Singapore Fund Flows Report
Q3 2025

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Contents

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Based on the data submitted by the participating members of the Investment Management Association of Singapore, or IMAS (see Appendix), the various authorized and recognized unit trusts registered for sale in Singapore posted net inflows of SGD 5.4 billion in the third quarter of 2025, an 32% increase when compared to the previous quarter and a year-to-date high.

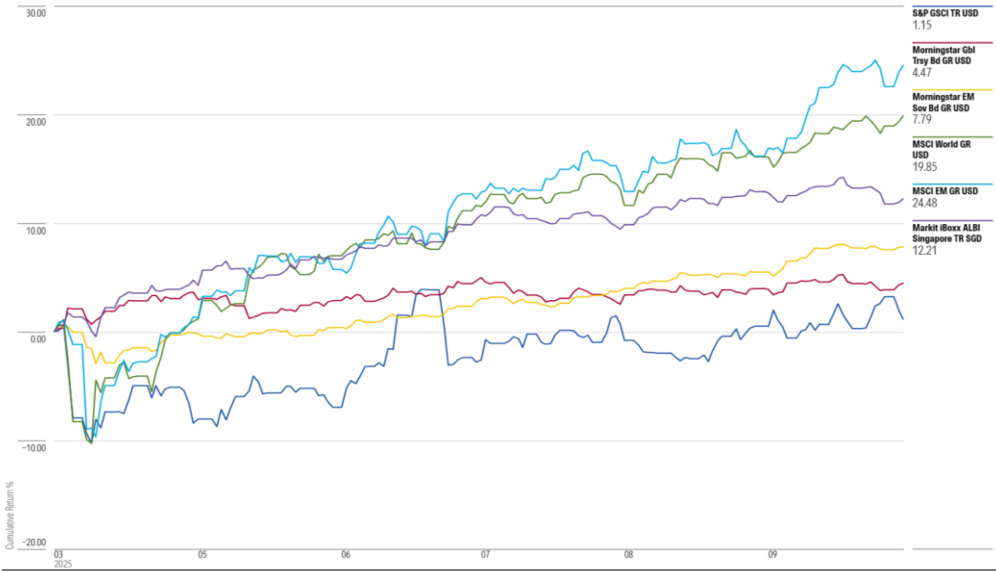
Breaking down the data by asset type, interest in fixed income funds recovered strongly, with net inflows almost growing 4-fold to hit SGD 3.3 billion. It was also clear that Singaporean investors' interest in money market funds waned , with net inflows of SGD 1.5 billion in the third quarter, compared to SGD 2.7 billion in the previous one. Allocation strategies came in third with net inflows of SGD 429.20 million. Interest in equity funds remained fairly tepid, with net inflows of SGD 163.98 million.

Exhibit 1 Fund Flows by Major Asset Class for Q3 2025 (in SGD millions)

Asset Class	Inflow	Outflow	Net Flow	Total Net Assets
Allocation	2,487.77	2,058.57	429.20	37,557.43
Alternative	0.14	3.53	-3.39	280.41
Commodities	0.80	1.53	-0.73	28.60
Convertibles	2.30	3.20	-0.90	0.47
Equity	4,647.57	4,483.58	163.98	119,555.11
Fixed Income	5,964.67	2,619.65	3,345.02	84,436.94
Money Market	14,297.45	12,835.44	1,462.00	29,367.96

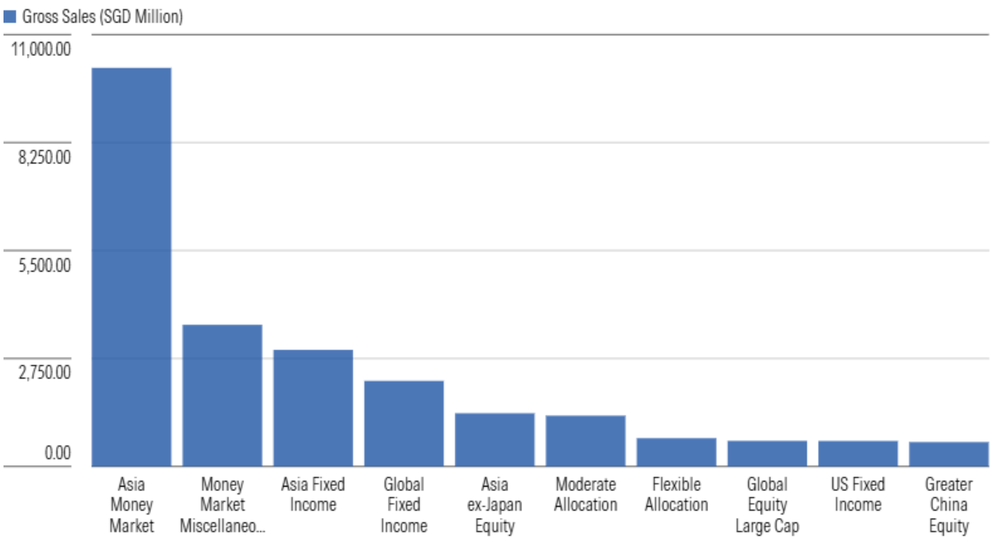
Source: Morningstar. Data as of 30/9/2025.

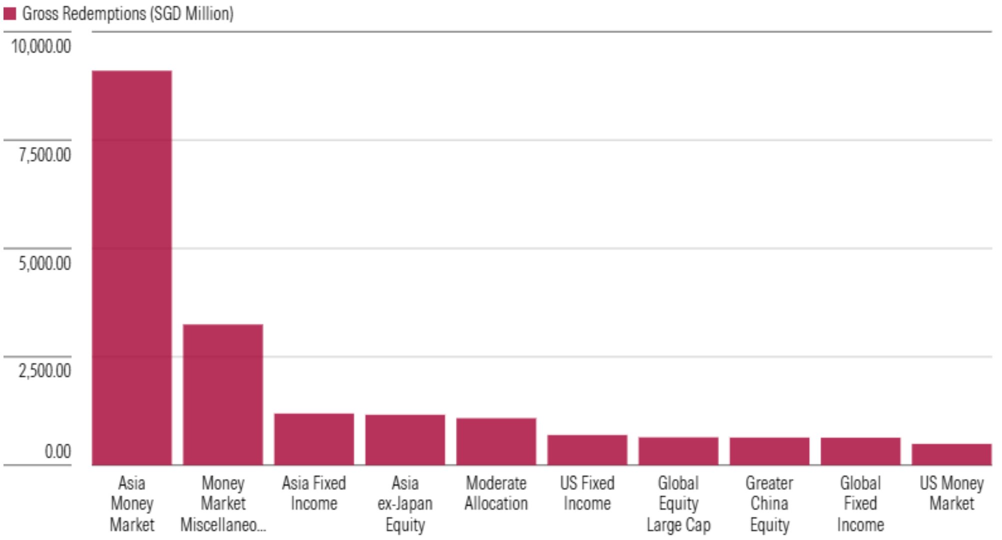
Exhibit 2 Performance of Key Technical Indicators During Q3 2025



Source: Morningstar. Data as of 30/9/2025.

Exhibit 3 Top 10 Inflows and Outflows by Morningstar Category for Q3 2025 (in SGD millions)





Source: Morningstar. Data as of 30/9/2025.

Equity Fund Flow Analysis

In the third quarter of 2025, investors' interest in equities somewhat stabilized as compared to the previous quarter's outflow of USD 11.60 billion – it was only USD 9.7 billion. The US large growth category saw the biggest amount of outflows with USD 19.9 billion. This was followed by foreign large growth category with USD 11.7 billion, with US small blend rounding up the top three worst performing categories with USD 10.21 billion. On the other hand, the foreign large blend category attracted inflows of USD 25.31 billion. Large blend came in second with USD 15.5 billion, with sector equity technology coming in third with USD 11.19 billion.

European equities struggled in Q3 2025, recording EUR 24.69 billion in total outflows having registered inflows of EUR 14.70 billion in the previous quarter. U.S. equity large cap blend funds were the hardest hit, losing EUR 19.99 billion, followed by U.K. equity large cap with EUR 6.3 billion in redemptions. However, some categories managed to buck the trend. Europe equity large cap funds drew EUR 6.63 billion in inflows, suggesting investors maintained confidence in regionally diversified blue-chip exposures. Additionally, global emerging markets equity funds attracted EUR 3.94 billion, underscoring continued interest in diversified developing-market opportunities despite broader European weakness.

Investor sentiment toward equities in Thailand did not fall as much as the previous quarter, with net outflows of THB 35.3 billion, compared to THB 63.09 billion previously. Equity large-cap funds accounted for the bulk of withdrawals, losing THB 16.21 billion, as domestic investors rotated away from blue-chip exposures. Thai investors also lost interest in Vietnam equity funds, with redemptions of THB 11.37 billion, suggesting caution extended beyond Thailand to regional peers. Nonetheless, Thai investors continued to find selective opportunities, channeling THB 3.12 billion into India equity funds and THB 2.85 billion into China equity funds.

Overall, Thai fund flows reflected a broader regional divergence, with investors trimming exposure to smaller Southeast Asian markets while maintaining allocations to India and China as key growth anchors.

Malaysia continued to face selling pressure, with MYR 3.84 billion in net outflows across equity funds. The redemptions were widespread, with sector-focused equity funds suffering the steepest losses at MYR 1.19 billion.

In Singapore, interest in Singapore equity grew almost two-fold to hit net inflows of SGD 448.54 in the third quarter when compared to the previous one. This was followed by the global equity income category with net inflows of SGD 107.54 million. Our data also revealed an interesting insight – Singaporean investors allocated more funds to the sector equity precious metals category with net inflows of SGD 87.10 million – not a surprising given the interest in gold and rare minerals. On the other hand, Asia-Pacific ex-Japan equity performed the worst, with net outflows of 160.89 million. US large-cap growth equity came next with net outflows of 76.04 million, with the sector equity healthcare rounding up the bottom three with net outflows of 74.38 million.

Exhibit 4 Top and Bottom Equity Morningstar Categories by Net Flows for Q3 2025 (in SGD millions)

Top Equity Morningstar Category	Net Flow (SGD Million)
Singapore Equity	448.54
Global Equity Income	107.54
Sector Equity Precious Metals	87.10
Other Equity	23.09
Sector Equity Financial Services	21.23
Japan Large-Cap Value Equity	15.97
Asia-Pacific ex-Japan Equity Income	11.53
Europe ex-UK Equity	6.17
Hong Kong Equity	5.94
GBP Allocation 20-40% Equity	3.64

Bottom Equity Morningstar Category	Net Flow (SGD Million)
Vietnam Equity	-29.70
India Equity	-38.25
Global Large-Cap Growth Equity	-51.16
US Large-Cap Blend Equity	-51.83
Global Emerging Markets Equity	-64.65
Asia ex-Japan Equity	-65.38
Sector Equity Technology	-74.23
Sector Equity Healthcare	-74.38
US Large-Cap Growth Equity	-76.04
Asia-Pacific ex-Japan Equity	-160.89

Source: Morningstar. Data as of 30/9/2025.

Exhibit 5 Estimated Equity Fund Flows by Investment Area for Q3 2025 (in SGD millions)

Investment Area	Net Flow (SGD Million)
Asia Pacific	-131.10
Europe	-3.10
Global	2,861.45
Latin America	-3.31
Middle East	0.07
North America	-180.01
Total	2,544.01

Source: Morningstar. Data as of 30/9/2025.

Bond and Money Market Fund Flow Analysis

The U.S. fixed income market experienced a robust rebound in Q3 2025, with USD 184.96 billion in total inflows as investors sought stability amid evolving interest-rate expectations. The bulk of the activity was centered around intermediate core bond funds, which attracted USD 48 billion, reflecting demand for balanced yield and duration exposure. Ultrashort bond strategies followed closely with USD 27.84 billion in new money as liquidity preferences remained elevated. In contrast, long-term bond funds recorded USD 3.17 billion in outflows, underscoring investor caution toward duration risk and potential rate volatility. Overall, the quarter highlighted a decisive shift toward income resilience and defensive positioning, with investors favoring short-to-intermediate-term bond exposure over higher-duration assets.

In Europe, fixed income funds generated EUR 106.65 billion in net inflows, a 100% increase compared to the previous quarter. The strongest interest lay in global fixed income strategies, which drew EUR 37.90 billion, followed closely by Europe fixed income funds at EUR 36.38 billion. Meanwhile, money market funds attracted EUR 37.58 billion. In contrast, sterling fixed income funds registered modest outflows of EUR 886.51 million.

Thailand recorded a striking THB 527.44 billion in net inflows into fixed income products, marking one of its strongest quarters in recent years. Money market funds alone absorbed THB 28.78 billion.

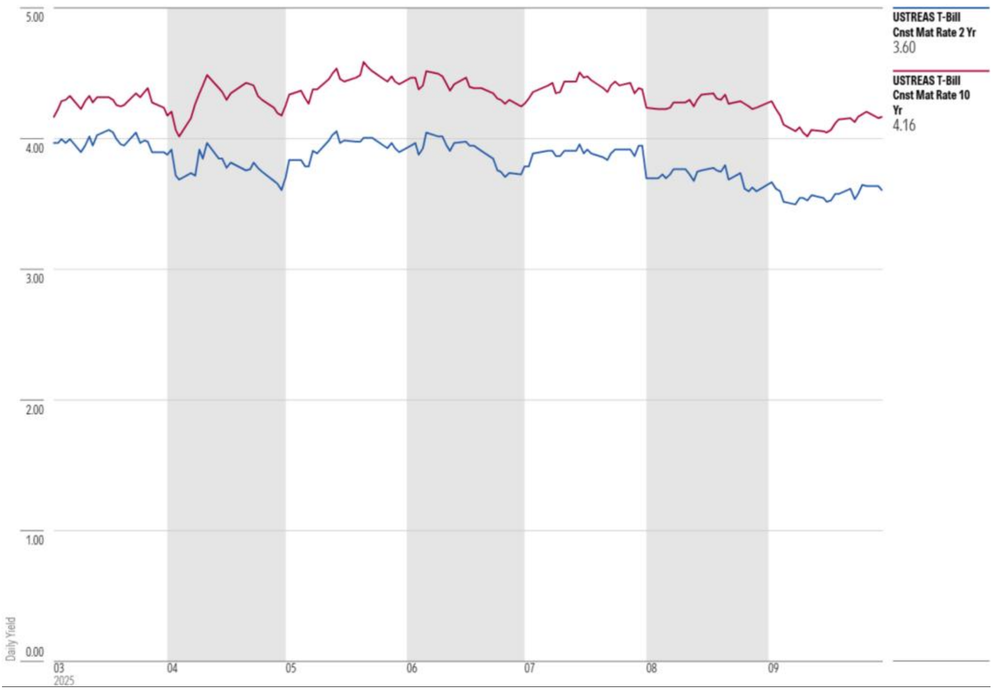
Malaysia's fixed income segment showed steady inflows totaling MYR 4.78 billion during the quarter. Shariah bond funds continued to dominate investor interest, amassing MYR 2.28 billion, supported by both domestic institutions and regional demand for Islamic-compliant debt instruments. Money market funds also expanded, adding MYR 7.24 billion in fresh capital.

Within the fixed income segment in Singapore, Asia Fixed Income funds attracted the largest inflows at SGD 1.78 billion, underscoring strong investor demand for Asian credit exposure and regional yield opportunities. This was followed by Global Fixed Income funds, which recorded inflows of SGD 1.54 billion. Smaller inflows were observed in Fixed Income Miscellaneous funds (SGD 75.96 million), while US Fixed Income (-SGD 46.87 million) and Emerging Markets Fixed Income (-SGD 4.87 million) experienced mild outflows.

In the money market category in Singapore, inflows remained healthy, led by Asia Money Market funds with SGD 1.05 billion. Additional inflows were recorded in Money Market Miscellaneous (SGD 361.43 million) and US Money Market funds (SGD 46.63 million), while Australia & New Zealand Money Market funds saw minimal net additions of SGD 0.56 million.

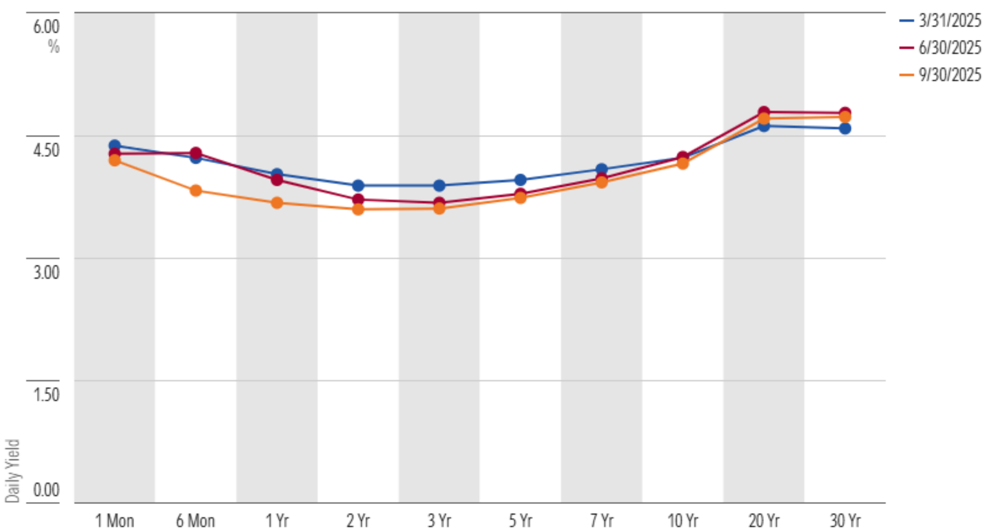
US Government-Bond Market Movements

Exhibit 6 10-Year US Treasury Constant Maturity Rate



Source: Morningstar. Data as of 30/9/2025.

Exhibit 7 Shifts in US Benchmark Yields During Q3 2025



Source: Morningstar. Data as of 30/9/2025.

Exhibit 8 Net Flows Into Bond and Money Market Funds for Q3 2025 (in SGD millions)

Fixed Income Category	Net Flow (SGD Million)
Asia Fixed Income	1,778.15
Global Fixed Income	1,544.57
Fixed Income Miscellaneous	75.96
US Fixed Income	-46.87
Emerging Markets Fixed Income	-4.87
Europe Fixed Income	-1.91

Money Market Category	Net Flow (SGD Million)
Asia Money Market	1,052.86
Money Market Miscellaneous	361.43
US Money Market	46.63
Australia & New Zealand Money Market	0.56

Source: Morningstar. Data as of 30/9/2025.

Allocation and 'Other' Fund Flow Analysis

In Singapore, moderate allocation strategies (SGD 210.26 million) conceded its first position in terms of net inflows to flexible allocation (SGD 259.98). Allocation miscellaneous strategies remained as the worst performing one, with net outflows of SGD 87.45.

Exhibit 9 Net Flows Into Allocation and "Other" Funds for Q3 2025 (in SGD millions)

Allocation and "Other" Category	Net Flow (SGD Million)
Flexible Allocation	259.98
Moderate Allocation	210.26
Aggressive Allocation	23.97
Cautious Allocation	22.99
Market Neutral	-0.14
Multialternative	-0.04
Commodities Broad Basket	-0.73
Target Date	-0.55
Convertibles	-0.90
Global Macro	-3.22
Allocation Miscellaneous	-87.45

Source: Morningstar. Data as of 30/9/2025.

The Outlook

Stocks went into the quarter in the midst of a rebound from April's sharp tariff-driven selloff. With President Donald Trump having retreated from imposing most of the harshest levies he had threatened, investors were heartened by solid earnings and (at the start of the quarter) the appearance of a still-healthy economy. At the same time, the AI boom showed no signs of slowing, with companies announcing massive investments in AI infrastructure, fueling a strong rise in technology stocks. Mega-cap names including Apple AAPL, Alphabet GOOGL/GOOG, and Nvidia NVDA powered the market to a 8.1% gain.
Of the 8.1% return on the Morningstar US Market Index, 3.9 percentage points came from the technology sector—more than double the amount added by the next-biggest contributor, communication services, which added 1.3 percentage points. Both sectors outperformed the market in the quarter; the Morningstar US Technology Index gained 12.4%, while the Morningstar US Communication Services Index gained 12.8%. In the year to date, the Technology Index is up 20.6% and the Communication Services Index is up 25.6%. That's close to double the 14.6% return on the US Market Index.

With the market trading slightly above fair value estimates, investors face a narrow margin for error. Many AI mega-cap stocks trade near or exceed FVE, offering no cushion should AI growth slow. For future returns to outpace the cost of equity, either valuations must stretch into overvalued territory, AI development must surpass already lofty expectations, or productivity gains must drive earnings growth beyond base-case forecasts.

Looking ahead, the US market is walking a tightrope. The positive momentum from AI buildout and anticipated monetary easing barely offsets negative macroeconomic headwinds and inflationary pressures. AI spending is helping sustain growth that might otherwise have faltered. Additionally, the Fed is expected to cut rates twice by year end, and long-term rates are projected to decline, with the 10-year

Treasury averaging 3.9% in 2026. However, over the next four quarters, slowing consumption growth, sluggish new home building, and fading stimulus measures will take their toll on the economy.

In Asia, the Morningstar Asia Target Market Exposure Index is up 25% year to date. Since the trade truce, market sentiment has become more risk-on, and growth stocks have outperformed the overall market. Investors are still flocking to communication services and AI-related tech stocks, as momentum remains strong. Key drivers include DeepSeek, a moratorium on China tariffs, the hyperscaler infrastructure buildout, and Japan's improving outlook.

Consumer stocks remain laggards, as we have yet to see consistent signs of stabilization. Same-store sales and wholesale prices continue to face pressure amid sluggish consumer demand. Although consumer cyclicals appear to have returned 21%, much of the sector's gains were driven by Alibaba, fueled by non-consumer catalysts. While we view consumer stocks as undervalued, we believe investors may continue to underweight the sector, given the current market enthusiasm for AI-related stocks and the liquidity they attract.

Our overall Asia coverage is trading at 1.02 times our fair value, with the basic materials, tech, healthcare, and industrial sectors appearing overvalued. While these sectors show elevated valuations, a handful of overvalued stocks are skewing the average and may not reflect the opportunities that still exist in the industrial and tech spaces. Some of the overvaluation stems from early-stage or non-cutting-edge companies benefiting from AI-related themes, where expectations may be overly optimistic. We believe the tech-driven rally will continue amid ongoing enthusiasm, but we advise investors to consider taking profits in overvalued names, particularly those with unrealistic growth assumptions.

Despite consumer stocks being slow to recover due to persistently low consumer confidence, the sectors are still undervalued, and we expect companies to benefit from AI adoption. Cost efficiencies from automation, improved ad targeting, and smarter inventory management could support margins. If consumer demand rebounds, the sector may experience sharp earnings growth driven by improved operating leverage. We still recommend an overweight exposure in consumer sectors.

The Morningstar US Core Bond Index, our proxy for the broad bond market, rose a solid 6.09% year to date. As the bond market prices in additional cuts to the federal funds rate, yields in the short to middle part of the yield curve have tightened the most. For example, year to date, yields on the three-year US Treasury bonds declined by 66 basis points whereas in the longer end of the curve, the yield on the 10-year US Treasury only declined 42 basis points.

Morningstar's US economics team projects that the Fed will ease monetary policy through the end of 2025 and will continue to ease monetary policy further in 2026 and into 2027. This projection is predicated on their forecast that the rate of economic growth will slow through the second quarter of 2026. Although tariffs will lead inflation higher in 2026, inflation is expected to moderate thereafter. We continue to believe that investors will be best served by holding longer-duration bonds, which capture the high yield carry along with potential future price appreciation. This is in line with our US economics team's forecast of a multi-year period of declining yields. In the longer end of the curve, they project the yield on the 10-year US Treasury will average 4.30% in 2025, 3.90% in 2026, 3.50% in 2027, and 3.25% in 2028.

Appendix—Data Sources

Data and analyses are based on information provided by the following IMAS Members:

1. Aberdeen Standard Investments (Asia)
2. AllianceBernstein (Singapore)
3. Allianz Global Investors Singapore
4. Amundi Singapore
5. BlackRock (Singapore)
6. Eastspring Investments (Singapore)
7. FIL Investment Management (Singapore)
8. First Sentier Investors (Singapore)
9. iFAST Financial
10. Janus Henderson Investors (Singapore)
11. JPMorgan Asset Management (Singapore)
12. Lion Global Investors
13. Manulife Investment Management (Singapore)
14. Nikko Asset Management Asia
16. Phillip Capital Management (S)
16. PIMCO Asia
17. PineBridge Investments Singapore
18. Schroder Investment Management (Singapore)
19. Singapore Consortium Investment Management
20. Templeton Asset Management
21. UBS Asset Management (Singapore)
22. UOB Asset Management
23. Western Asset Management

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