

Singapore Fund Flows Report

Q4 2025

Morningstar

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Singapore Fund Flows Report for Fourth-Quarter 2025

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 outflows of SGD 158.78 million in the final quarter of 2025, a sharp reversal when inflows reached a year-to-date high in the previous quarter. Overall, equities and fixed income products proved popular in Singapore, with net inflows for the full year amounting to SGD 2.17 billion and SGD 5.507 billion respectively. Allocation funds had net outflows of SGD 597.14 billion and were the worst performing asset class in terms of fund flow.

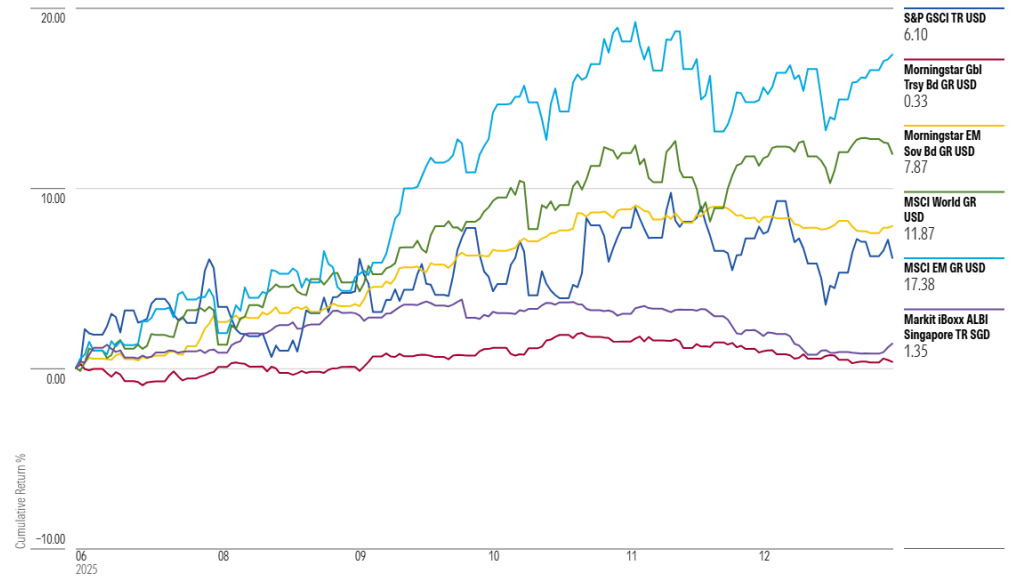
Breaking down the data by asset type, allocation funds were the worst hit, with SGD 2.07 billion redeemed. Interest in fixed income funds waned, with net inflows of SGD 1.07 billion, which was approximately a third of Q3's inflow. On the other hand, Singaporeans diverted more funds towards equity strategies, with inflows growing almost 10 times to hit SGD 1.53 billion in Q4.

Exhibit 1 Fund Flows by Major Asset Class for Q4 2025 (in SGD millions)

Asset Class	Inflow	Outflow	Net Flow	Total Net Assets
Allocation	2,780.10	4,849.51	-2,069.42	36,981.06
Alternative Strategies	0.08	4.13	-4.05	268.84
Capital Preservation	9,429.26	10,123.18	-693.92	29,266.19
Equity	5,118.92	3,588.62	1,530.30	123,372.90
Fixed Income	4,392.16	3,317.65	1,074.51	84,341.35
Hybrid Securities	0.38	0.60	-0.22	0.26
Real Assets	7.85	3.83	4.02	34.70

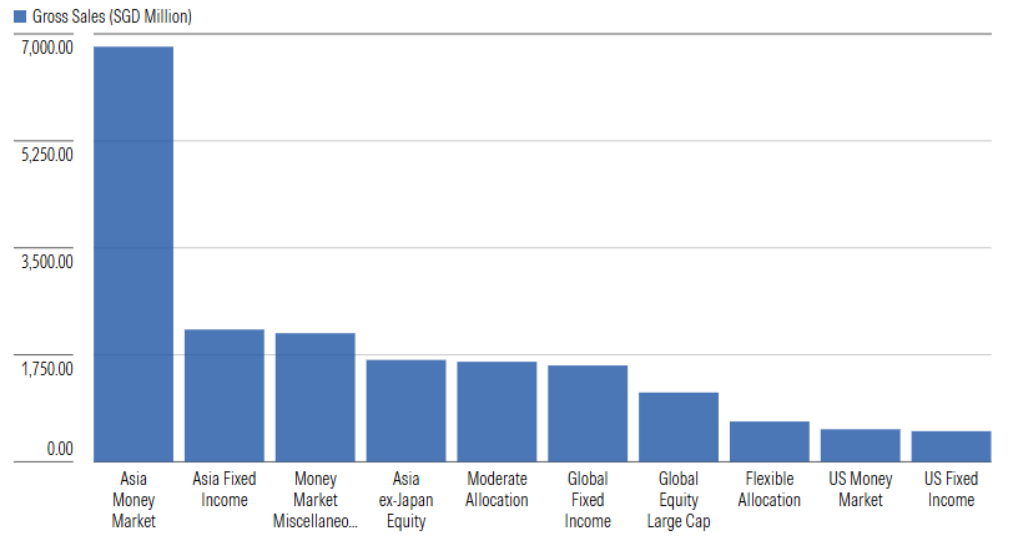
Source: Morningstar. Data as of 31/12/2025.

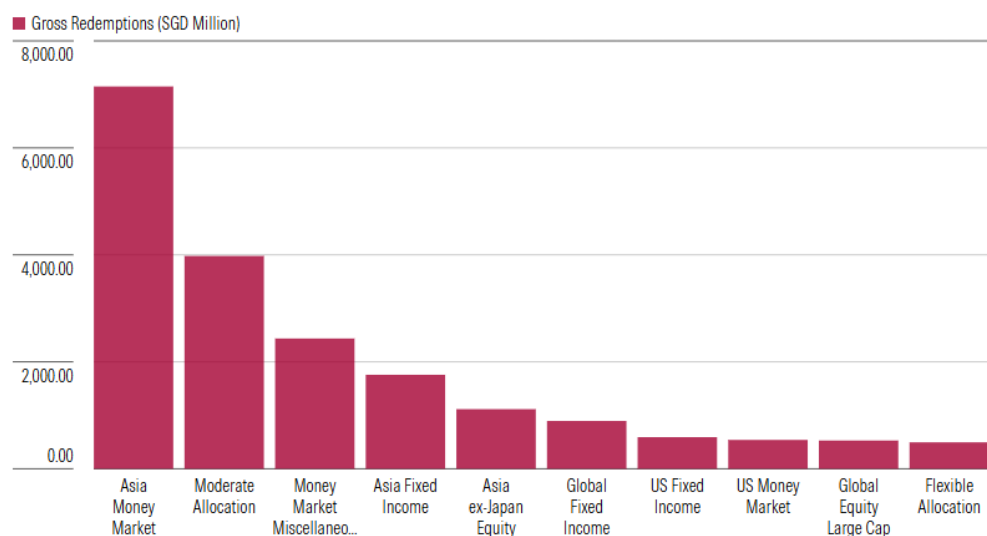
Exhibit 2 Performance of Key Technical Indicators During Q4 2025



Source: Morningstar. Data as of 31/12/2025.

Exhibit 3 Top 10 Inflows and Outflows by Morningstar Category for Q4 2025 (in SGD millions)





Source: Morningstar. Data as of 31/12/2025.

Equity Fund Flow Analysis

US equity flows showed a sharp divergence in investor positioning, with inflows heavily concentrated in core exposures while smaller and growth-oriented segments faced sustained pressure. Large Blend equity dominated the final quarter of 2025, attracting a massive USD 69.2 billion in net inflows as investors leaned into broad, benchmark-oriented allocations. Derivative Income followed at a distant second with USD 8.9 billion, while Diversified Emerging Markets rounded out the top three with USD 7.9 billion million. On the downside, Mid-Cap Growth saw the steepest redemptions at USD 12.7 billion, underscoring waning appetite for higher-beta segments. Foreign Large Growth (USD 11.2 billion) and Mid-Cap Value (USD 7.5 billion) also posted significant outflows, highlighting a broad retreat from smaller-capitalization US equities as investors prioritized scale, liquidity, and earnings durability.

Europe Equity Large Cap stood out as the clear winner, drawing EUR 10.7 billion in net inflows. On the other hand, Global Equity Large Cap experienced heavy outflows of EUR 9.8 billion. This was followed by UK Equity Large Cap with outflows of EUR 6.8 billion, and US Equity Large Cap Growth with EUR 5.7 billion. Taken together, the data points to a clear defensive tilt within Europe, as investors gravitated toward large-cap stability while pulling back from UK exposure and higher-risk, smaller-cap segments amid persistent economic and policy uncertainty.

In China, Greater China Equity absorbed an extraordinary CNY 203.7 billion in net inflows, dwarfing all other categories and signaling a decisive re-risking into China-focused strategies. This was reinforced by strong allocations to Technology Sector Equity, which attracted CNY 73.1 billion, highlighting renewed appetite for China's AI promise, alongside sizeable inflows into US Equity Large Cap Blend (CNY 10.3 billion). In contrast, outflows were relatively modest and concentrated in peripheral categories, including Equity Miscellaneous (CNY 205 million) and Global Emerging Markets Equity (CNY 134 million).

Equity fund flows in Singapore were led by a handful of categories that captured the bulk of investor inflows, highlighting a preference for broad and regionally anchored equity exposures. Other Equity topped the rankings with SGD 576.3 million of net inflows, suggesting continued allocations into diversified or less traditional equity strategies. Singapore Equity followed closely, drawing SGD 495.7 million, a sign of sustained home-market confidence and selective buying opportunities in local stocks. Rounding out the top three, Asia ex-Japan Equity attracted SGD 160.9 million, reflecting investors' willingness to maintain exposure to Asian growth themes outside Japan despite ongoing regional volatility.

At the other end of the spectrum, the most pronounced outflows were concentrated in growth-oriented and regional Asia strategies. Asia-Pacific ex-Japan Equity saw the steepest redemptions at SGD 118.1 million, pointing to a meaningful pullback from broader Asia-Pacific mandates. This was followed by US Large-Cap Growth Equity, which recorded SGD 45.3 million in net outflows, and Global Large-Cap Growth Equity with SGD 33.6 million. Together, these bottom three categories indicate a cooling appetite for growth-heavy equity exposures, as investors appeared to reassess valuation risk and rotate toward more defensive, income-oriented, or domestically focused equity segments.

Exhibit 4 Top and Bottom Equity Morningstar Categories by Net Flows for Q4 2025 (in SGD millions)

Top Equity Morningstar Category	Net Flow (SGD Million)
Other Equity	576.34
Singapore Equity	495.73
Asia ex-Japan Equity	160.93
Global Equity Income	138.20
Sector Equity Technology	113.97
Sector Equity Precious Metals	61.52
Global Large-Cap Blend Equity	34.00
Asia-Pacific ex-Japan Equity Income	29.86
Japan Large-Cap Value Equity	18.28
Greater China Equity	11.27

Bottom Equity Morningstar Category	Net Flow (SGD Million)
Europe ex-UK Equity	-8.58
Global Large-Cap Value Equity	-9.27
Global Flex-Cap Equity	-10.13
China Equity - A Shares	-17.91
Sector Equity Healthcare	-19.38
China Equity	-25.62
Global Emerging Markets Equity	-29.24
Global Large-Cap Growth Equity	-33.63
US Large-Cap Growth Equity	-45.27
Asia-Pacific ex-Japan Equity	-118.06

Source: Morningstar. Data as of 31/12/2025.

Exhibit 5 Estimated Equity Fund Flows by Investment Area for Q4 2025 (in SGD millions)

Investment Area	Net Flow (SGD Million)
Asia Pacific	-506.27
Europe	-7.12
Global	2,393.67
Latin America	0.48
Middle East	0.22
North America	-2,896.97
Total	-1,015.99

Source: Morningstar. Data as of 31/12/2025.

Bond and Money Market Fund Flow Analysis

In Q4, US fixed income fund flows reflected a decisive shift toward high-quality, intermediate-duration strategies, reinforcing a defensive income stance. Intermediate Core Bond funds led all US fixed income categories with USD 37.9 billion in net inflows, followed by Multisector Bond strategies with USD 24.5 billion and Ultrashort Bond funds with USD 22.9 billion, as investors balanced yield capture with interest-rate sensitivity. In contrast, credit- and spread-sensitive segments struggled to retain assets. Bank Loan funds experienced the largest outflows at USD 4.7 billion, while Government Mortgage-Backed Bond funds saw USD 2.2 billion redeemed. High Yield Bond funds also posted notable outflows of USD 1.7 billion, reinforcing the narrative of cautious credit positioning as investors favored core bonds over economically sensitive income strategies.

European fixed income flows were dominated by a pronounced shift toward core and diversified bond exposures, underscoring investors' preference for scale, liquidity, and income stability. Europe Fixed Income led decisively with EUR 33.7 billion in net inflows, highlighting strong demand for regional bond strategies amid moderating inflation pressures and clearer monetary policy signals. This was complemented by substantial allocations to Global Fixed Income (EUR 29.7 billion) and Emerging Markets Fixed Income (EUR 10.0 billion). At the same time, sterling-denominated strategies faced notable headwinds. Sterling Fixed Income recorded the largest outflows at EUR 7.3 billion, pointing to continued caution around UK rate dynamics and fiscal uncertainty. Asia Fixed Income also saw sizeable redemptions of EUR 397 million, while Japan Fixed Income experienced outflows of EUR 149 million.

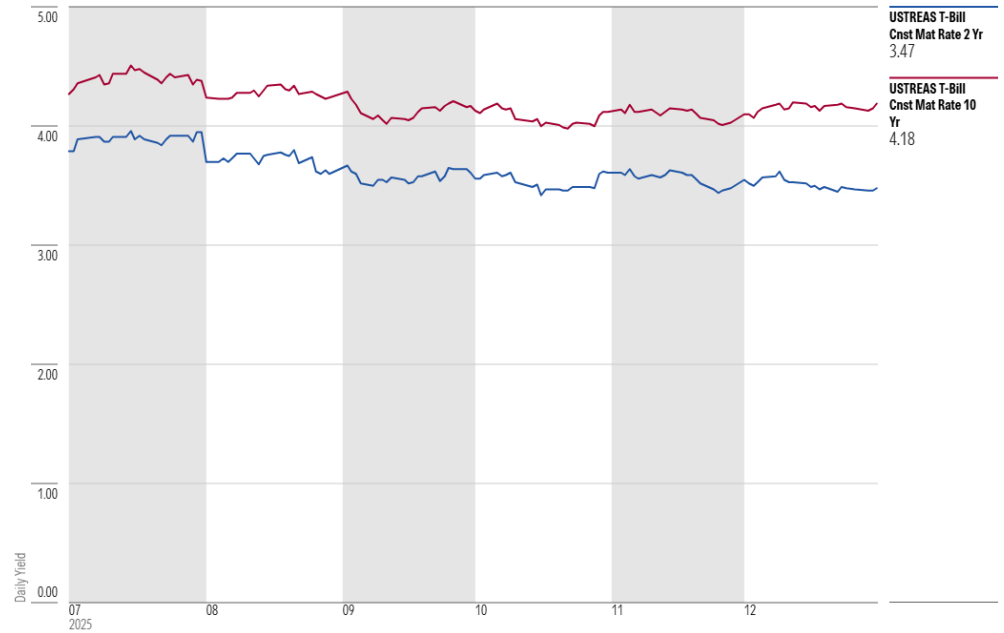
China fixed income flows were highly concentrated, reflecting a strong preference for regional bond exposure amid shifting macro and policy dynamics. Asia Fixed Income overwhelmingly dominated allocations, attracting CNY 266.4 billion in net inflows, underscoring investor confidence in Asian—and China-adjacent—bond markets as a source of yield and diversification. This was supplemented by more moderate inflows into Global Fixed Income strategies (CNY 5.4 billion). In contrast, Aggressive Allocation strategies experienced CNY 109.4 million in outflows, indicating limited appetite for higher-risk, multi-asset approaches within China-related fixed income.

Net flows into fixed income funds in Q4 2025 for Singapore remained positive overall, underscoring investors' continued preference for bond strategies amid a still-uncertain macro backdrop. Global fixed income led the category with SGD 681.9 million of net inflows, reflecting broad-based demand for diversified bond exposure. Asia fixed income also attracted solid interest, pulling in SGD 406.3 million. Smaller but still positive contributions came from fixed income miscellaneous (SGD 58.8 million) and emerging markets fixed income (SGD 20.2 million). These gains were partially offset by modest outflows from US fixed income (SGD 90.4 million) and Europe fixed income (SGD 2.3 million), indicating some selective repositioning away from developed market bond exposures.

In contrast, money market funds experienced broad-based outflows during the quarter, pointing to a shift in how investors manage liquidity. Asia money market funds saw the largest redemptions at SGD 357.1 million, followed closely by money market miscellaneous strategies with SGD 332.7 million in net flows. US money market funds also recorded mild outflows of SGD 8.5 million. Australia and New Zealand money market funds were the lone bright spot, posting a small net inflow of SGD 4.3 million. Taken together, the data suggest investors were willing to move cash out of ultra-short-term vehicles, potentially reallocating toward longer-duration fixed income as rate expectations and yield dynamics evolved late in the year.

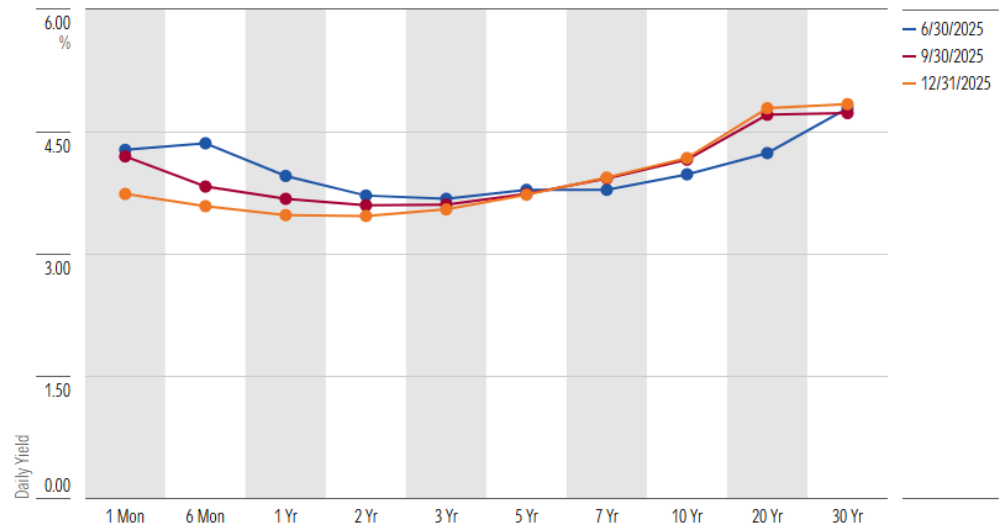
US Government-Bond Market Movements

Exhibit 6 10-Year US Treasury Constant Maturity Rate



Source: Morningstar. Data as of 31/12/2025.

Exhibit 7 Shifts in US Benchmark Yields During Q4 2025



Source: Morningstar. Data as of 31/12/2025.

Exhibit 8 Net Flows Into Bond and Money Market Funds for Q4 2025 (in SGD millions)

Fixed Income Category	Net Flow (SGD Million)
Asia Fixed Income	406.28
Global Fixed Income	681.91
US Fixed Income	-90.39
Fixed Income Miscellaneous	58.82
Emerging Markets Fixed Income	20.20
Europe Fixed Income	-2.31

Money Market Category	Net Flow (SGD Million)
Asia Money Market	-357.10
Money Market Miscellaneous	-332.70
US Money Market	-8.46
Australia & New Zealand Money Market	4.33

Source: Morningstar. Data as of 31/12/2025.

Allocation and 'Other' Fund Flow Analysis

In Singapore, flexible allocation funds maintained their lead with net inflows of SGD 164.55 million. This was followed by allocation miscellaneous which recovered strongly in Q4 to post inflows of SGD 44.57 million. On the other hand, interest in moderate allocation strategies dropped sharply with outflows of SGD 2.3 billion, having attracted inflows of SGD 210.26 million in the previous quarter.

Exhibit 9 Net Flows Into Allocation and "Other" Funds for Q4 2025 (in SGD millions)

Allocation and "Other" Category	Net Flow (SGD Million)
Flexible Allocation	164.55
Allocation Miscellaneous	44.57
Aggressive Allocation	33.47
Cautious Allocation	31.39
Commodities Broad Basket	4.02
Market Neutral	-0.05
Multialternative	-0.12
Target Date	-0.16
Convertibles	-0.22
Global Macro	-3.87
Moderate Allocation	-2,343.24

Source: Morningstar. Data as of 31/12/2025.

The Outlook

There was no shortage of market storylines in 2025. Global and US markets shook off [early volatility](#) to end the year sharply higher, with major international markets unexpectedly leading the way. Bond yields remained attractive. The US dollar remained weak. Tariffs, geopolitical uncertainty, and [inflation loomed](#) throughout the year, but markets and economies largely didn't blink. Even across the asset management industry, product development only ramped up.

The Morningstar US Market Index rose 2.43% in the fourth quarter of 2025. Value stocks led the way, as the Morningstar US Value Index rose 4.15%. Within the value category, the healthcare sector was the greatest contributor, including Johnson & Johnson, Merck, and Thermo Fisher Scientific. Value stocks in the technology sector, specifically Micron Technology, were the second-largest contributors. Core stocks came in a close second, as the Morningstar US Core Index rose 3.37%. Fourstar-rated Alphabet was, by far, the single most significant contributor to the index's quarterly return, accounting for 56%. Apple was the next largest contributor, accounting for only 19%. AI exhaustion took its toll on Oracle, the greatest detractor to the quarterly return.

As we enter 2026, we anticipate further volatility. AI stocks require even stronger growth to support lofty valuations. A new chair will take the reins at the Fed. Trade negotiations are resuming. At the same time, slowing economic growth, higher-than-expected inflation, the upcoming midterm elections, and geopolitical risk will test investors' resolve. These are some of the key risks we will be keeping an eye out for, and regarding the US market, we expect returns will continue to broaden across the market and become less concentrated in stocks tied to the buildout boom in AI.

In Asia, equities are trading around fair value, and outside of a couple of situations, we don't see any particularly exuberant sector values. As a result, we believe the market may experience occasional healthy pullbacks, but an extended or deeper correction appears unlikely in the absence of any unexpected shocks.

Global spending on artificial intelligence infrastructure and applications remain a key earnings driver. Following the November pullback in some internet and e-commerce names, we see valuations for beneficiaries of the AI boom at generally attractive levels. The tech sector remains somewhat expensive, but there are select buying opportunities. We think AI tools and spending will continue to lead to earnings upside for the internet retail and services companies and the technology sector through 2026.

We expect the Federal Reserve to lower the federal-funds rate and move toward our long-term assumed 2.4% in 2028 from around 3.64% currently. This allows Asia ex-Japan rates to ease, although we think China will not cut much more, given already-low levels. Japan's interest rates should rise, but only gradually. Despite more affirmative comments recently, we still expect the Bank of Japan to raise interest rates at a gradual pace. About 98% of loans in Japan are on floating rates, and sudden upward moves could hurt domestic confidence. A strengthening of the Japanese yen may be diminished by increased government debt. We are selective on the financial sector firms. Upside to our fair values is limited, but we think share prices can stay supported by still-attractive dividend payouts and share buybacks.

In terms of what can go wrong, we think the easy answer is probably geopolitics. Sino-US and Sino-Japan relations remain choppy. This is likely to dampen confidence in much of Asia, given the close economic relationships that Asia has with both China and the US. The markets appear to be less sensitive to President Donald Trump's comments, but a flurry of executive orders could still lead to uncertainty and volatility for equity markets. We think a financial crisis is unlikely as debt levels aren't excessive. However, we could get a sharp correction if share prices get heated again. Disappointment over interest rates, AI-related earnings, or private credit debt defaults may be triggers.

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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