng@thomsonreuters.com

© Thomson Reuters 2014. 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, Lipper, a Thomson Reuters company, 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 Deutsche Asset Management (Asia) Limited
- 7 Eastspring Investments (Singapore) Ltd
- 8 FIL Investment Management (Singapore) Limited
- 9 First State Investments (Singapore)
- 10 Henderson Global Investors (S) Ltd
- 11 ING Investment Management Asia Pacific (Singapore) Ltd
- 12 JPMorgan Asset Management (Singapore) Limited
- 13 Lion Global Investors Ltd
- 14 Navigator Investment Services Limited
- 15 Nikko Asset Management Asia Limited
- 16 Phillip Capital Management (S) Ltd
- 17 PIMCO Asia Pte Ltd
- 18 PineBridge Investments Singapore Limited
- 19 Schroder Investment Management (S) Ltd
- 20 Singapore Consortium Investment Management Ltd
- 21 Singapore Unit Trusts 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 Flow by Lipper Global Classification for Q2 2014(\$\$ Million)

Lipper Global Classification	CPF Net Flow	Non-CPF Net Flow
Absolute Return Other	-0.10	-19.81
Absolute Return USD Low		-4.23
Absolute Return USD Medium		-0.99
Alternative Credit Focus		-0.41
Alternative Currency Strats		-0.18
Alternative Global Macro		-1.26
Bond Asia Pacific	-1.47	30.55
Bond CNY		-11.60
Bond Convertibles Global		-7.92
Bond Emerging Markets Other		-0.25
Bond Emrg Mkts Global HC		-85.12
Bond Emrg Mkts Global LC		-423.76
Bond EUR		0.42
Bond EUR High Yield		406.41
Bond Europe		25.56
Bond Europe High Yield		86.51
Bond GBP		-0.02
Bond Global	-0.04	-21.34
Bond Global Corporates		-2.86
Bond Global High Yield		148.35
Bond Global Inflation Linked		3.70
Bond Other Hedged	-0.02	-0.72
Bond SGD	0.78	46.97
Bond USD	-0.07	-118.20
Bond USD Corporates		-37.93
Bond USD High Yield		336.81
Bond USD Short Term		-5.84
Commodity Agriculture		-0.70
Commodity Blended		-5.19
Commodity Precious Metals		-1.44

Equity ASEAN	-5.53	-30.23
Equity Asia Pacific	-0.44	7.24
Equity Asia Pacific Ex Japan	-24.97	-404.80
Equity Asia Pacific Sm&Mid Cap	-1.12	-34.98
Equity Australasia		-1.51
Equity Australia		-0.75
Equity Brazil		-0.01
Equity China	1.60	4.73
Equity Emerging Mkts Asia	-0.87	-32.76
Equity Emerging Mkts Europe	-0.09	-5.59
Equity Emerging Mkts Global	-3.13	-65.37
Equity Emerging Mkts Latin Am		-3.00
Equity Emerging Mkts Other		-2.37
Equity Europe	7.69	273.90
Equity Europe ex UK		-0.10
Equity Europe Sm&Mid Cap		1.27
Equity EuroZone		3.26
Equity France		0.01
Equity Germany		-0.79
Equity Global	-0.22	8.35
Equity Global Income	5.25	75.88
Equity Global Sm&Mid Cap	-0.15	-9.60
Equity Greater China	-5.29	-44.20
Equity Hong Kong	-0.04	-0.60
Equity Iberia		0.19
Equity India	-1.26	-15.99
Equity Indonesia	0.37	-5.13
Equity Italy		-0.39
Equity Japan	-0.80	4.38
Equity Japan Sm&Mid Cap		-0.90
Equity Korea	-0.21	-5.87
Equity Malaysia	-0.63	-14.56
Equity Malaysia/Singapore	-0.28	-6.05
Equity MENA		-6.67
Equity Nordic		0.02
Equity Philippines		0.12
Equity Russia		0.15

Equity Sector Banks&Financial	-0.08	1.21
Equity Sector Basic Industries		-0.31
Equity Sector Biotechnology	-0.13	6.57
Equity Sector Cyc Cons Gds&Svc		-0.38
Equity Sector General Industry		-0.42
Equity Sector Gold&Prec Metals		-0.66
Equity Sector Information Tech	-1.62	-4.63
Equity Sector Natural Resource	-1.37	-19.31
Equity Sector Pharma&Health	-0.69	-0.31
Equity Sector Real Est As Pac	-0.51	-8.46
Equity Sector Real Est Europe	-0.23	0.58
Equity Sector Real Est Global	-0.43	-10.29
Equity Sector Tech Media&Tele		-0.06
Equity Sector Telecom Srvcs		-1.61
Equity Singapore	-13.34	-65.82
Equity Switzerland		-0.02
Equity Taiwan	-0.40	-3.28
Equity Thailand	0.14	-17.11
Equity UK		-0.14
Equity US	4.75	-70.71
Equity US Income		-0.12
Equity US Small & Mid Cap		-0.12
Equity Vietnam		19.15
Mixed Asset EUR Bal - Europe		4.44
Mixed Asset EUR Bal - EuroZone		0.70
Mixed Asset EUR Bal - Global		57.98
Mixed Asset Other Aggressive		-0.25
Mixed Asset Other Balanced		-68.50
Mixed Asset Other Flexible	-0.14	-6.99
Mixed Asset SGD Aggressive	-0.09	-3.29
Mixed Asset SGD Balanced	-17.17	-125.01
Mixed Asset SGD Conservative	-0.01	84.99
Mixed Asset USD Aggressive		4.10
Mixed Asset USD Bal - Global	1.01	12.77
Mixed Asset USD Bal - US		642.53
Mixed Asset USD Flex - Global	-0.00	192.00
Money Market SGD		91.62
Money Market USD		1.52
Protected		-0.24
Target Maturity Other	-1.34	-2.33
Total	-62.71	732.63

Source: Lipper, a Thomson Reuters company

6.3 Appendix C CPF Fund Flow by Lipper Global Classification for Q2 2014(\$\$ Million)

Rank	Lipper Global Classification	CPF Inflow
1	Equity Asia Pacific Ex Japan	20.36
2	Equity US	14.17
3	Equity Europe	13.68
4	Equity Global Income	6.87
5	Equity China	5.44
6	Mixed Asset SGD Balanced	4.80
7	Equity Global	3.62
8	Equity Singapore	2.89
9	Mixed Asset USD Bal - Global	2.35
10	Equity Greater China	2.01

Source: Lipper, a Thomson Reuters company

Rank	Lipper Global Classification	CPF Outflow
1	Equity Asia Pacific Ex Japan	45.32
2	Mixed Asset SGD Balanced	21.97
3	Equity Singapore	16.23
4	Equity US	9.42
5	Equity Greater China	7.30
6	Equity ASEAN	6.03
7	Equity Europe	5.99
8	Equity Emerging Mkts Global	4.18
9	Equity China	3.84
10	Equity Global	3.84

Source: Lipper, a Thomson Reuters company