



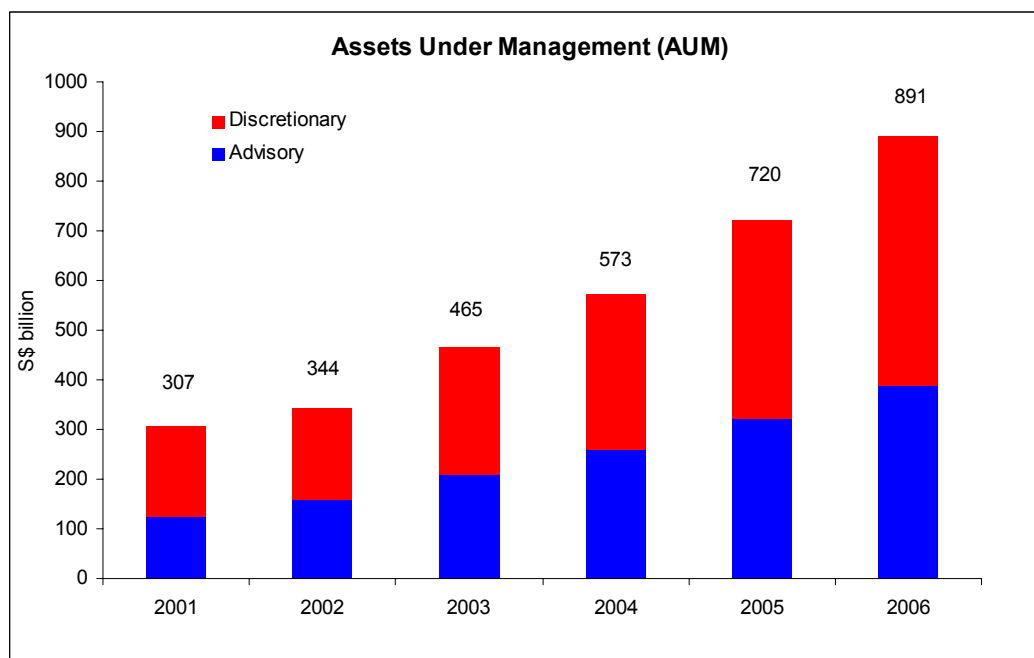
2006 SINGAPORE ASSET MANAGEMENT INDUSTRY SURVEY

The Monetary Authority of Singapore conducted its annual survey of the Singapore asset management industry, for the year ending 31 Dec 2006. The survey covered financial institutions with asset management activities in Singapore.¹

1 ASSETS UNDER MANAGEMENT (“AUM”)

1.1 There has been a robust double-digit annualised growth rate in total AUM over the last six years. The assets managed by Singapore-based asset managers grew by 24% to reach S\$891 billion (approximately US\$581 billion) as at end-2006, compared to S\$720 billion as at end-2005.

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 With about 84% of total AUM sourced from outside Singapore, asset managers in Singapore continue to serve regional and international investors. The Asia-Pacific region contributed to 43% of total funds sourced by Singapore-based asset managers in 2006. US- and Europe-sourced funds accounted for about 35% of the total funds managed. Funds from South Asia and the Middle East had also grown, at 36% and 21% respectively year-on-year. In terms of investor base, there was a good mix, with about half coming from institutional investors and the other half from non-institutional investors.

Chart 2a: Sources of Funds by Region, 2005

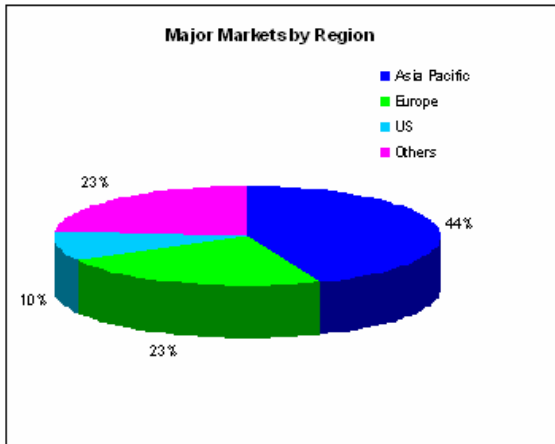
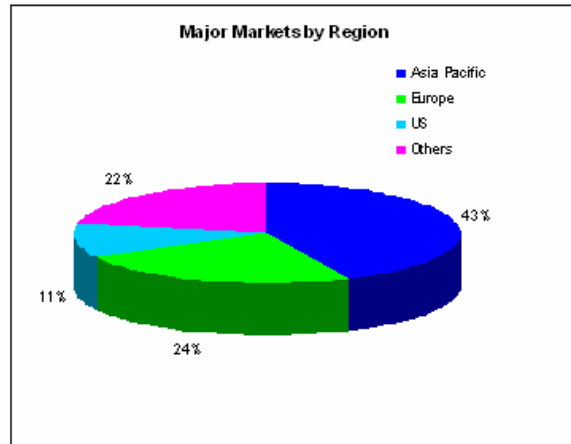


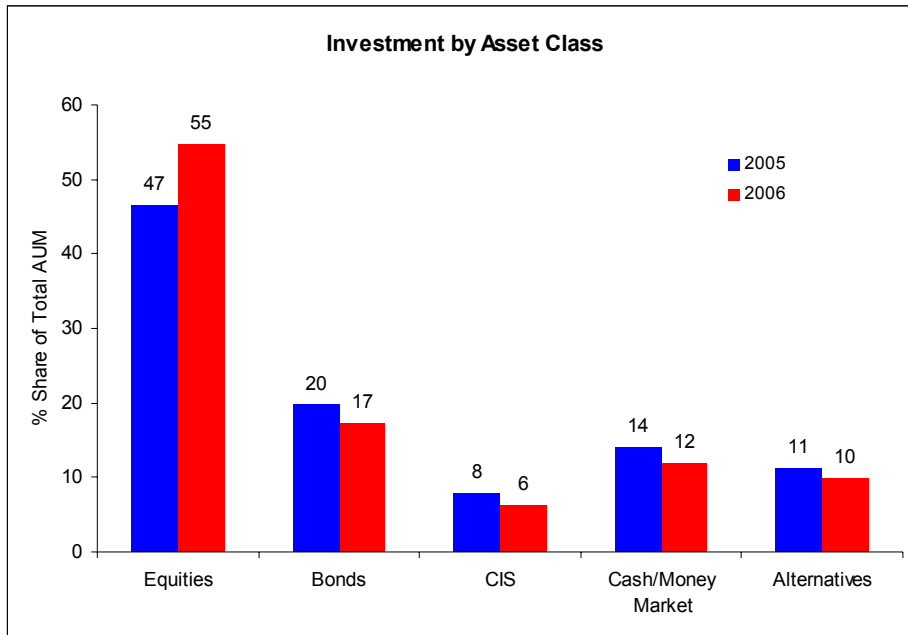
Chart 2b: Sources of Funds by Region, 2006



3 INVESTMENT OF FUNDS

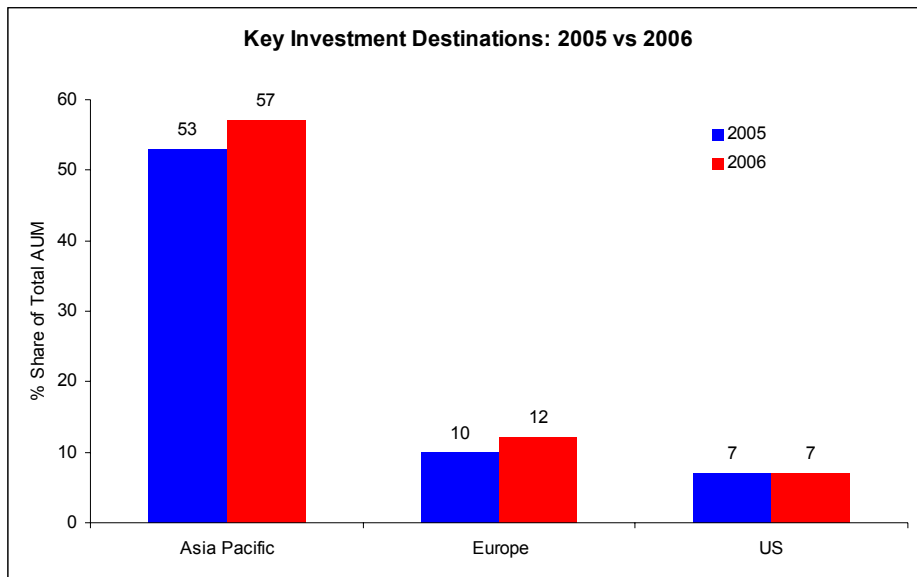
3.1 With the strong performances in global stock markets in 2006, the AUM allocated to equities increased in 2006 and accounted for 55% of the total. There was a corresponding decline in the proportion of industry AUM allocations to other asset classes.

Chart 3: Investment of Funds by Instruments



3.2 Managers have continued to use Singapore as a base to manage local and regional investment opportunities. In 2006, 57% of the total AUM in Singapore was invested into the Asia-Pacific region, an increase of 4 percentage points from the year before, reflecting continued interest in Asia as an asset class. The proportion of investments allocated to European assets also increased, albeit modestly.

Chart 4: Investment of Funds by Region



4 PROFILE OF ASSET MANAGEMENT COMPANIES

4.1 There were 26 asset management companies managing more than S\$5 billion in discretionary assets in 2006, a growth of 18% year-on-year. On an aggregate basis, they accounted for 44% of total AUM and 78% of discretionary AUM.

4.2 Foreign traditional asset managers continue to account for the bulk of the AUM growth, contributing to about 85% of the growth in total AUM, with the rest of the AUM growth coming from local asset management companies and alternative asset managers.

4.3 Local asset management companies² accounted for 18% of discretionary AUM in 2006. These companies employed 33% of the investment professionals within the industry.

Table 1: Profile of Local Asset Management Companies

	2005	2006
No. of local asset management companies	125	141
Total AUM for local asset management companies (S\$ billion)	106	108
No. of investment professionals employed	495	588

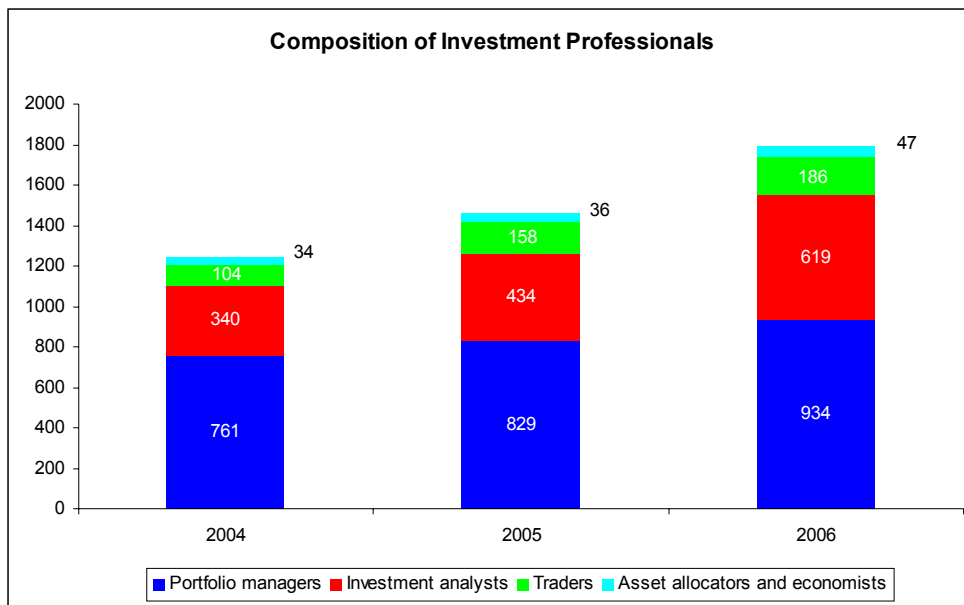
4.4 There has been continued strong growth in the number of hedge fund and other alternative asset managers in Singapore. As at end-2006, there were about 190 hedge fund managers based in Singapore, a 76% jump from 2005. These managers managed in excess of S\$40 billion (approximately US\$26 billion) worth of assets, registering a 150% growth year-on-year. The strategies of the hedge fund managers are highly varied.

² Local asset management companies are those whose shareholdings are at least 50% held by Singapore citizens or Singapore permanent residents.

5 EMPLOYMENT OF INVESTMENT PROFESSIONALS

5.1 The number of investment professionals grew by 23% to reach 1,786 in 2006. All categories of investment professionals have expanded in headcount, with the number of investment analysts registering the highest growth quantum year-on-year.

Chart 5: Investment Professionals



6 COLLECTIVE INVESTMENT SCHEMES (“CIS”)

6.1 In 2006, the total AUM invested in CIS grew to S\$30 billion (approximately US\$20 billion), with the number of CIS totalling 374. CPF-approved CIS continued to account for the majority of CIS investments, contributing to 69% of total CIS AUM in 2006.

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

	As at end 2006	
	No.	AUM (S\$ billion)
CIS under CPFIS	217	21
CIS under Non-CPFIS	157	9
Total	374	30

6.2 Equity and Balanced Funds CIS AUM grew by 46% and 25% respectively in 2006. The increased allocation to equity investments resulted in a decline in allocation to Fixed Income, Money Market and Capital Guaranteed/Protected Funds CIS.

6.3 Asian markets including Singapore accounted for 61% of CIS investments at end-2006, up from 57% at end-2005. This reflected a generally bullish investor outlook for Asia.

Chart 6a: Investment of CIS by Region, 2005

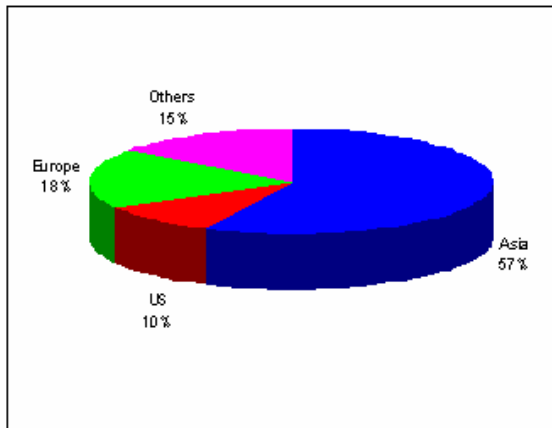
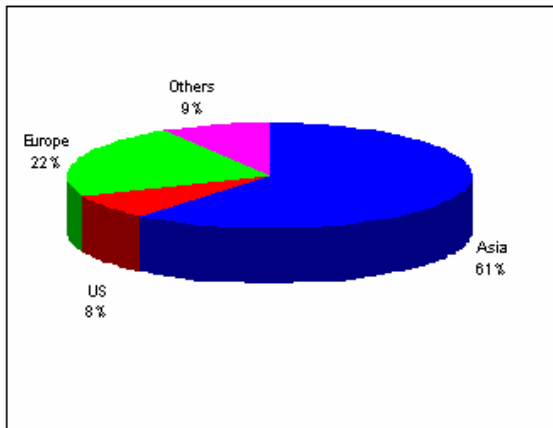


Chart 6b: Investment of CIS by Region, 2006



Prepared by:
Monetary Authority of Singapore
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