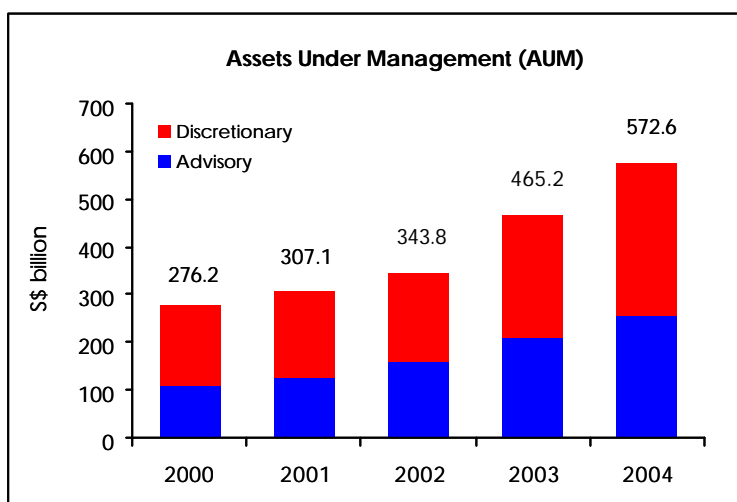


*The Monetary Authority of Singapore (MAS) conducted its annual survey of the Singapore asset management industry, for the year ending 31 Dec 2004. The survey covered financial institutions (FIs) with asset management activities in Singapore.<sup>1</sup>*

### 1 ASSETS UNDER MANAGEMENT (AUM)

1.1 Total AUM exhibited double-digit growth in 2004. As at end-2004, total assets managed by Singapore-based FIs was reported to be S\$572.6 billion, a 23% growth over S\$465.2 billion reported at end-2003.

**Chart 1: Growth of Assets Under Management**



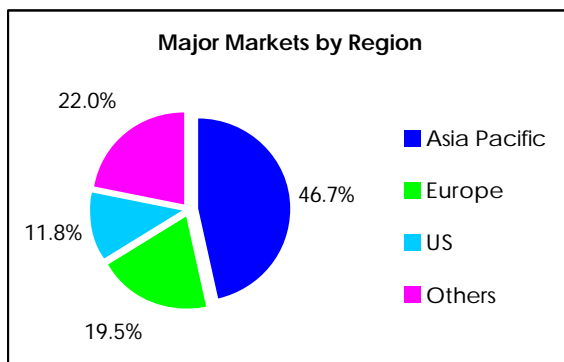
### 2 SOURCES OF FUNDS

2.1 With more than 70% of total AUM sourced from abroad, Singapore retained its role as an international asset management centre. Asia-Pacific countries remained the main markets for Singapore-based asset managers in 2004, accounting for 46% of total funds sourced. Over the past few years, asset managers appear to have diversified their sources of funds. New high growth markets have emerged. Funds sourced from the Middle East and South Asia grew 76% and 53% p.a. respectively in 2004.

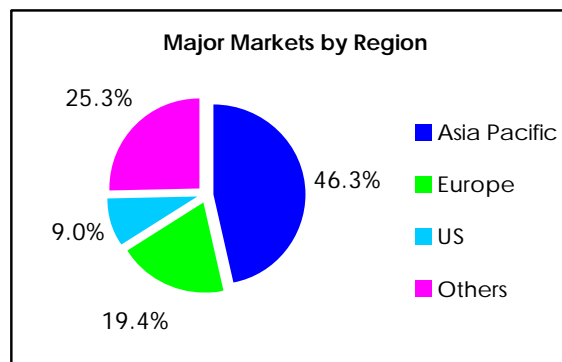
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<sup>1</sup> Financial Institutions comprise Banks, Finance and Treasury Centres, Capital Markets Services licensees, Approved Fund Managers, Financial Advisors, Operational HQs and Exempt Entities.

**Chart 2a:**  
**Sources of Funds by Region, 2000**

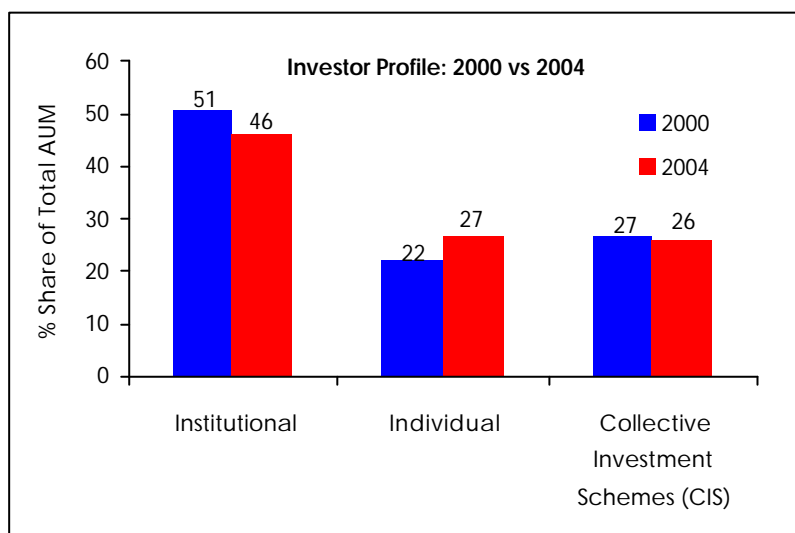


**Chart 2b:**  
**Sources of Funds by Region, 2004**



2.2 Institutional clients continued to form the bulk of the investor base for Singapore's asset management industry, constituting 46% of total AUM. Funds managed for institutional clients grew at a rate of 19% p.a. in 2004 compared with funds managed for individual clients, which grew by 40% to form 27% of total AUM.

**Chart 3: Sources of Funds by Client Type**

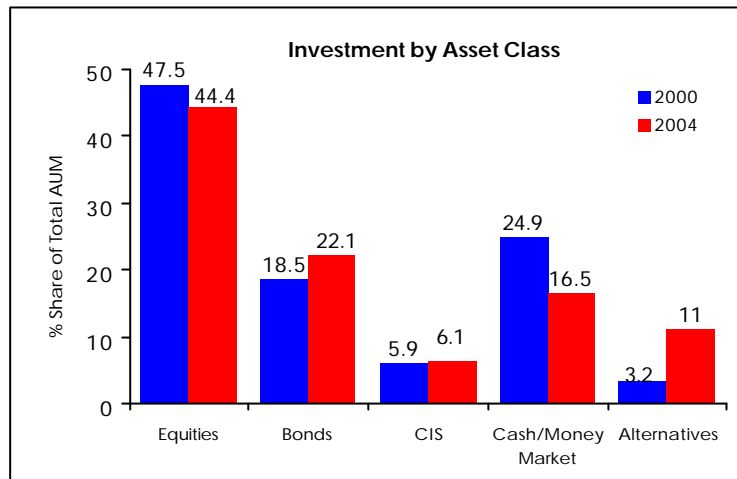


### 3 INVESTMENT OF FUNDS

3.1 Funds were largely invested in equities, which accounted for 44% of total AUM at end-2004. However, the share of equities has declined since 2000, reflecting an increased diversity of investment instruments. Bonds increased in importance, from a share of 18.5% at end-2000 to 22% at end-2004. From negligible levels in 2000, alternative investments, commodities, derivatives and FX

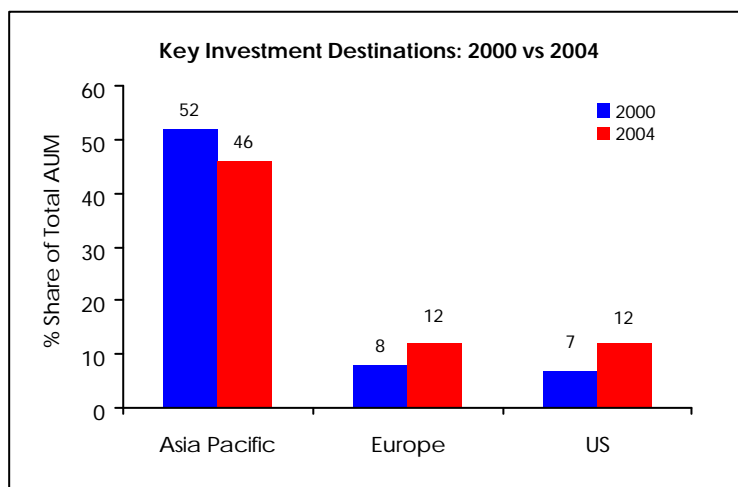
products accounted for 11% of total AUM at end-2004. Cash, deposits and money market products saw their shares decline over the same period.

**Chart 4: Investment of Funds by Instruments**



3.2 Singapore remains a centre for the management of Asian mandates. Investments into the Asia-Pacific region accounted for 46% of total AUM in 2004. This notwithstanding, the shares of Europe and US as investment destinations have increased steadily over 2000-2004. Both segments each accounted for 12% of total AUM in 2004, compared with 7-8% in 2000. European and US investments have also grown more rapidly than Asian investments.

**Chart 5: Investment of Funds by Region**



## 4 PROFILE OF ASSET MANAGEMENT COMPANIES

4.1 The average AUM managed by asset management entities was S\$2.3 billion in 2004, up from S\$2 billion in 2003. There were 10 asset management entities managing more than S\$10 billion in assets, accounting for 31% of total AUM and 56% of discretionary AUM.

4.2 Asset managers with less than S\$1 billion in AUM numbered 132 in 2004, and accounted for 7% of total AUM. Most of these managers are indigenous companies which numbered 111, up from 96 in 2003. Indigenous asset management companies accounted for 25% and 38% of discretionary AUM and total employment of investment professionals respectively.

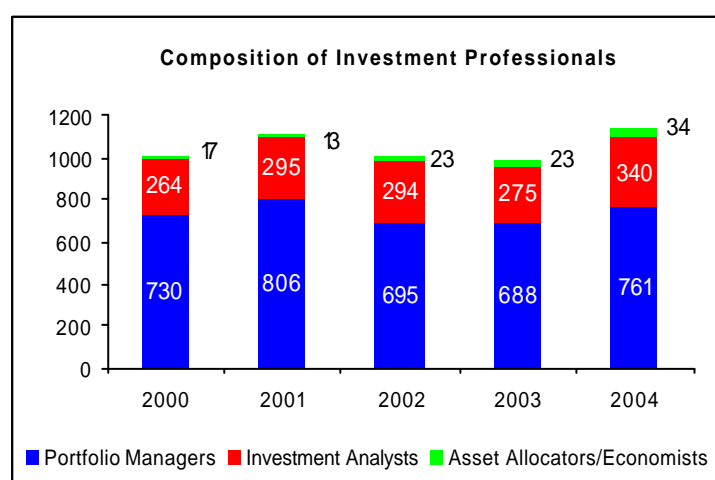
**Table 1: Profile of Indigenous Companies**

	2003	2004
No. of indigenous companies	96	111
Total AUM for indigenous companies (S\$ billion)	68.2	90.1
No. of investment professionals employed	391	435

## 5 EMPLOYMENT OF INVESTMENT PROFESSIONALS

5.1 Singapore's asset management industry added 149 investment professionals in 2004, reversing consolidation seen in 2003 and 2002. The total number of investment professionals increased by 15% per annum to 1135 in 2004 from 986 in 2003. All categories of investment professionals increased.

**Chart 6: Investment Professionals**



## 6 COLLECTIVE INVESTMENT SCHEMES (“CIS”)

6.1 As at end-2004, total AUM invested in CIS increased to S\$19.8 billion, with the number of CIS standing at 379. CPF-approved CIS continued to account for the majority of CIS investments, accounting for 72% of total CIS AUM for 2004.

**Table 2: Breakdown of CIS by CPFIS & Non-CPFIS**

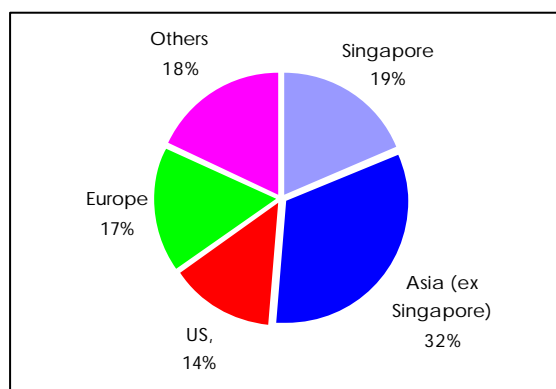
	As at end 2004	
	No.	AUM (S\$ million)
CIS under CPFIS	221	14,189
CIS under Non-CPFIS	158	5,602
Total	379	19,791

6.2 Equity Funds and Balanced Funds CIS grew by 21% and 59% respectively in 2004, while Capital Guaranteed/Protected Funds CIS experienced declines in terms of both number and AUM size reflecting the maturing of products in the past year.

6.3 Asia accounted for 51% of CIS investments, up 4% from 47% at end-2003. Singapore was the main destination for CIS investments in Asia, accounting for 38% of the total amount invested into the region.

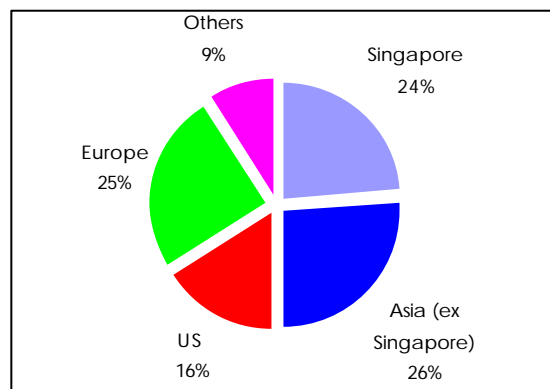
**Chart 7a:**

**Investment of CIS by Region, 2000**



**Chart 7b:**

**Investment of CIS by Region, 2004**



**Prepared by:**  
**Financial Centre Development Department**  
**Monetary Authority of Singapore**  
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