

Media Release

China's slowdown biggest concern for Singapore's asset managers in 2016 *Increased global regulation and higher governance costs cited as most likely to impact asset managers' businesses*

Singapore, 19 January 2016 – China's economic slowdown is top of the list of Singapore investment managers' concerns for 2016 according to a survey conducted by the Investment Management Association of Singapore ("IMAS"). 85.1% of fund managers surveyed ranked China as one of their top 3 concerns this year. Increasing interest rates in the United States and weakening of emerging markets also ranked among the top three trends concerning the 47 respondents who participated in the survey (59.6% and 53.2% respectively). Currency volatility was also cited while the success of Abenomics' three arrows was of least concern for Singapore-based fund managers.

On the outlook over the next three years for the investment management industry in Singapore, the rising costs of governance (78.7%), increasing competition from other financial hubs (44.7%) and the rise of financial technology (38.3%) were seen as the main threats for the industry.

Increasing regulatory obligations (67%) were also rated by a majority of fund managers – which included global and local participants - as having a material impact on their businesses. Global regulations have increased significantly since the financial crisis with the Common Reporting Standard and the Alternative Investment Fund Managers Directive (AIFMD) among those likely slated for 2016. This is coupled with rising costs of operations (44.7%) of new regulatory requirements.

Building a manpower talent pool in Singapore was cited as the third area most likely to have a direct impact on investment managers' businesses over the next three years.

In terms of driving innovation and growth, while improving returns was listed as the number one driver of innovation, demographic shifts and the rise of FinTech were also cited as future drivers over the next three years.

Nicholas Hadow, Chairman of IMAS, commented: "There was no doubt that 2015 was an extremely challenging year for Asian markets. China in particular remains a concern for our members going into 2016. Increased regulations, particularly from the U.S. and Europe, continue to put pressure on investment managers globally. Despite these headwinds, Singapore remains an oasis of stability and consistency which cements its standing as an investment management hub in Asia."

Representing over 100 investment managers with assets under management in Singapore of over S\$800 billion, IMAS aims to contribute towards the development of the industry in Singapore by fostering high standards and professionalism while promoting exemplary practices among its members.

Full details can be found on the IMAS website www.imas.org.sg.

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About the Investment Management Association of Singapore

The Investment Management Association of Singapore (IMAS) was formed on 22 September 1997. It is a representative body of investment managers spearheading the development of the industry in Singapore. It also serves as a forum for members in discussions as well as a collective voice where representation is needed on behalf of the investment management industry, facilitating training for its members, and contributing towards investor education.