

SINGAPORE ASSET MANAGEMENT SURVEY 2021

SINGAPORE – A LEADING ASSET MANAGEMENT
CENTRE IN ASIA PACIFIC



Monetary Authority of Singapore



2021 remained a year of strong growth for the global asset management industry despite the pandemic, and AUM grew by 12% to US\$112 trillion. Singapore’s asset management industry grew at a slightly faster pace, registering a 16% growth year-on-year to reach US\$4 trillion¹, or S\$5.4 trillion.

Singapore continues to serve as a global gateway for asset managers and investors to tap the region’s growth opportunities, with 78% of AUM originated from outside Singapore, and 90% of total AUM invested into assets outside Singapore. Within Asia Pacific, 17% of AUM was invested in Southeast Asia.

S\$5.4 trillion
ASSETS UNDER
MANAGEMENT

- ↑ **16% TOTAL AUM**
- ↑ **13% TRADITIONAL**
- ↑ **30% ALTERNATIVES**

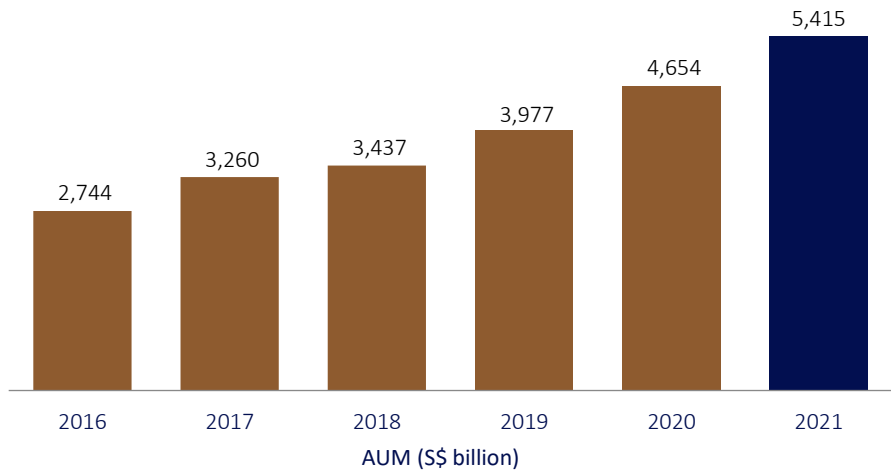
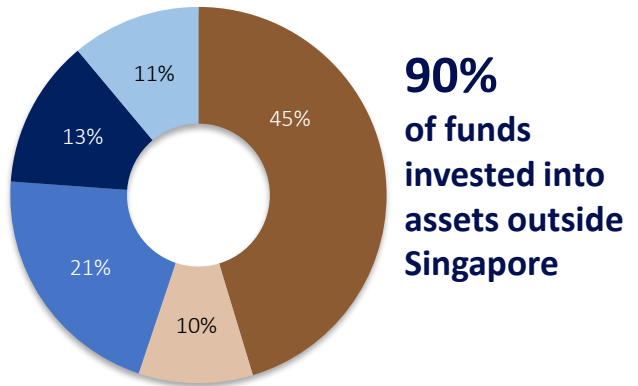
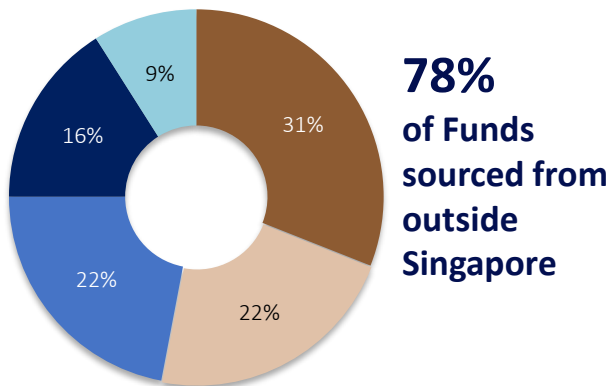


Chart 1: Singapore’s AUM – Sources of Funds

Chart 2: Singapore’s AUM – Investments of Funds



- Asia Pacific ex-Singapore
- Singapore
- North America
- Europe
- Rest of World

- Asia Pacific ex-Singapore
- Singapore
- North America
- Europe
- Rest of World

¹ Exchange rate of USD/SGD 1.3487 on 31 December 2021

Discretionary AUM continued to make up more than half of total AUM, at 52% in 2021. This is in line with the trend of asset managers basing their key investment professionals and decision makers in Singapore.

Net inflow of funds in 2021 continued to account for the majority of AUM increase during the year. Net new inflows was S\$448 billion or 58.9% of the year-on-year increase in AUM. Valuation gains made up the remaining increase in AUM.

Chart 3: Assets under Management

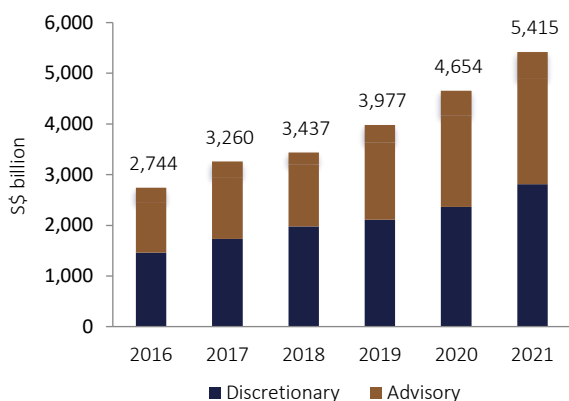
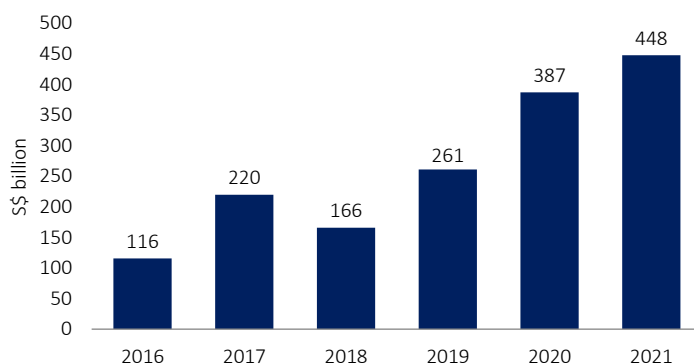


Chart 4: Net AUM Inflows



Singapore saw continued interest from global and regional asset managers seeking to expand their Asia presence. The number of licensed and registered fund management companies in Singapore increased by 15% from 962 as at December 2020 to 1108 as at December 2021

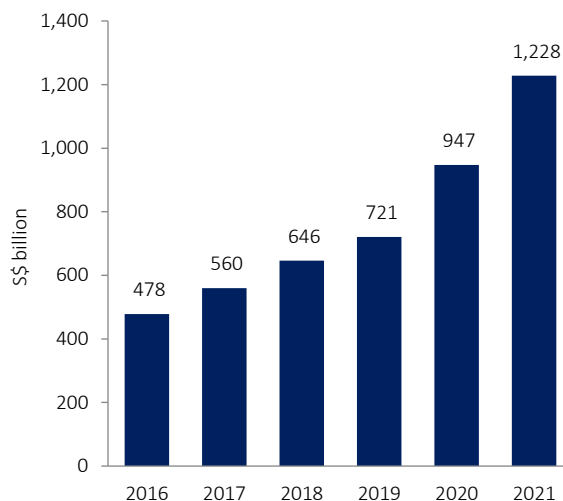
The alternatives sector continued to be a key driver of AUM growth, at 30% year-on-year to reach US\$0.9 trillion or S\$1.23 trillion.

Number of Registered and Licensed Fund Management Companies

1,108 ↑ **146 in 2021**
As of 31 Dec 2021



Chart 5: Alternative AUM



Within the alternatives sector, growth of PE and VC AUM² was robust at 42% and 48% respectively. PE and VC managers reported S\$90 billion and S\$5 billion of dry powder³ respectively.

Breakdown of Alternative Assets under Management
(S\$ billion)

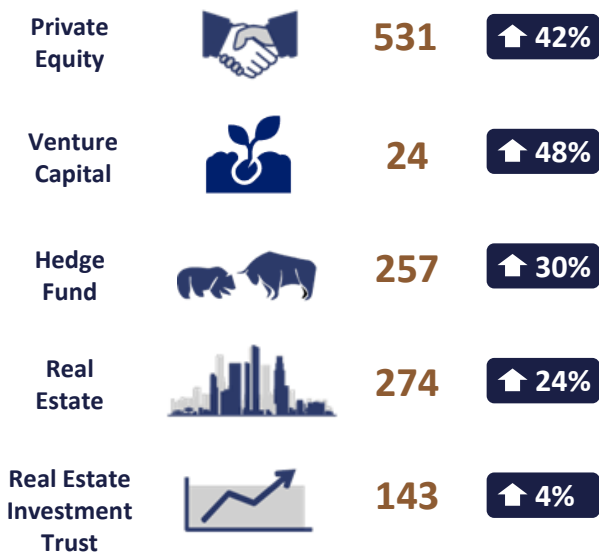
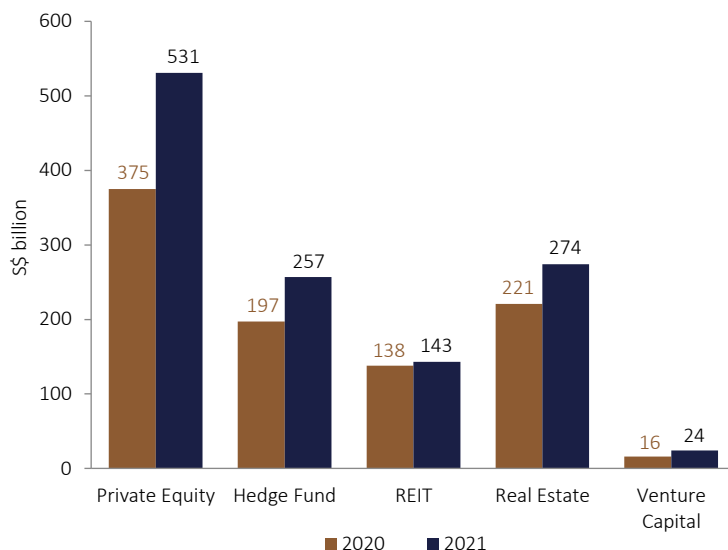


Chart 6: Alternative Sectors



One of MAS’ strategies under the Financial Services Industry Transformation Map 2025 is to develop private credit to complement private equity and venture capital funding, and broaden Singapore’s private markets ecosystem. MAS has expanded its Private Markets Programme to invest an additional US\$1 billion with top global private credit fund managers that are committed to establishing or deepening their presence in Singapore.

Growth of private credit in Asia⁴


 **US\$1.21 trillion**
Global AUM by end-2021


 **Active investors in Asia**
Increased by 3% in 2021

 **> US\$2 trillion**
Global AUM by 2025

Private credit as an asset class


 Flexible financing solution for distressed companies

 Mitigate sensitivity to inflation and rise in interest rates

 Ability for companies to retain control and ownership as compared to PE deals

Initiatives to grow private credit in Singapore

 Anchor high calibre private credit managers in Singapore

 Deploy additional US\$1 billion to private credit managers under PMP

 Deepen the ancillary services ecosystem to support private credit activity within the region

² AUM of Private Equity and Venture Capital include only drawn-down capital.

³ Dry powder refers to capital that is contractually committed but undrawn

⁴ 2022 Preqin Global Debt Report

In the traditional retail segment, the size of Authorised Collective Investment Schemes (“CIS”) and Recognised CIS offered in Singapore stood at S\$134 billion, representing a five-year CAGR of 10%. Authorised CIS stood at S\$83 billion while Recognised CIS stood at S\$51 billion.

Among asset managers, managed assets with ESG overlay grew by 77% year-on-year to make up 58% share of total AUM. The number of asset managers offering ESG strategies increased from 240 in 2020 to 279 in 2021.

Chart 7: CIS Funds Size

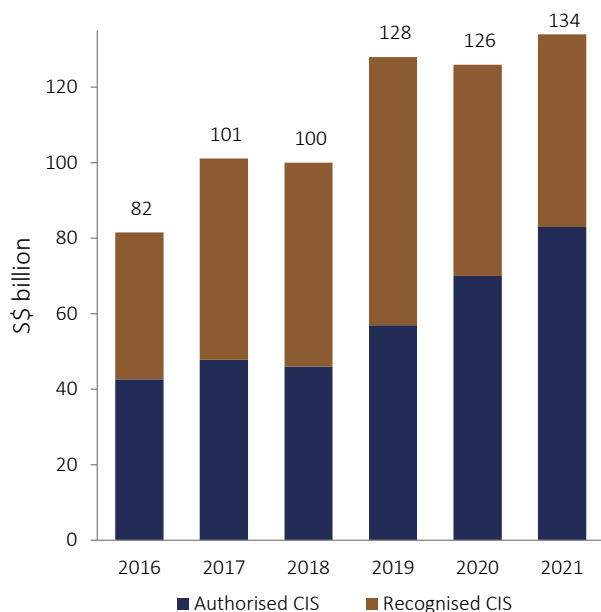
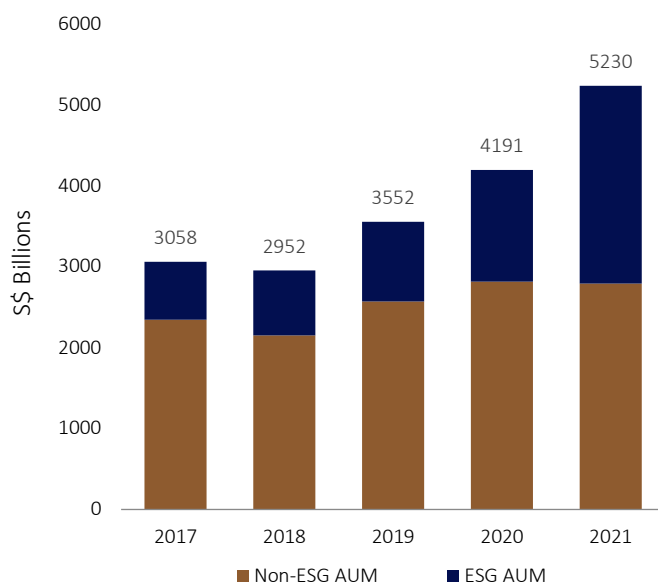


Chart 8: Managed assets with ESG overlay



As at 14 October 2022, a total of more than 660 VCCs have been incorporated or re-domiciled in Singapore for diverse use cases and fund strategies (Chart 10). These umbrella or standalone VCCs, representing over 1,300 sub-funds, are managed by 420 regulated fund management companies.

The vibrant Singapore funds ecosystem is now supported or advised by more than 220 fund service providers, such as lawyers, tax advisors, corporate secretaries and fund administrators.



660 VCCs (representing >1,300 sub-funds) managed by 420 regulated FMCs



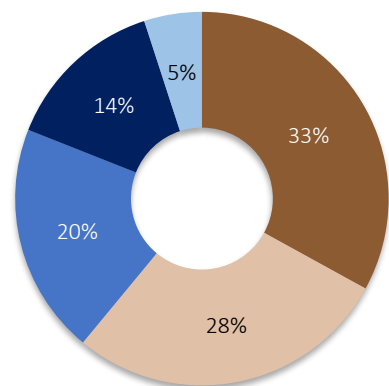
15 Re-domiciled VCCs



Supported by > 220 Fund Service Providers including legal and tax advisors, fund administrators, corporate secretaries

Data as of 14 October 2022

Chart 10: VCC Fund Strategies



■ PE/VC ■ EAM/MFO ■ Hedge Fund ■ Traditional ■ Others

² AUM of Private Equity and Venture Capital include only drawn-down capital.

³ Dry powder refers to capital that is contractually committed but undrawn.



Looking ahead, full year AUM growth in 2022 is expected to moderate as investors turn cautious on geopolitical and macroeconomic risks. Notwithstanding this, we continue to see keen interest from global and regional asset managers to set up office in Singapore, and/or to designate Singapore as one of the key nodes of their global operations, to tap into the strong network of private wealth managers, family offices and institutional asset owners, as well as investment opportunities in Asia. With Singapore's vibrant asset management ecosystem, we will continue to play an important role in serving and intermediating international investors and capital flows, to support Asia's growth and net-zero transition needs.



About the Report

The Monetary Authority of Singapore (MAS) releases an annual update of the Singapore asset management industry for the calendar year ending 31 December. Data presented in this report is collected from MAS' annual survey of the asset management industry.

This report provides key data on Singapore's asset management industry for the calendar year ending 31 December 2021, and highlights key areas of development. Financial institutions surveyed include 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. 1,061 respondents participated in the survey. The methodology adjusts for double counting among reporting entities that may have reported the same AUM mandates (e.g. a fund of funds manager investing with a Singapore-based asset manager).

