



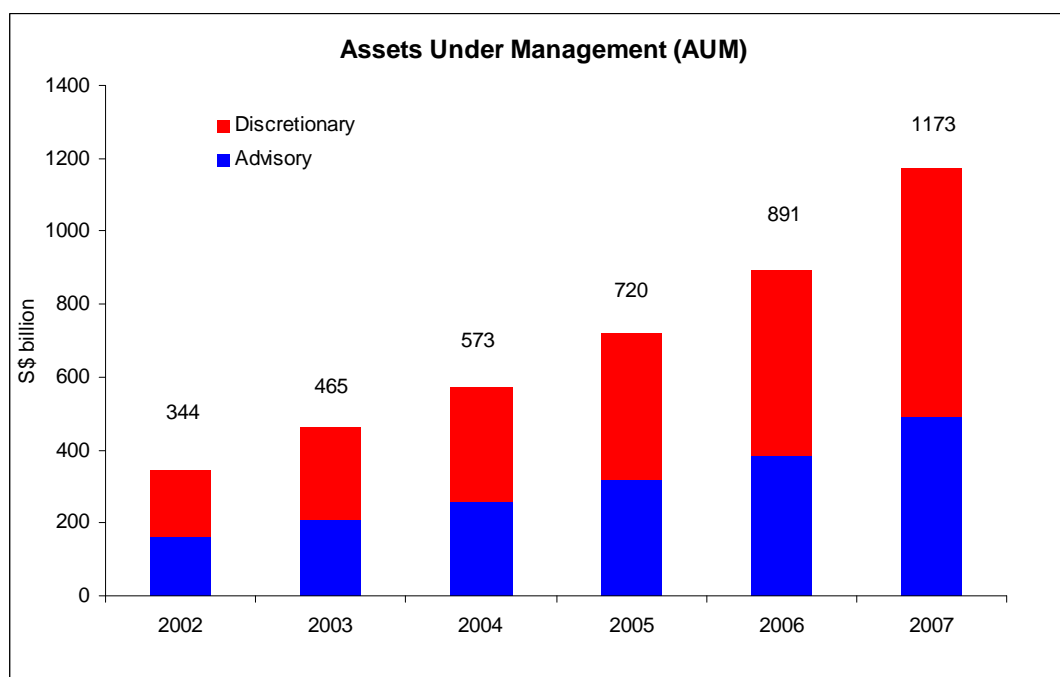
2007 SINGAPORE ASSET MANAGEMENT INDUSTRY SURVEY

The Monetary Authority of Singapore conducted its annual survey of the Singapore asset management industry, for the year ending 31 Dec 2007. The survey covered those financial institutions with asset management activities in Singapore who responded to our survey questionnaire.¹

1 ASSETS UNDER MANAGEMENT (“AUM”)

1.1 As at end-2007, total assets managed by Singapore-based asset managers showed a strong 32% growth rate to reach S\$1.173 trillion (approximately US\$814 billion), compared to S\$891 billion as at end-2006. This is the seventh consecutive year of double-digit year-on-year growth in total AUM registered by Singapore-based asset managers.

Chart 1: Growth of Assets under Management



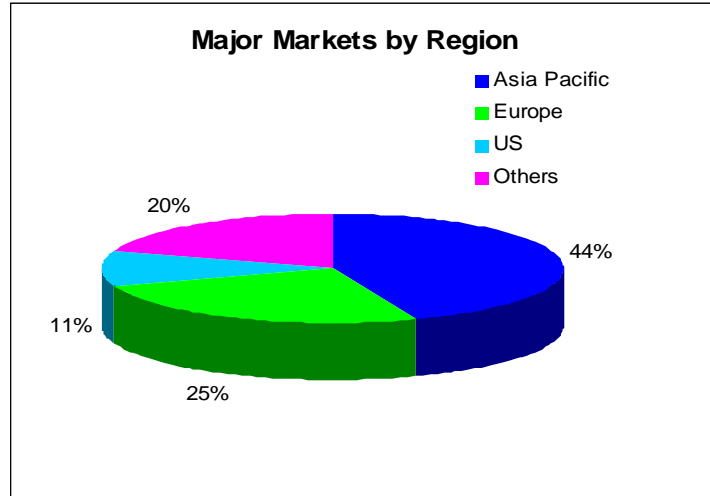
¹ Financial Institutions comprise Banks, Finance and Treasury Centres, Capital Markets Services licensees, Financial Advisers, Operational Headquarters and exempt entities.

2 SOURCES OF FUNDS

2.1 The asset management industry in Singapore continued to be international in character with about 86% of total AUM sourced from outside Singapore. The Asia-Pacific region remained a key source of mandates for Singapore-based asset managers and represented 44% of total funds sourced in 2007. Funds sourced from other major markets such as the US and Europe accounted for about 36% of the total funds under management. Funds sourced from all markets in general had shown strong growth, including South Asia and the Middle East.

2.2 In terms of investor base, 43% of the total funds managed were sourced from institutional investors such as pension funds, endowments, foundations, corporates and financial institutions, with the rest of the funds sourced from non-institutional investors.

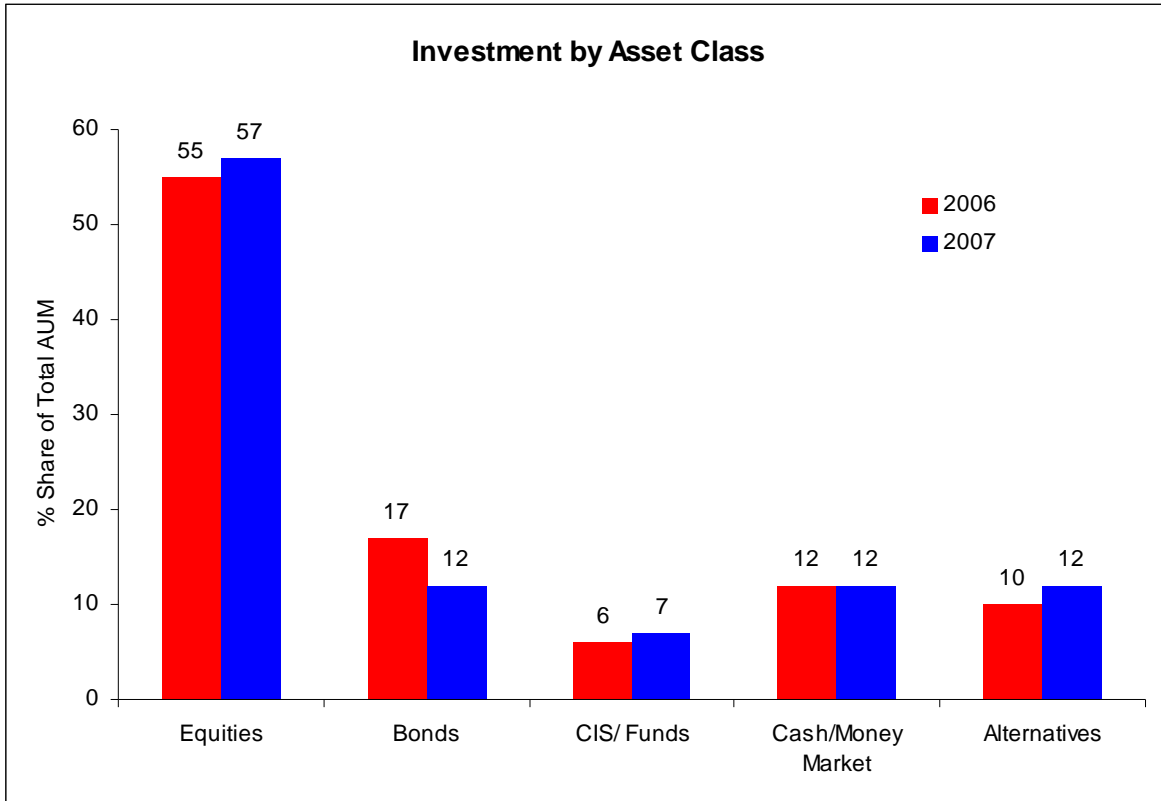
Chart 2: Sources of Funds by Region, 2007



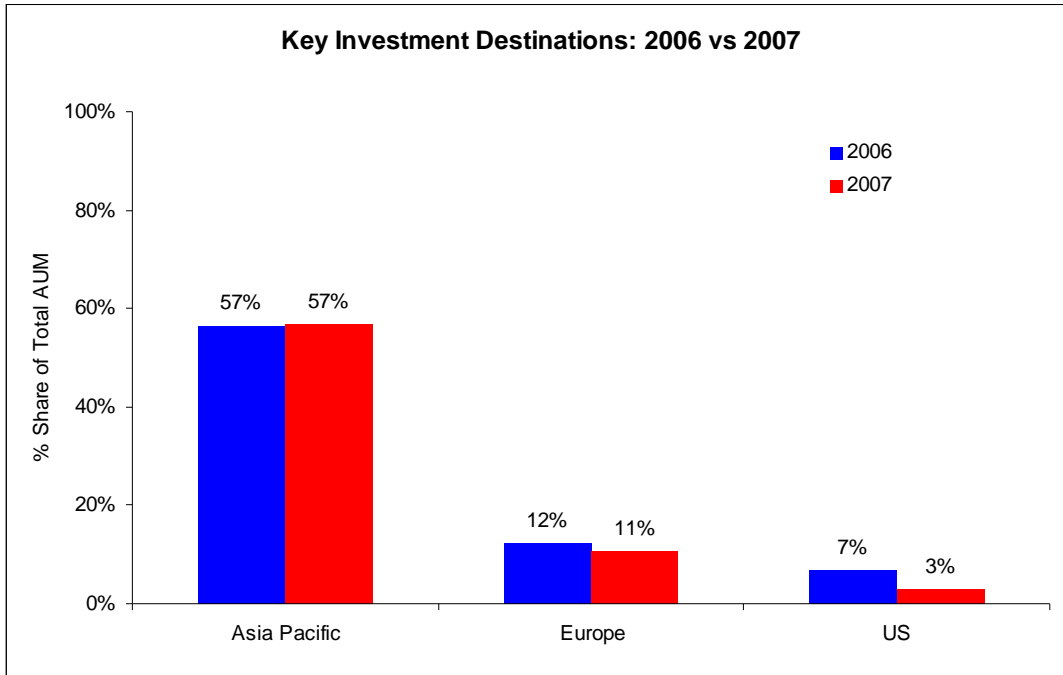
3 INVESTMENT OF FUNDS

3.1 The assets managed by Singapore-based asset managers retained a strong bias towards equities, accounting for 57% of total AUM, a 2% rise from 2006. Allocations towards alternative investments also rose by 2% to 12% whilst allocations to bonds saw a decline of 5% to 12%.

Chart 3: Investment of Funds by Instruments



3.2 Singapore continues to be the centre for the management of regional investments. In 2007, investments into the Asia-Pacific region accounted for 57% of the total AUM in Singapore. This reflected investors' continued interest in Asian investment opportunities. In contrast, the proportion of investments allocated to European and US assets decreased and accounted for 11% and 3% of the total AUM respectively.

Chart 4: Investment of Funds by Region

4 PROFILE OF ASSET MANAGEMENT COMPANIES

4.1 The asset management industry has expanded in size, diversity and scope. Comprising a good mix of both international and local asset managers, these managers offer a wide range of products and strategies to clients from all over the world. They use Singapore as a key hub for the management of regional investments as well as an efficient base to raise assets from the region and service regional clients.

4.2 The number of bulge-bracket asset managers managing more than S\$5 billion in discretionary assets in 2007 increased by 23% as they deepen and broaden further their asset management activities in Singapore. These bulge-bracket asset managers continue to drive the growth in the asset management industry and accounted for 47% of the total AUM in Singapore.

4.3 Singapore has, over the past few years, seen a healthy growth in the alternative investment management industry, which comprises hedge fund, private equity and real estate managers. These alternative investment managers add to the diversity of the industry. In particular, the number of

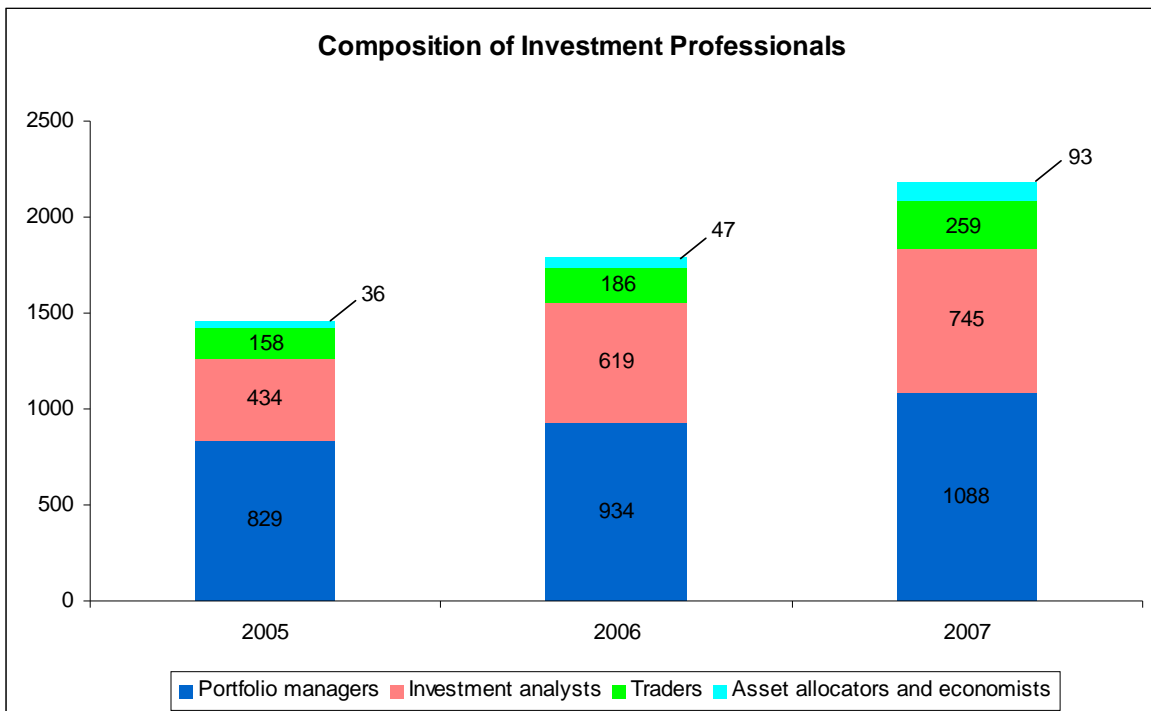
hedge fund managers in Singapore had seen a strong increase by more than 50% to almost 300. Total assets managed by these hedge fund managers doubled to close to S\$80 billion (approximately US\$55 billion) as at end-2007. The profiles and investment strategies of the hedge fund managers in Singapore are highly varied and diverse.

4.4 In tandem with the overall growth of both the traditional and alternative investment management industry, there has been an increase in the number of ancillary service providers such as fund administrators and prime brokers which have established a presence in Singapore.

5 EMPLOYMENT OF INVESTMENT PROFESSIONALS

5.1 The number of investment professionals employed within the industry rose by 22% to reach 2,185 in 2007. Investment professionals comprise portfolio managers, investment analysts, traders, asset allocators and economists. All categories of investment professionals had seen a healthy growth over the last two years. Portfolio managers continue to account for the bulk of the investment professionals in Singapore.

Chart 5: Investment Professionals



6 COLLECTIVE INVESTMENT SCHEMES (“CIS”)

6.1 In 2007, total CIS AUM increased by 30% to reach S\$39 billion (approximately US\$27 billion). Accounting for 46% of the total number of CIS, CPF-approved CIS continued to represent the majority of CIS investments, contributing to 67% of total CIS AUM.

Table 1: Breakdown of CIS by CPFIS & Non-CPFIS

	As at end-2006		As at end-2007	
	No.	AUM (S\$ billion)	No.	AUM (S\$ billion)
CIS under CPFIS	217	21	162	26
CIS under Non-CPFIS	157	9	187	13
Total	374	30	349	39

6.2 Investments into Fund-of-Funds, Balanced Funds, Equity Funds and Money Market Funds CIS experienced growth ranging from 45% to 80% while allocation to Capital Guaranteed/Protected Funds CIS showed a decline of more than 40%.

6.3 In terms of geographical allocation, Asian markets including Singapore accounted for 71% of CIS investments in 2007, compared to 61% as at end-2006. This reflected a more bullish investor outlook for Asia.

Chart 6a: Investment of CIS by Region, 2006

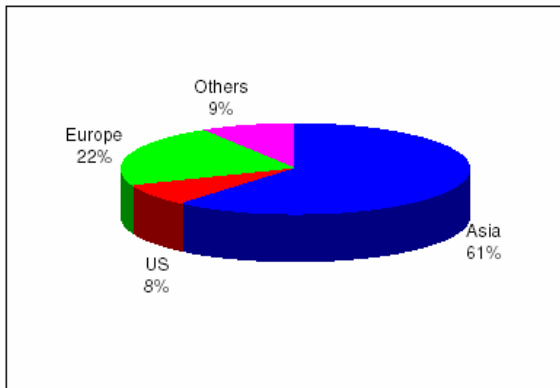
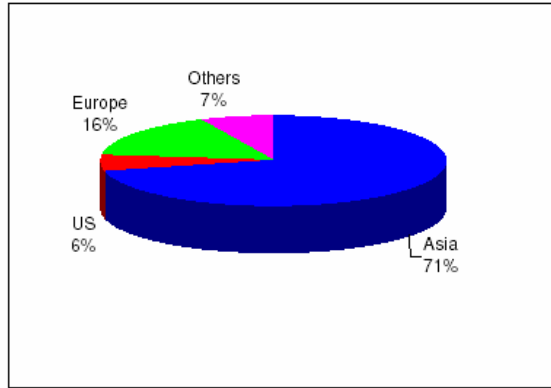


Chart 6b: Investment of CIS by Region, 2007



**Prepared by:
Monetary Authority of Singapore
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