

Central Provident Fund Investment Scheme-Included Funds Posted Negative Returns of 1.65% on Average in Q1 2018

Singapore, 31 May 2018 – Thomson Reuters Lipper announced its findings on the performance of all unit trusts and investment-linked insurance products (ILPs) that are included under the Central Provident Fund Investment Scheme (CPFIS) as of 31 March 2018.

In Q1 2018, the overall performance of CPFIS-included funds posted negative returns of 1.65% on average. Specifically, CPFIS-included unit trusts posted a negative return of 1.75% and CPFIS-included ILPs declined 1.60%. For all CPFIS-included funds, the money market fund posted positive returns of 0.2%; equities and mixed asset posted negative returns of 1.84% and 1.77%, while bonds dropped 0.78%. During the same period, MSCI AC Asia ex-Japan index slid 1.20% and Citigroup WGBI TR rose 0.57%.

For the one-year period ended March 2018, the overall performance of CPFIS-included funds posted a positive return of 8.32% on average. CPFIS-included unit trusts rallied 8.79% on the year and CPFIS-included ILPs soared 8.05%. Meanwhile, benchmark MSCI AC Asia ex Japan Index rallied 18.39% while Citigroup WGBI TR rose 1.81%. For the one-year period, on average, equities (+10.75%) outperformed bond offerings (+1.05%), mixed-asset (+6.54%) and money market funds (+0.67%).

For the three-year period ended March 2018, CPFIS-included funds grew 13.09% on average, accounted for by a gain of 13.83% from CPFIS-included unit trusts and 12.75% from CPFIS-included ILPs. During this period, MSCI AC Asia ex-Japan Index rallied 25.61% and Citigroup WGBI TR rose 5.84%. Equities were the lead gainer with growth of 15.97%, while bond portfolio posted 5.12% return on average.

Xav Feng, Head of Asia Pacific Research, Thomson Reuters Lipper, commented, “Global markets are aware of the geopolitical developments around the world. Attention is on the developments and results of U.S.-China trade discussions. Moreover, the U.S. Personal Consumption Expenditures index rose to 2% year over year from a 1.7% pace in February, signaling inflation and reinforcing expectations of an interest rate hike in June. Investors are advised to continue monitoring potential volatility risk under these circumstances.”

Performance of CPFIS-included unit trusts and ILPs during the 3, 12 and 36 month periods ending March 2018:

	Average of CPFIS-included unit trusts & ILPs	CPFIS-included unit trusts	CPFIS-included ILPs
3-month period ended March 2018	-1.65%	-1.75%	-1.60%
12-month period ended March 2018	8.32%	8.79%	8.05%
36-month period ended March 2018	13.09%	13.83%	12.75%

Source: Thomson Reuters Lipper

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The Investment Management Association of Singapore (IMAS) and Life Insurance Association of Singapore (LIAS) have appointed Lipper to monitor the performance of all unit trusts and investment-linked insurance products included under the Central Provident Fund Investment Scheme (CPFIS).

Notes to the Editor:

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