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Singapore Fund Flow Report
Q1 2024

Morningstar
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Contents

1. Fund Flows Overview for Q1 2024
3. Equity Fund Flows Analysis
5. Bond & Money Market Fund Flow Analysis
6. US Government-Bond Market Movements
7. Allocation and 'Other' Fund Flow Analysis
8. Outlook
9. Appendix A—Data Sources

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Singapore Fund Flows Report for First-Quarter 2024

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 975 million for the first quarter of 2024, reversing a trend where net outflows of SGD 998 million was recorded in the fourth quarter of 2023.

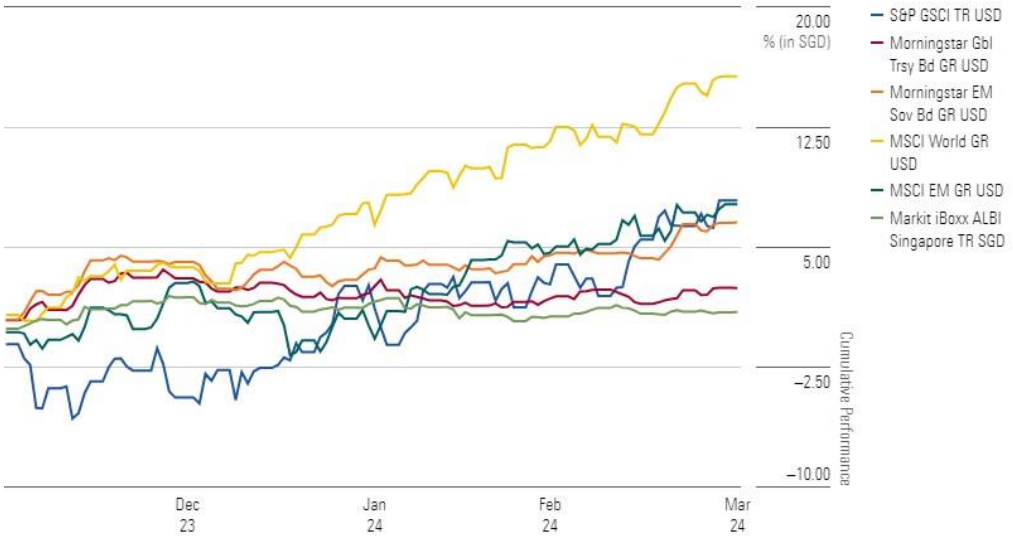
Breaking down the data by asset type, every asset class but fixed income and money market funds reported outflows. Equities saw outflows of SGD 172.8 million, allocation funds saw outflows of SGD 61.56 million and convertibles saw a minor outflow of SGD 0.05 million. The overall net positive observed in Singapore fund flows was supported by fixed income and money market funds, with combined inflows of SGD 1215.31 million.

Exhibit 1 Fund Flows by Major Asset Class for Q1 2024 (in SGD millions)

Asset Class	Inflow	Outflow	Net Flow	Total Net Assets
Allocation	1,008.33	1,069.89	-61.56	25,962.65
Alternative	0.73	4.71	-3.98	515.26
Commodities	1.98	3.59	-1.61	33.57
Convertibles	0.03	0.09	-0.05	42.04
Equity	2,523.58	2,696.38	-172.80	94,896.02
Fixed Income	2,964.54	1,927.23	1,037.31	81,040.67
Money Market	766.34	588.34	178.00	2,836.80

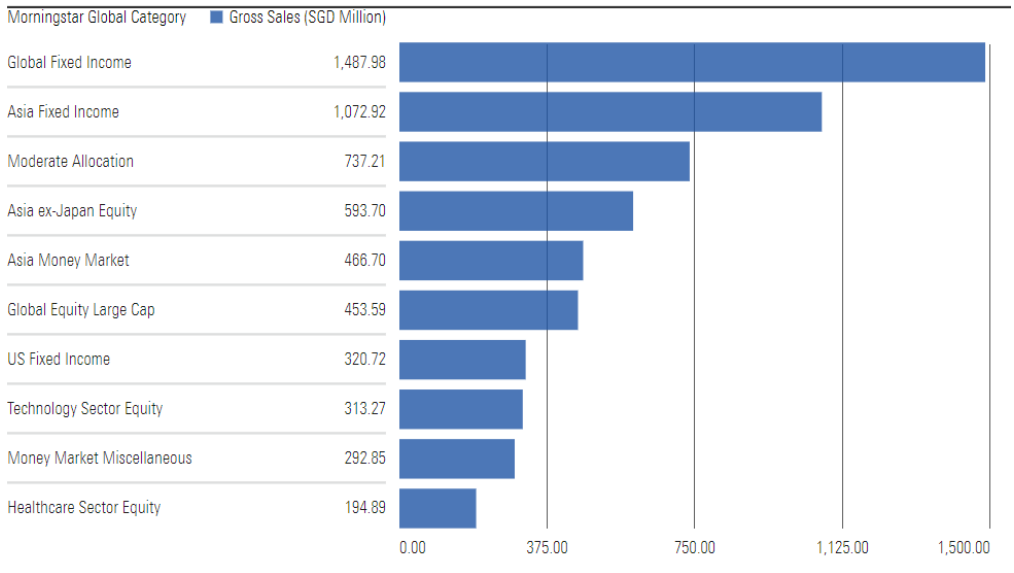
Source: Morningstar. Data as of 31/3/2024.

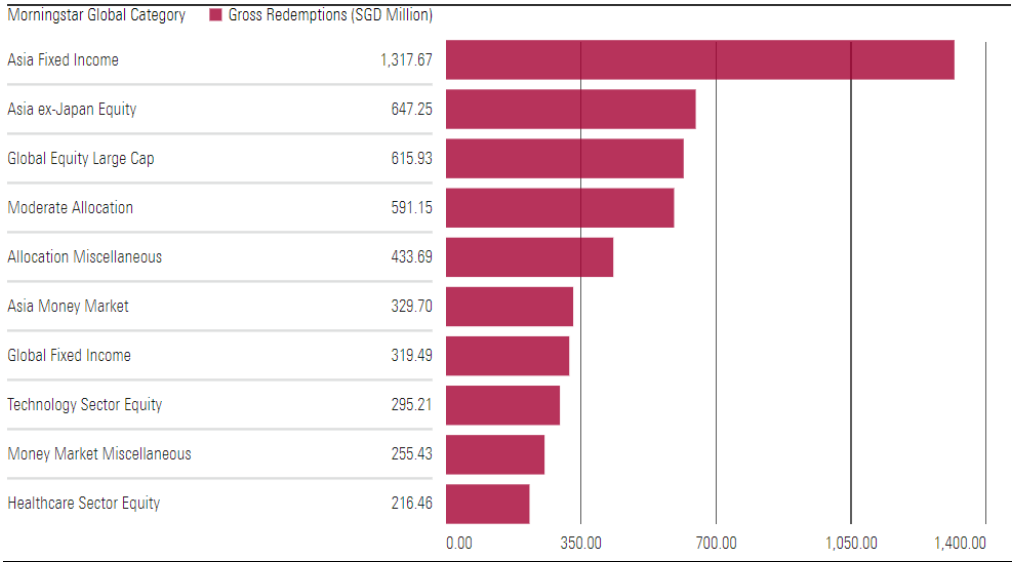
Exhibit 2 Performance of Key Technical Indicators During Q1 2024



Source: Morningstar. Data as of 31/3/2024.

Exhibit 3 Top 10 Inflows and Outflows by Morningstar Category for Q1 2024 (in SGD millions)





Source: Morningstar. Data as of 31/3/2024.

Equity Fund Flow Analysis

As the world's largest equity market, USD 87.45 billion of equity funds (excluding nontraditional equity) left the U.S. in the first quarter, which hovered at a similar level from last quarter's outflow figures. From a sector perspective, healthcare saw the largest bleeding of funds, followed by energy and global real estate. Given the dominance of the tech sector in propping up the equities market, their net inflow of USD 1.9 billion was the only bright spot, along with foreign large blend equity attracting USD 1.7 billion of new money.

Across the pond, EUR 21.83 billion of funds exited Europe in the first quarter. Investor interest in the Asia ex-Japan equity category waned, with EUR 6.8 billion withdrawn. This was followed closely by Europe equity large-cap with EUR 6.19, and UK equity large-cap with EUR 5.29 billion. Global equity large-cap funds garnered the most attention, with approximately EUR 17 billion entering the European market, followed by the technology sector with EUR 3.54 billion.

In Asia, China led the pack with CNY 382 billion of funds attracted. A huge portion of China's net equity inflows were drive by interest in Greater China equity (CNY 338 billion). Malaysia was one of the worst performing countries in the region, with MYR 2.8 billion exiting the market - large-cap Shariah equities (MYR 1.6 billion) were responsible for most of the fund exodus. In Thailand, THB 137.68 million left the market, but this was offset by THB 7 billion net inflows for US equity, and rising investor interest in India equity (THB 4.46 billion).

In Singapore, Singapore equity saw the highest net flows of SGD 68.21 million, followed by India equity with flows of SGD 64.22 million. Global large-cap blend equity and US large-cap blend equity saw net flows of SGD 35.65 and SGD 32.15 million respectively, with Japan large-cap and flex-cap equity

hovering around SGD 21 million. On the other hand, global large-cap growth equity recorded the largest net outflows of SGD 67.79. This was followed closely by Asia ex-Japan equity with SGD 62.51 million. The US large-cap growth equity saw losses of SGD 44.17 million, with global equity income rounding off the top 5 net outflows with SGD 31.9 million.

Exhibit 4 Top and Bottom Equity Morningstar Categories by Net Flows for Q1 2024 (in SGD millions)

Top Equity Morningstar Category	Net Flow (SGD Million)
Singapore Equity	68.21
India Equity	64.22
Global Large-Cap Blend Equity	35.65
US Large-Cap Blend Equity	32.15
Japan Large-Cap Equity	21.50
Japan Flex-Cap Equity	20.43
Global Emerging Markets Equity	17.30
Europe Large-Cap Blend Equity	16.83
Vietnam Equity	12.37
Europe Equity Income	7.88
Bottom Equity Morningstar Category	**Net Flow (SGD Million)**
Other Equity	-20.79
Sector Equity Alternative Energy	-22.45
Sector Equity Biotechnology	-25.13
Sector Equity Healthcare	-29.20
China Equity - A Shares	-30.64
Global Equity Income	-31.90
US Large-Cap Growth Equity	-44.17
Asia-Pacific ex-Japan Equity	-52.03
Asia ex-Japan Equity	-62.51
Global Large-Cap Growth Equity	-67.79

Source: Morningstar. Data as of 31/3/2024.

Exhibit 5 Estimated Equity Fund Flows by Investment Area for Q1 2024 (in SGD millions)

Investment Area	Net Flow (SGD Million)
Asia Pacific	-120.18
Europe	-5.74
Global	1,014.76
Latin America	-1.58
Middle East	0.09
North America	158.88
Total	1,046.23

Source: Morningstar. Data as of 31/3/2024.

Bond and Money Market Fund Flow Analysis

With last quarter being a good one for bonds, the first quarter of 2024 saw most fixed income categories continue their path to recovery. In the U.S., the fixed income market (excluding municipal bonds) attracted USD 95.16 billion of funds, a growth of 558% when compared to last quarter where approximately USD 20 billion left the fixed income market. Money market funds also grew by USD 16.21 billion.

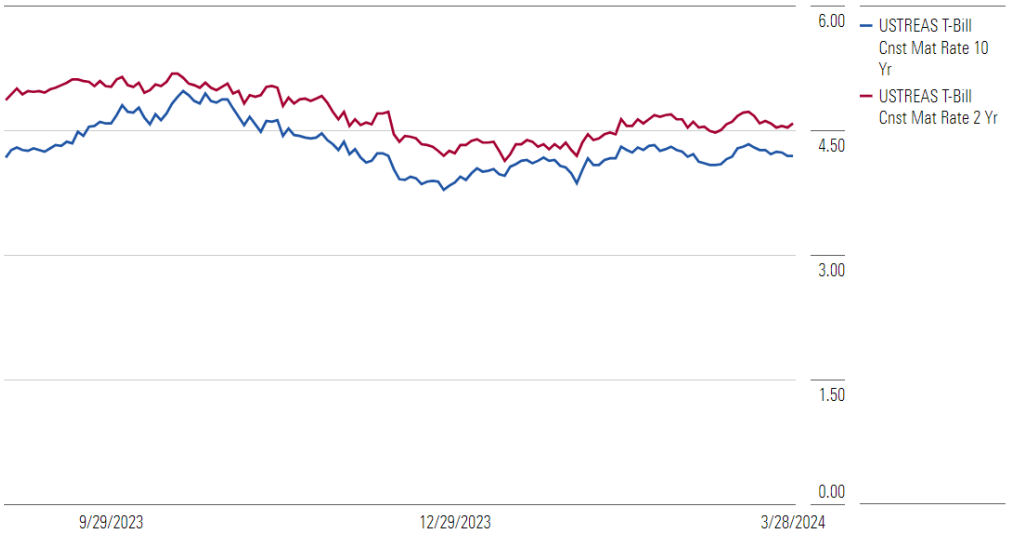
In Europe, the performance of fixed income and money market categories painted a similar picture as the U.S. The bond market attracted EUR 77.44 billion of new funds, with Europe fixed income generating EUR 33.68 billion of fund inflows, followed by global fixed income with EUR 19.17 billion. Emerging markets and Asia fixed income saw the highest outflows at approximately EUR 1.7 billion. Money markets gained EUR 27.55 billion in the quarter.

In China, fixed income aggressive allocation (CNY 5.13 billion) was the only exception as all other fixed income categories saw net inflows, resulting in an overall of CNY 217.44 billion for the quarter. Money market funds were the top performer in China across, with approximately CNY 1 trillion worth of new funds gained. Thailand recorded positive net inflows for its fixed income (THB 31.80 billion) and money market fund (THB 28.44 billion) categories. Malaysia's performance in fixed income categories was fairly muted compared to the other markets, with a net outflow of MYR 674.63 million

In terms of flows, global fixed income saw the highest flows of SGD 1,168.49 million. US fixed income followed, with flows of SGD 117.48 million. Asia fixed-income funds lost the most, seeing outflows of SGD 244.76 million. Asia money market funds reversed their losses from Q4 2023 and posted gains of SGD 137 million in Q1 2024. Miscellaneous money market funds gained SGD 37.42 million.

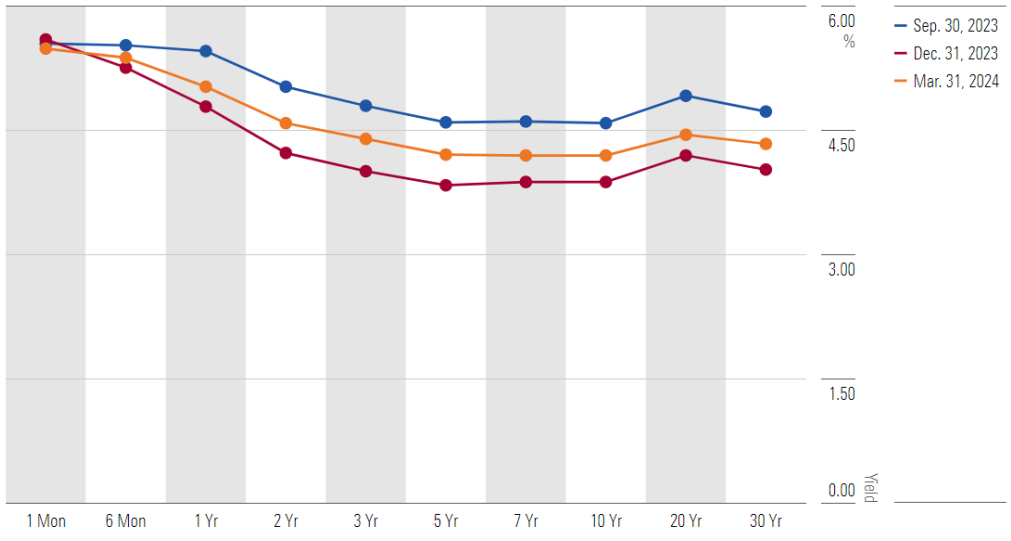
US Government-Bond Market Movements

Exhibit 6 10-Year US Treasury Constant Maturity Rate



Source: Morningstar. Data as of 31/3/2024.

Exhibit 7 Shifts in US Benchmark Yields During Q1 2024



Source: Morningstar. Data as of 31/3/2024.

Exhibit 8 Net Flows Into Bond and Money Market Funds for Q1 2024 (in SGD millions)

Fixed Income Category	Net Flow (SGD Million)
Global Fixed Income	1,168.49
US Fixed Income	117.48
Fixed Income Miscellaneous	3.90
Emerging Markets Fixed Income	-2.51
Europe Fixed Income	-5.29
Asia Fixed Income	-244.76
Money Market Category	**Net Flow (SGD Million)**
Asia Money Market	137.00
Money Market Miscellaneous	37.42
US Money Market	3.58

Source: Morningstar. Data as of 31/3/2024.

Allocation and 'Other' Fund Flow Analysis

Allocation funds collectively posted net outflows of SGD 61.28 million for the first quarter. The allocation miscellaneous category saw the most outflows of SGD 244.59 million. Moderate allocation, aggressive allocation, flexible allocation all saw net inflows, which helped to reduce the volume of net outflows for allocation funds substantially when compared to Q4 2023. Global macro posted a slight outflow of SGD 2.79 million.

Exhibit 9 Net Flows Into Allocation and "Other" Funds for Q1 2024 (in SGD millions)

Allocation and "Other" Category	Net Flow (SGD Million)
Moderate Allocation	146.06
Aggressive Allocation	26.38
Flexible Allocation	11.70
Alternative Miscellaneous	0.00
Convertibles	-0.05
Market Neutral	-0.08
Cautious Allocation	-0.83
Multialternative	-1.11
Commodities Broad Basket	-1.61
Global Macro	-2.79
Allocation Miscellaneous	-244.59

Source: Morningstar. Data as of 31/3/2024.

The Outlook

Global stock markets picked up from where they left off in 2023, with stocks rallying and bonds reversing their losses. Bolstered by the combination of a solid economy, better-than-expected corporate earnings, and an apparent end to the Federal Reserve's interest rate hikes, stocks rallied 25% in 2023. Technology stocks (and growth stocks more broadly) jumped thanks to expectations of multiple Fed rate cuts in 2024, along with the emerging boom in artificial intelligence technologies.

As 2024 gets underway, conversations around potential headwinds for the year revolve around pessimism around China's growth story, sovereign deficits in developed markets, resurgent inflation, key elections in the US and UK, and prolonged geopolitical crisis in the Middle East and Ukraine/Russia. While these risks generally carry a certain degree of volatility, we believe that they do not necessarily change future return expectations, which means in many instances, price dislocation that results from these events could be a broad-based buying opportunity.

Bonds are expected to play a key role in 2024 and beyond, especially with yield levels of the 10-year Treasury now at attractive levels. That added cushion, so to speak, gives the hedging appeal of Treasuries added return potential. As we have observed from prior short-term crises, whether that's from government shutdowns of the Jan.6 U.S. Capitol riot, the uncertainty of the moment tends to cause selloffs in so-called risk assets—equities and corporate bonds as two prime examples. However, over the long run, equities and credit have recovered. Meanwhile, Treasuries tend to act as a store of value because the long-term financial stability of the U.S. government is not in question, and the key risks for Treasuries—inflation and rising interest rates—aren't necessarily in play.

On the equity side of things, the "Magnificent Seven" were responsible for the lion's share of gains in the equities markets, fueled by the boom in artificial intelligence. The possibility of further rate cuts could potentially sustain the bull market for a while longer, but a slowdown is possible. In a climate where many of the large-cap names have high valuations, investing where there is a valuation buffer or margin of safety would be key in 2024.

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
15. NN Investment Partner (S)
16. Phillip Capital Management (S)
17. PIMCO Asia
18. PineBridge Investments Singapore
19. Schroder Investment Management (Singapore)
20. Singapore Consortium Investment Management
21. Templeton Asset Management
22. UBS Asset Management (Singapore)
23. UOB Asset Management
24. Western Asset Management



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