

Singapore Fund Flows Report

Q2 2026

Morningstar
July 2026

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Singapore Fund Flows Report for Second-Quarter 2026

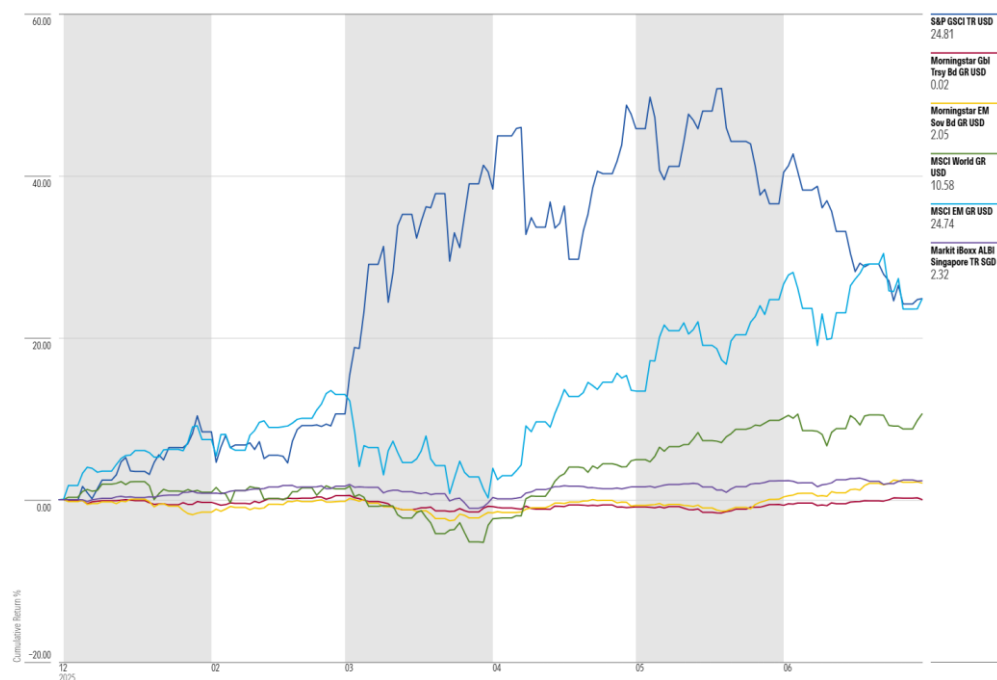
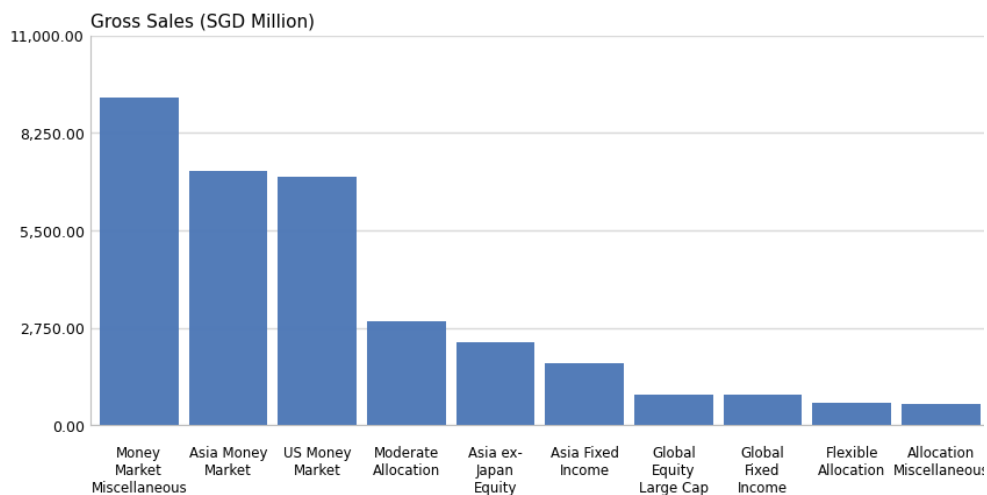
Based on data submitted by participating members of the Investment Management Association of Singapore (IMAS) (see Appendix), authorized and recognized unit trusts registered for sale in Singapore recorded net inflows of SGD 1.28 billion in the second quarter of 2026, down from SGD 3.20 billion in the first quarter. Despite the moderation in quarterly inflows, the industry attracted a cumulative SGD 4.48 billion in net inflows during the first half of 2026.

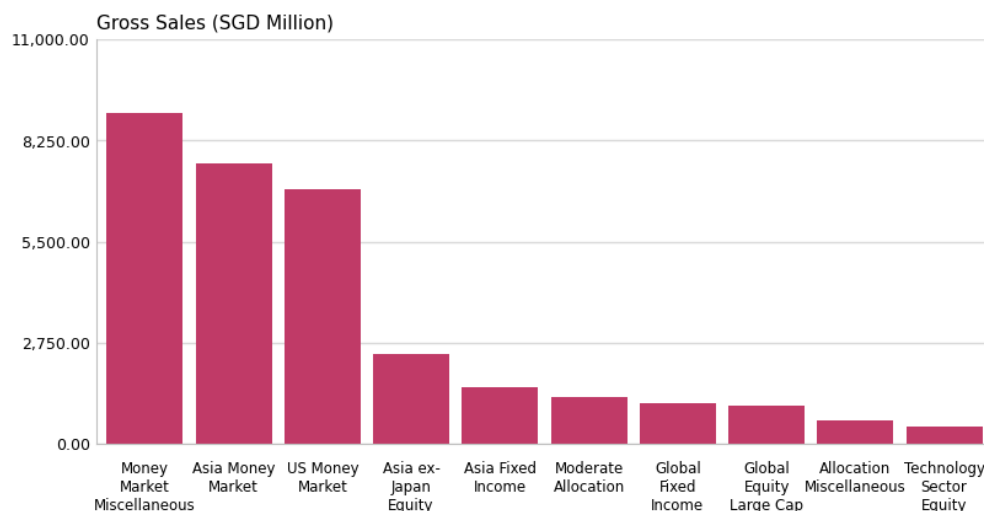
Investor preferences also shifted during the second quarter. Allocation funds remained the standout asset class, attracting SGD 1.83 billion in net inflows, an improvement from SGD 1.46 billion in Q1, making them the best-selling asset class in both the second quarter and the first half of 2026, with cumulative net inflows of SGD 3.29 billion. Equity funds, which led inflows in Q1 with SGD 1.51 billion, reversed course to post SGD 93.3 million in net outflows in Q2, while fixed income funds remained under pressure, with net outflows widening from SGD 97.2 million in Q1 to SGD 288.9 million in Q2.

Exhibit 1 Fund Flows by Major Asset Class for Q2 2026 (in SGD millions)

Asset Class	Inflow	Outflow	Net Flow	Total Net Assets
Allocation	4,276.97	2,445.26	1,831.71	45,521.77
Alternative Strategies	0.32	1.78	-1.46	256.48
Capital Preservation	23,426.49	23,580.50	-154.01	29,608.70
Equity	5,717.06	5,810.38	-93.32	133,462.08
Fixed Income	2,892.88	3,181.81	-288.92	78,511.53
Hybrid Securities	0.10	0.10	0.00	0.03
Real Assets	19.82	32.61	-12.79	46.14

Source: Morningstar. Data as of 30/06/2026.

Exhibit 2 Performance of Key Technical Indicators During Q2 2026**Exhibit 3** Top 10 Inflows and Outflows by Morningstar Category for Q2 2026 (in SGD millions)



Source: Morningstar. Data as of 30/06/2026

Equity Fund Flow Analysis

In Q2 2026, US equity fund flows reflected a broad-based rally in risk appetite, with total net equity inflows of USD 145.96 billion as investors returned to the market following the volatility of the first quarter. US large blend funds led all categories by a wide margin, gathering USD 122.71 billion, followed by technology sector equity funds with inflows of USD 51.12 billion, as the ongoing AI investment cycle continued to draw investor interest. Foreign large blend funds attracted USD 25.38 billion, while derivative income and infrastructure funds gathered USD 16.28 billion and USD 6.70 billion respectively, as investors balanced renewed risk appetite with continued demand for income and downside protection.

Growth-oriented categories, however, remained out of favor even as markets rallied, suggesting investors preferred lower-cost core and thematic exposures over richly valued active growth strategies. US large growth funds recorded the largest outflows at USD 28.84 billion, followed by US mid-cap growth funds, which lost USD 13.56 billion, and foreign large growth funds with redemptions of USD 8.41 billion. US large value and small blend funds also saw notable withdrawals of USD 7.29 billion and USD 7.15 billion respectively.

Equity fund flows in Europe mirrored the global rotation into large-cap and thematic strategies, with global equity large-cap funds leading all categories with inflows of EUR 51.94 billion. US equity large-cap blend funds attracted EUR 21.47 billion as European investors sought exposure to the US rally, while technology sector equity funds gathered EUR 11.67 billion. Infrastructure sector equity funds and long/short equity strategies rounded out the top five with inflows of EUR 4.12 billion and EUR 1.83 billion respectively, reflecting continued appetite for both growth and diversifying strategies.

On the other hand, regional and value-oriented categories faced significant redemptions. Europe equity large-cap funds recorded the largest outflows at EUR 6.69 billion, followed by UK equity large-cap funds, which lost EUR 4.57 billion, and Asia ex-Japan equity funds with redemptions of EUR 4.37 billion. Europe

equity mid/small-cap funds and global emerging markets equity funds also faced withdrawals of EUR 3.13 billion and EUR 3.02 billion respectively, as investors continued to favor globally diversified large-cap exposures over regional or smaller-cap alternatives.

In China, equity fund flows remained sharply polarized, with total net outflows of CNY 953.59 billion for the quarter. Investor demand skewed toward globally diversified and US-linked exposures, with US equity large-cap blend funds leading inflows at CNY 7.91 billion, followed by global equity large-cap funds at CNY 7.81 billion, and US equity large-cap growth funds at CNY 6.51 billion.

However, domestic and technology-linked categories saw extreme redemptions. Greater China equity funds were again by far the weakest segment, suffering redemptions of CNY 954.76 billion as investors continued to retreat from mainland and Hong Kong-listed equities amid persistent growth concerns. Technology sector equity funds also recorded significant outflows of CNY 9.86 billion, a notable contrast to the technology-led inflows seen elsewhere, while energy sector equity funds and consumer goods & services sector equity funds lost CNY 2.58 billion and CNY 1.92 billion respectively.

Thailand equity fund flows in Q2 2026 continued to favor global thematic exposures over domestic strategies. Global technology funds led all categories with inflows of THB 21.86 billion, followed by US equity funds, which attracted THB 14.92 billion, and global infrastructure funds with inflows of THB 10.16 billion. Global equity funds and country-focus equity funds rounded out the top five with THB 9.24 billion and THB 5.35 billion respectively, reflecting continued Thai investor preference for globally diversified, thematic strategies over local exposures.

Conversely, several categories faced heavy redemptions. Equity large-cap funds recorded the largest outflows at THB 10.04 billion, followed by China equity funds, which lost THB 3.49 billion, and property-indirect flexible funds with redemptions of THB 2.40 billion. Asia Pacific ex-Japan equity and India equity funds also saw outflows of THB 1.79 billion and THB 1.67 billion respectively, consistent with the broader retreat from China- and regionally focused strategies observed across other markets.

In Malaysia, equity fund flows were comparatively modest but followed a similar pattern of diversified and country-focus preference. Equity - Other funds led with inflows of MYR 287.50 million, followed by equity - country-focus funds at MYR 231.12 million, and equity - Asia Pacific funds at MYR 196.98 million. Equity - US and equity - sector focus funds rounded out the top five with MYR 141.48 million and MYR 51.15 million respectively.

On the other hand, Malaysian investors continued to shy away from China and technology exposures. Equity - technology funds recorded the largest outflows at MYR 1.34 billion, followed by equity - Greater China funds, which lost MYR 1.17 billion, and equity - Malaysia large-cap funds with redemptions of MYR 778.59 million. Equity - global and equity - Asia Pacific ex-Japan (Shariah) funds also saw withdrawals of MYR 555.50 million and MYR 497.91 million respectively.

The Singapore Equity category remained top of mind for Singaporean investors, with net inflows of SGD 1.05 billion tracked in Q2 2026. Following in second place was Asia Pacific ex-Japan Equity Income, with SGD 265.91 million worth of new subscriptions. Sector Equity Technology came in third place with SGD

74.63 million of fresh funds. On the other hand, Asia ex-Japan Equity continued to remain out of favour, with SGD 1.2 billion redeemed.

Exhibit 4 Top and Bottom Equity Morningstar Categories by Net Flows for Q2 2026 (in SGD millions)

Top Equity Morningstar Category	Net Flow (SGD Million)
Singapore Equity	1,050.81
Asia-Pacific ex-Japan Equity Income	265.91
Sector Equity Technology	74.63
Global Equity Income	74.09
Sector Equity Precious Metals	68.61
Sector Equity Alternative Energy	31.55
Korea Equity	29.23
Asia-Pacific Equity	19.11
Japan Large-Cap Value Equity	18.87
Taiwan Large-Cap Equity	13.68

Bottom Equity Morningstar Category	Net Flow (SGD Million)
Global Emerging Markets Equity	-16.46
US Large-Cap Growth Equity	-23.03
China Equity - A Shares	-36.13
India Equity	-41.94
China Equity	-46.49
Sector Equity Healthcare	-47.67
Global Large-Cap Growth Equity	-52.05
Global Large-Cap Blend Equity	-88.34
Asia-Pacific ex-Japan Equity	-247.70
Asia ex-Japan Equity	-1,186.43

Source: Morningstar. Data as of 30/06/2026

Exhibit 5 Estimated Equity Fund Flows by Investment Area for Q2 2026 (in SGD millions)

Investment Area	Net Flow (SGD Million)
Asia Pacific	-151.49
Europe	-44.19
Global	1,182.35
Latin America	3.19
Middle East	-0.36
North America	339.98
Total	1,329.49

Source: Morningstar. Data as of 30/06/2026

Bond and Money Market Fund Flow Analysis

Fixed income fund flows in the US over Q2 2026 were dominated by broad-based demand across nearly every duration and quality segment, as investors positioned for an easing rate environment alongside the broader equity market rally. Intermediate core bond funds led all categories with substantial inflows of USD 45.78 billion, followed by ultrashort bond funds, which attracted USD 23.81 billion, and intermediate core-plus bond funds with inflows of USD 22.01 billion. Global bond USD-hedged and short-term bond funds also remained highly favored, gathering USD 16.34 billion and USD 15.53 billion respectively.

Notably, every taxable bond category in the US posted positive net flows for the quarter — a marked shift from the more selective, defensively-tilted pattern seen in Q1. Even higher-risk segments such as corporate bond and high yield bond funds attracted USD 11.79 billion and USD 10.95 billion respectively, as improving risk sentiment broadened demand across the fixed income spectrum rather than concentrating it in the safest, shortest-duration strategies.

European fixed income and capital preservation fund flows in Q2 2026 were led by regional and global bond strategies rather than money market funds, a reversal from the money-market-led pattern of Q1. Europe fixed income funds topped all categories with inflows of EUR 37.98 billion, followed by global fixed income funds, which attracted EUR 28.79 billion, and US money market funds with inflows of EUR 26.31 billion. Emerging markets fixed income and Euro money market funds also gathered EUR 10.95 billion and EUR 10.16 billion respectively, as investors broadened their fixed income exposure alongside the improving risk backdrop.

However, a handful of categories still faced redemptions. Fixed-income miscellaneous funds recorded the largest outflows at EUR 2.59 billion, followed by Asia fixed income funds, which lost EUR 1.25 billion. Asia money market funds also saw modest withdrawals of EUR 156 million, while Sterling fixed income and other Europe fixed income funds posted minor outflows.

In China, fixed income categories saw a dramatic surge of new subscriptions, led overwhelmingly by Asia fixed income funds, which gathered CNY 1,094.57 billion for the quarter. Fixed income miscellaneous funds also attracted CNY 5.80 billion, while flexible allocation fixed income funds gained CNY 1.69 billion. On the other hand, Asia money market funds recorded outflows of CNY 1.23 billion, global fixed income funds lost CNY 2.68 billion, and aggressive allocation fixed income funds saw modest redemptions of CNY 110 million.

Thailand fixed income and capital preservation funds recorded strong inflows during Q2 2026, once again driven by demand for short-duration strategies, though the composition shifted from fix-term products toward actively managed short-term bonds. Short-term bond funds led all categories with inflows of THB 97.65 billion, followed by bond fix term funds, which attracted THB 49.15 billion, and money market funds with inflows of THB 5.95 billion. Roll-over bond funds also gathered a modest THB 152 million.

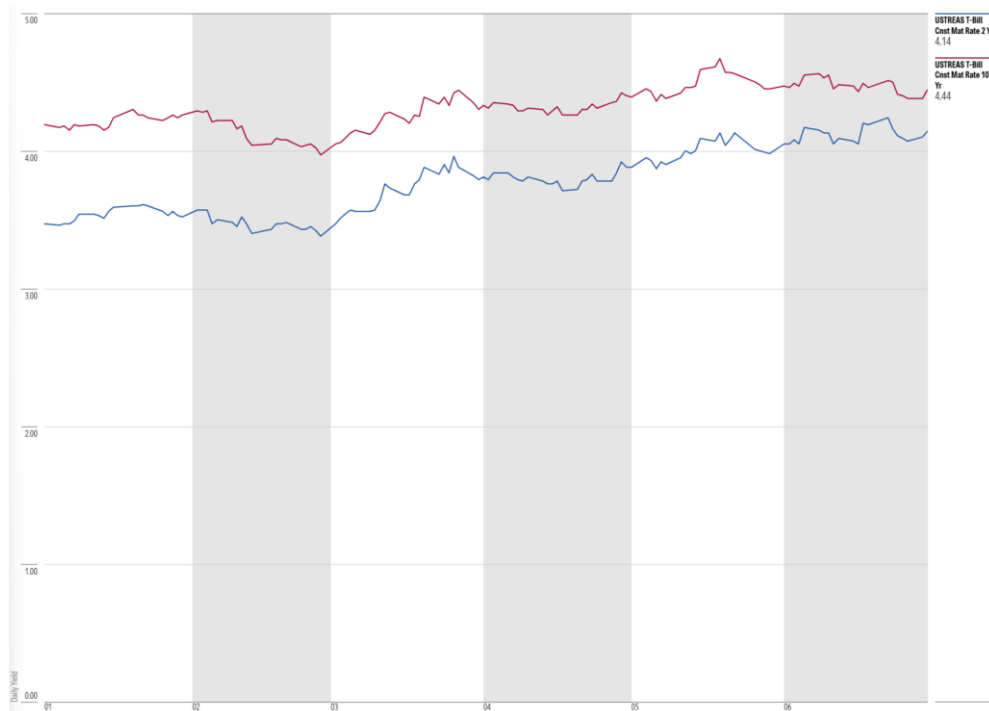
However, longer-duration and foreign-linked bond categories experienced significant outflows. Foreign investment bond fix term funds recorded the largest redemptions at THB 47.85 billion, followed by mid/long-term bond funds, which lost THB 33.34 billion, and global bond funds with outflows of THB 26.02 billion. Flexible bond funds also faced withdrawals of THB 12.43 billion, extending the pressure on longer-duration and globally diversified bond strategies seen in the previous quarter.

In Malaysia, fixed income flows were comparatively muted but skewed positive, led by continued demand for domestic Shariah-compliant bonds. Bonds - Malaysia (Shariah) funds led all categories with inflows of MYR 850.65 million, followed by bonds - global funds at MYR 138.19 million, and bonds - Malaysia funds at MYR 57.29 million. On the other hand, bonds - other and bonds - Asia funds saw the largest redemptions, losing MYR 172.98 million and MYR 136.92 million respectively, as investors continued to favor domestic and globally diversified fixed income exposures over regional Asian bond strategies.

Within the fixed income category in Singapore, Asia Fixed Income was the most popular category with Singaporeans, with SGD 208.99 million. Regarding money market funds, Miscellaneous Money Market came in first with SGD 236.81 million, but Asia Money Market saw net outflows of SGD 454.59 million.

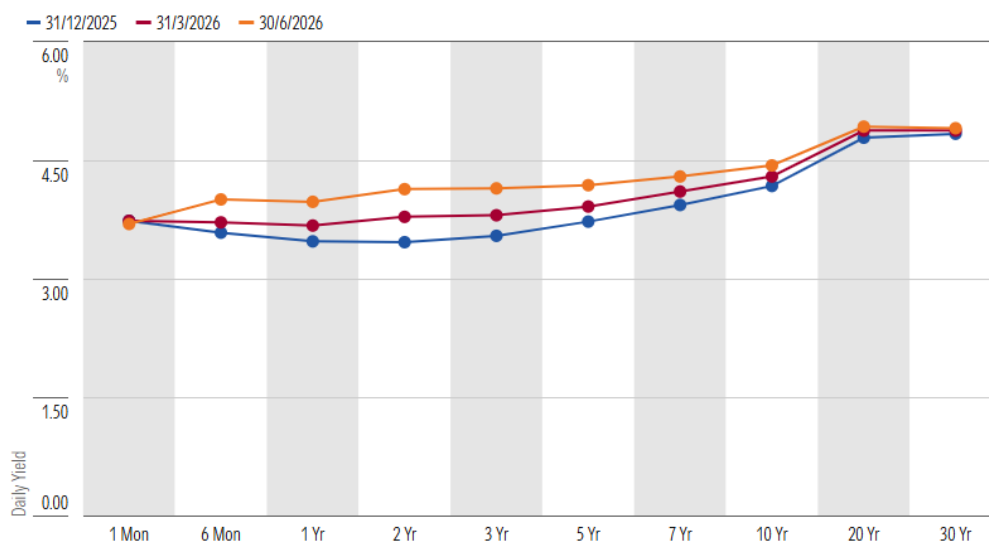
US Government-Bond Market Movements

Exhibit 6 10-Year US Treasury Constant Maturity Rate



Source: Morningstar. Data as of 30/06/2026.

Exhibit 7 Shifts in US Benchmark Yields During Q2 2026



Source: Morningstar. Data as of 30/06/2026.

Exhibit 8 Net Flows Into Bond and Money Market Funds for Q2 2026 (in SGD millions)

Fixed Income Category	Net Flow (SGD Million)
Asia Fixed Income	208.99
Emerging Markets Fixed Income	9.69
Europe Fixed Income	-7.07
Fixed Income Miscellaneous	-38.36
US Fixed Income	-207.92
Global Fixed Income	-254.25

Money Market Category	Net Flow (SGD Million)
Money Market Miscellaneous	236.81
US Money Market	63.69
Sterling Money Market	0.08
Asia Money Market	-454.59

Source: Morningstar. Data as of 30/06/2026

Allocation and 'Other' Fund Flow Analysis

In Singapore, SGD 1.49 billion of funds went into allocation strategies, with the Other Allocation category coming in first with SGD 719 million, followed by USD Moderate Allocation with SGD 448 million. Islamic Allocation – Other completed the top three with SGD 197 million, with Target Date 2026-2030 coming in at the bottom with outflows of SGD 0.1 million.

Exhibit 9 Net Flows Into Allocation and "Other" Funds for Q2 2026 (in SGD millions)

Allocation and "Other" Category	Net Flow (SGD Million)
Moderate Allocation	1,657.31
Flexible Allocation	179.31
Aggressive Allocation	21.87
Cautious Allocation	7.31
Capital Protected	-0.65
Target Date	-0.76
Allocation Miscellaneous	-33.34

Source: Morningstar. Data as of 30/06/2026

The Outlook

Oil rose and global stocks tumbled when the Iran war began on Feb. 28, resulting in an ugly March across most asset classes and regions. While efforts to end the fighting have foundered, the on-again-off-again ceasefire appears to have calmed equity markets and reversed oil's price spike. US President Donald Trump, however, declared that the ceasefire was dead and renewed strikes on Iran, increasing uncertainty and jeopardizing Brent crude's two-month decline.

The second quarter's rebound flipped several major markets from red to green and overall brought the [Morningstar Global Markets ex US Index](#) almost 13% higher for the year, after its 10% March decline. Every major European stock market is now positive for the year, with six—Sweden, Germany, Italy, Greece, France, Spain—bouncing back from modest declines in the first quarter.

While the US market as a whole isn't in the bargain bin, there are still some pockets of value available for price-conscious investors. Valuations for [international stocks](#), in particular, remain lower than those of their domestic counterparts, despite the strong gains in non-US stocks in both 2025 and 2026.

The broad Asian market gained around 32% in the second quarter as Iran war risks abated and positive artificial intelligence spending outlooks drove exceptional gains for the technology sector. Asian tech companies have gained almost 93% in the second quarter. Other sectors saw more pedestrian returns. The consumer defensive sector continued to fall on Iran war risks to input costs, while the pullback in healthcare may reflect profit-taking after strong gains in 2025.

Of our China/Hong Kong coverage, 78%, inclusive of dual listings, are now in 4- or 5-star territory, up from 62% in the first quarter. Further falls in the share prices of e-commerce, travel, consumer defensive, and healthcare companies have increased outperformance ratings in our China coverage. The undervalued names in our technology coverage are mainly solar-panel-related entities, where excess capacity remains a near-term risk.

Japan's solid gains were also led by the tech sector, but positive returns were more broad-based. The technology sector's strong rebound from the pullback in the March quarter has moved it from a 14% discount to our intrinsic value to being overvalued by 24%. We would prefer to see around a 20%-30% correction in technology share prices before we consider buying. Notably, the defensive sectors have gotten cheaper. In particular, healthcare is seeing a steeper 20% average discount to our fair values, up from 4%.

This is due to unique factors among the stocks we cover, which resulted in mixed March-quarter earnings performances and outlooks. However, we think that negative news is reflected and valuations are attractive. Inflation presents a risk to consumer companies, with domestic sales facing pressure. The downtrading trend to more mass products from the premium end may continue to hurt margins, especially with input costs staying firm.

Despite the broad Japan market gaining 23% in the second quarter, the percentage of 4- and 5-star-rated companies in our Japanese coverage is largely stable at 38%. Positive earnings guidance following the March-quarter results has led to raised valuations, and we still see buying opportunities across most sectors. The weakness in the Japanese yen is anticipated to provide some support to the exporters. On fixed income, despite the rate cut in December 2025, yields on cash are still higher than inflation, making fixed-income securities relatively attractive.

The midpoint of the target range for the federal-funds rate stood at about 3.64% as of June 30, down from a high of 5.33% in 2024. However, the fed-funds rate remains significantly higher than its low of 0.04% as of late 2011, when the Federal Reserve's zero interest rate policy reached its nadir. In the wake of the global financial crisis, the Fed aggressively dropped short-term rates to near zero to stabilize the economy. It also purchased US Treasuries and agency mortgages as another way to keep bond yields low. ZIRP and successive rounds of quantitative easing led to a nearly 15-year period of low borrowing costs. More broadly, yields on high-quality fixed-income securities remain significantly higher than they were a few years ago. When rates were extremely low, there was nowhere for yields to go but higher and nowhere for bond prices to go but lower. Now we're clearly in a different environment, making bonds more attractive than they were a decade ago.

Appendix—Data Sources

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

1. abrdn Asia Limited
2. AllianceBernstein (Singapore)
3. Allianz Global Investors Singapore
4. Amova Asset Management Asia Limited
5. Amundi Singapore
6. BlackRock (Singapore)
7. Eastspring Investments (Singapore)

8. FIL Investment Management (Singapore)
9. First Sentier Investors (Singapore)
10. iFAST Financial
11. Janus Henderson Investors (Singapore)
12. JPMorgan Asset Management (Singapore)
13. Lion Global Investors
14. Manulife Investment Management (Singapore)
15. 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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