

## **2013 SINGAPORE ASSET MANAGEMENT INDUSTRY SURVEY**

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The Monetary Authority of Singapore (MAS) conducted its annual survey of the Singapore asset management industry<sup>1</sup>, for the year ending 31 December 2013.

### **Key highlights**

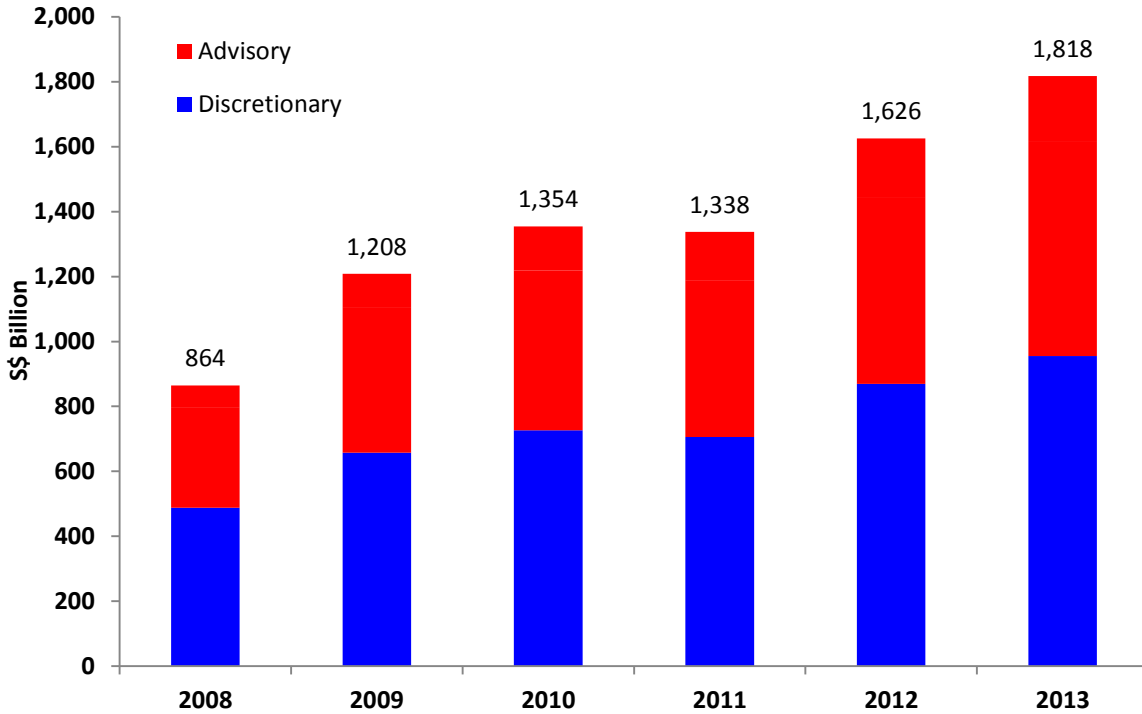
- *As at end-2013, total assets managed by Singapore-based asset managers grew by 11.8% to S\$1.82 trillion. Growth was broad-based, with traditional and alternative managers registering good increases in assets under management (AUM).*
- *Whilst traditional asset managers continue to contribute substantively to annual growth, assets managed by hedge fund and private equity managers grew 20.9% and 33.6% year-on-year respectively.*
- *Approximately 77% of total AUM was sourced from outside Singapore. Of the total AUM, approximately 56% was sourced from the Asia Pacific region, while 67% was invested in the Asia Pacific region. This demonstrates Singapore's position as a pan-Asian asset management centre.*

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<sup>1</sup> Financial Institutions surveyed comprise Banks, Finance and Treasury Centres, Capital Markets Services licensees (including REIT managers), Financial Advisers, Insurance Companies, Operational Headquarters and exempt entities, but excludes direct investments by government-related entities. There were 740 participants who contributed to the 2013 Survey results.

**ASSETS UNDER MANAGEMENT (“AUM”)**

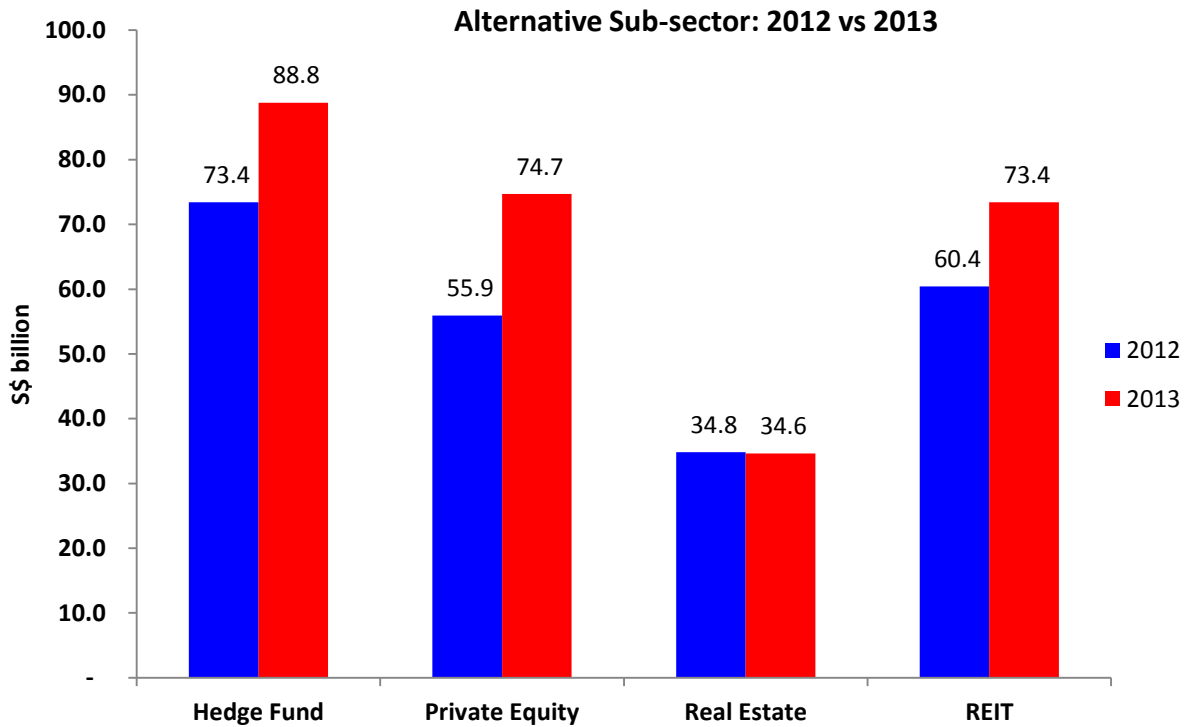
**Chart 1: Assets under Management**



1. As at end-2013, total assets managed by Singapore-based asset managers grew by 11.8% to S\$1.82 trillion, compared to S\$1.62 trillion as at end-2012. In the last 3 years, the industry recorded an average AUM growth rate of 10.7% per annum, reflecting strong growth in funds sourced from the region, as well as sustained interest amongst regional and global investors to invest in Asia’s growth.

2. Growth was broad-based, with both traditional and alternative managers registering good increases in assets under management. Traditional asset managers continued to contribute substantively to annual growth, driven largely by innovative product offerings, such as multi-asset solutions and specialised fixed income strategies.

**Chart 2: Alternative Sector AUM**

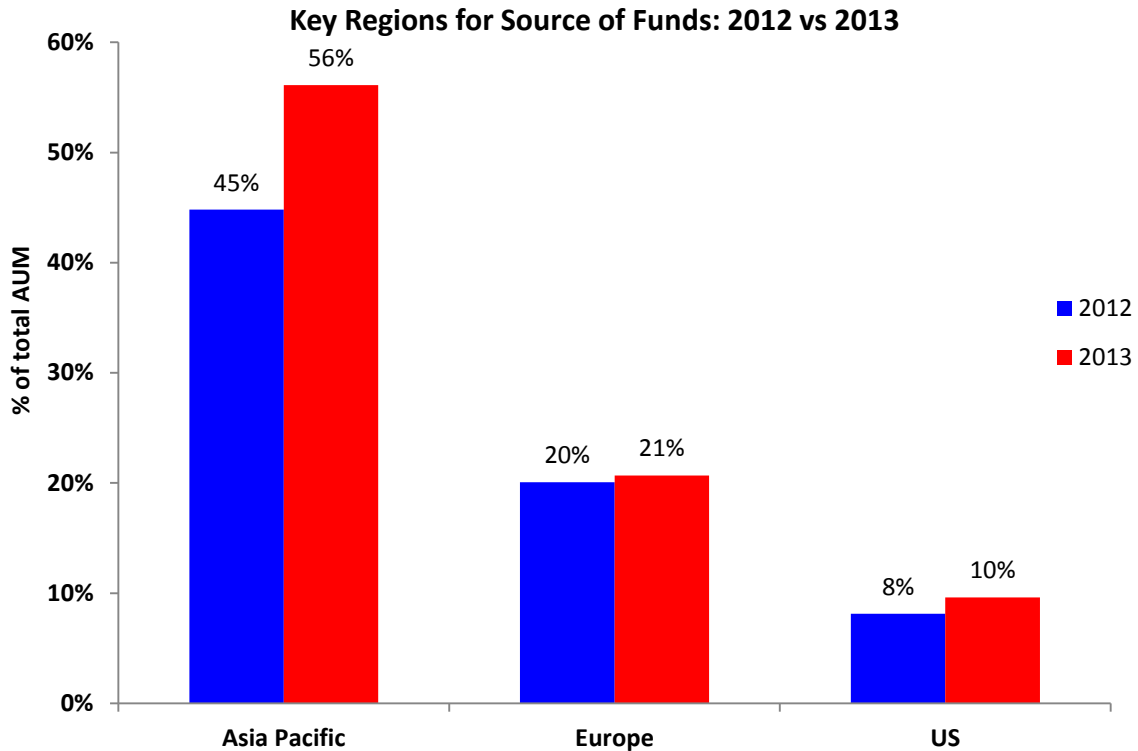


3. The alternative<sup>2</sup> asset management sector, which accounts for about 15% of total AUM, saw strong growth in 2013. Overall hedge fund AUM grew by 20.9% to reach S\$88.8 billion as at end-2013, reflecting increased interest from global investors in Asia-focused strategies. In private equity, there has been continued interest from global players to set up in Singapore as they seek out new investment opportunities in South East Asia. Supported by increased levels of investments and valuation gains, overall private equity fund AUM grew 33.6% to reach S\$74.7 billion as at end-2013.

<sup>2</sup> Alternatives include hedge fund, private equity fund, real estate, REIT.

SOURCE OF FUNDS

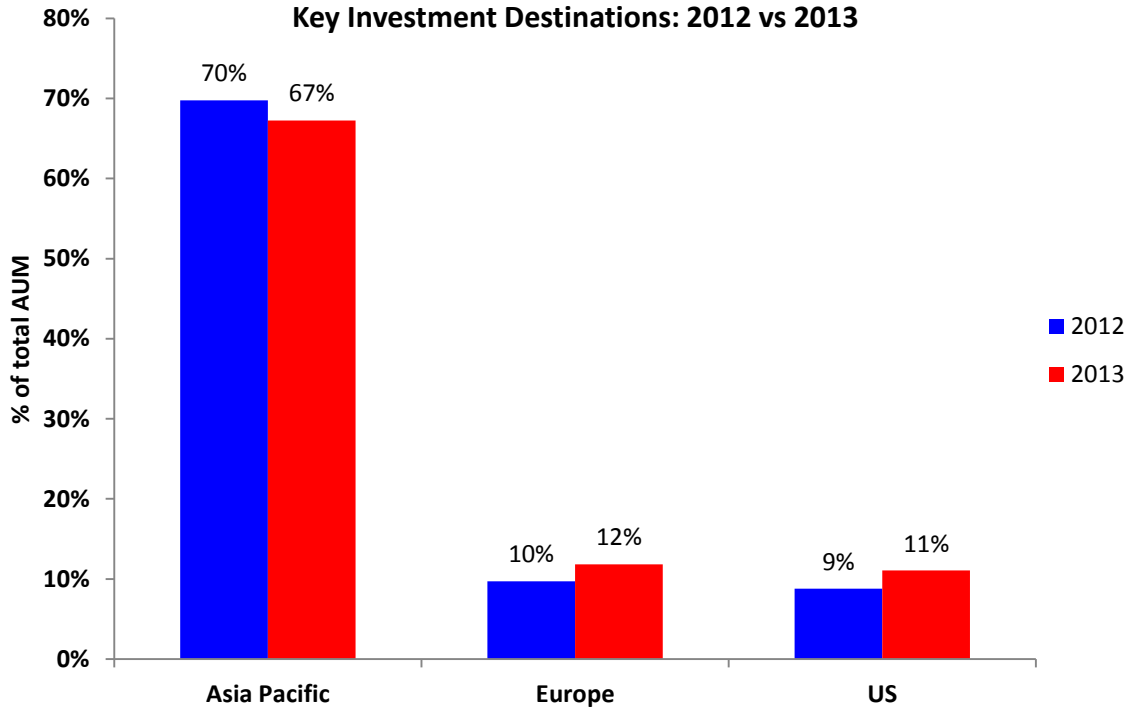
Chart 3: Source of Funds by Region



4. Approximately 77% of total AUM was sourced from outside Singapore. Of the total AUM, approximately 56% was sourced from Asia Pacific, 21% from Europe and 10% from US, demonstrating Singapore’s primary role in serving regional and international investors.

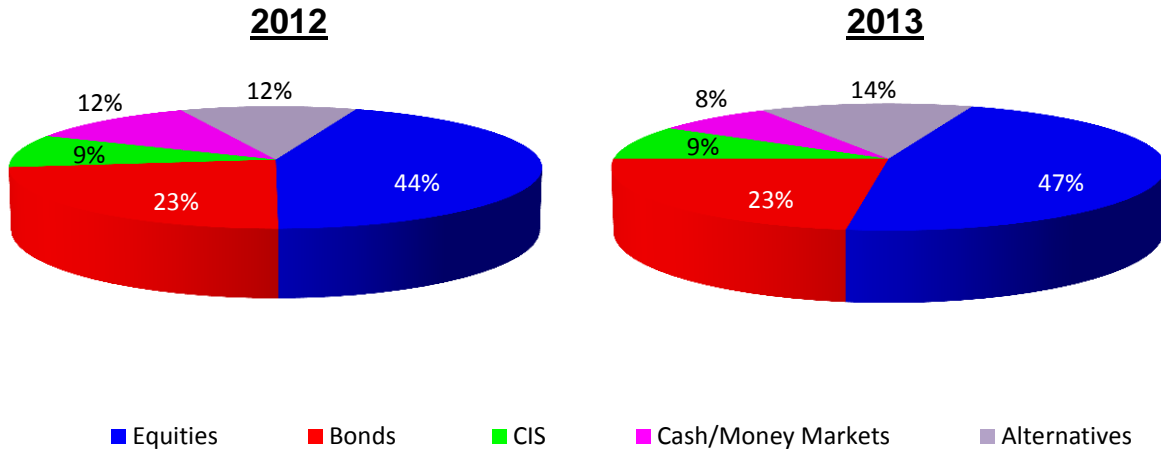
INVESTMENT OF FUNDS

Chart 4: Investment of Funds by Region



5. Over the year, investment allocation into Europe and US increased 4%, reflecting improved investors’ sentiments towards developed markets. The Asia-Pacific region continued to be the key investment destination for Singapore-based asset managers, accounting for approximately 67% of total AUM in 2013. Within Asia-Pacific, 44% of AUM was invested in ASEAN, with the remaining 56% invested in the rest of Asia. This reflects Singapore’s position as a pan-Asian asset management centre.

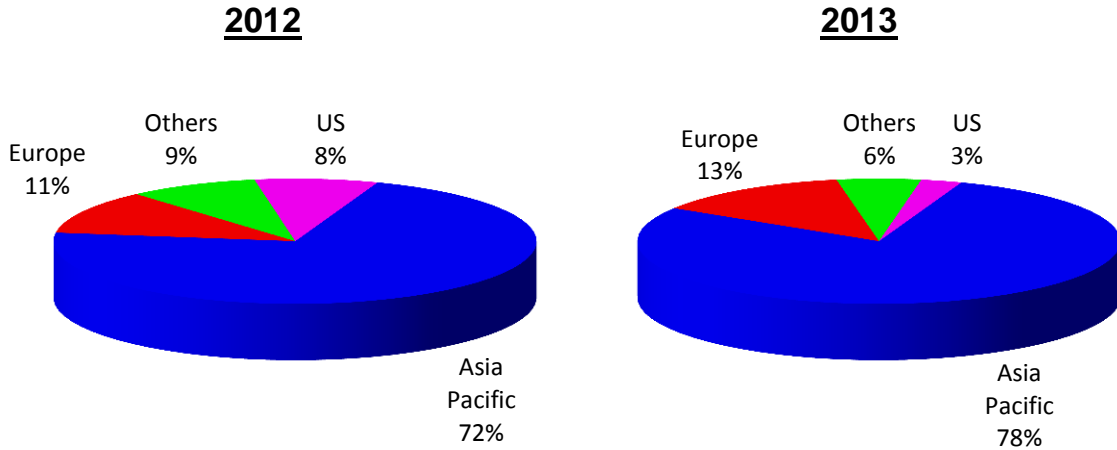
Chart 5: Investment of Funds by Asset Class



6. Investor allocation into equities and alternatives gained 5% in 2013 as investors searched for higher and uncorrelated returns in the low yield environment. Investment allocation into bonds and CIS remained unchanged.

**COLLECTIVE INVESTMENT SCHEMES (“CIS”)**

**Chart 6: Investment of CIS by Region**



7. In 2013, total CIS AUM grew 18.8% to S\$38 billion compared to S\$32 billion in 2012. In terms of geographical allocation, Asia Pacific markets remain the largest, accounting for 78% of CIS investments in 2013.