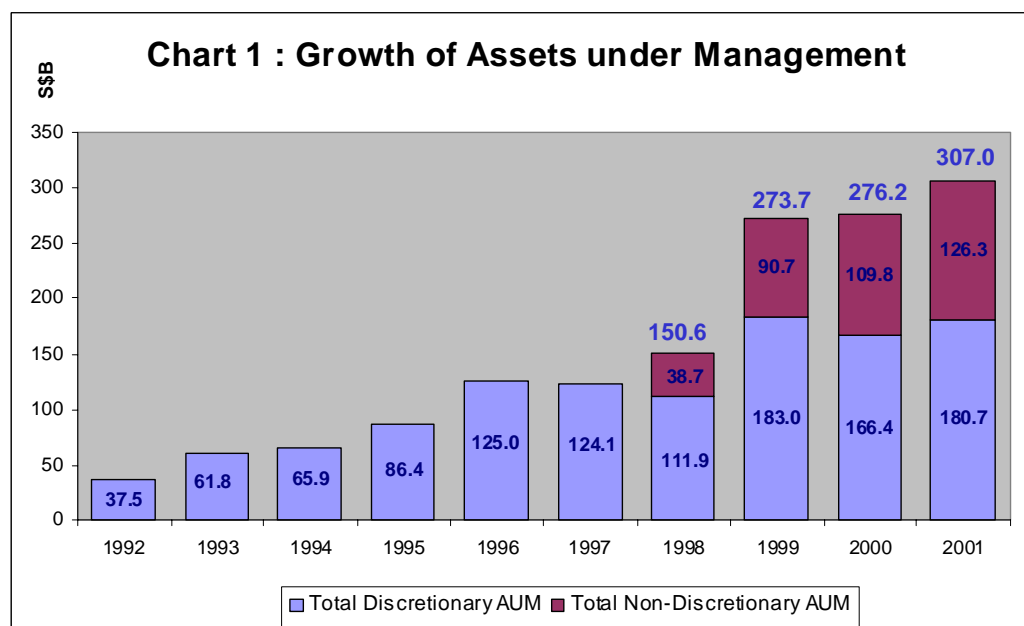


## 2001 SURVEY OF THE SINGAPORE ASSET MANAGEMENT INDUSTRY

The Monetary Authority of Singapore (MAS) conducted a survey of the Singapore fund management industry as at 31 December 2001. The survey covered financial institutions (FIs) that were permitted to conduct asset management activities in Singapore<sup>1</sup>. The survey covers analysis of both discretionary, as well as non-discretionary fund management activities.

### 1. ASSETS UNDER MANAGEMENT

1.1 Total assets under management (AUM) continued to grow steadily in the last year. As at end-2001, total assets managed by Singapore-based financial institutions was S\$307.0 billion. This comprised S\$180.7 billion of discretionary assets managed in Singapore, and S\$126.3 billion of non-discretionary assets<sup>2</sup>. This represents an increase of S\$30.8 billion, or 11%, over the S\$276.2 billion total AUM reported at end-2000. [See Chart 1.]



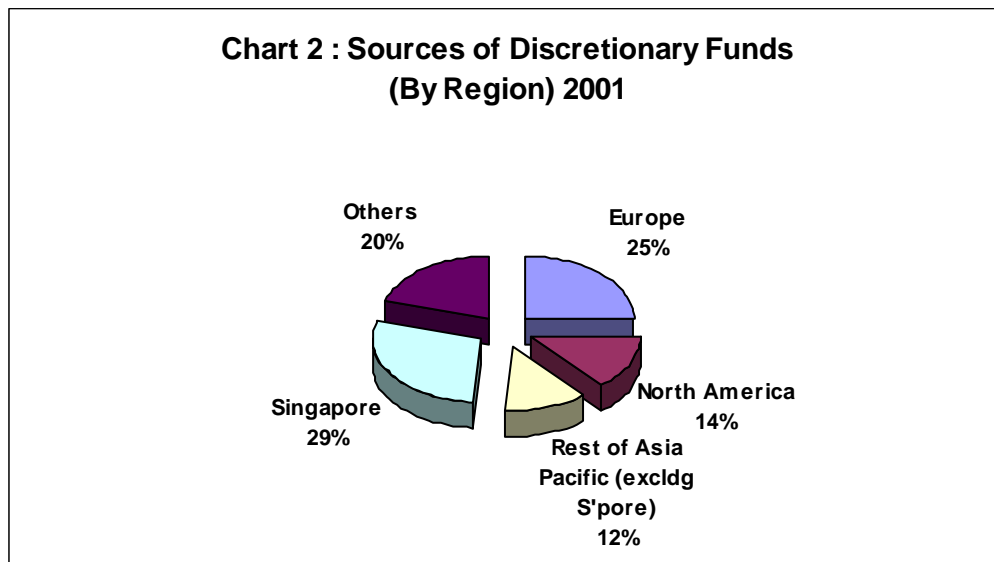
1 Financial institutions surveyed include Investment Advisers; Exempt Investment Advisers under Regulation 41(l)(e) of the Securities Industry Regulations, Approved Fund Managers under Section 43A of the Income Tax Act, Finance & Treasury Centres under Section 43G of the Income Tax Act, Operational Headquarters under Section 43E of the Income Tax Act and banks.

2 Non-discretionary assets include funds under advisory service and funds contracted by financial institutions in Singapore.

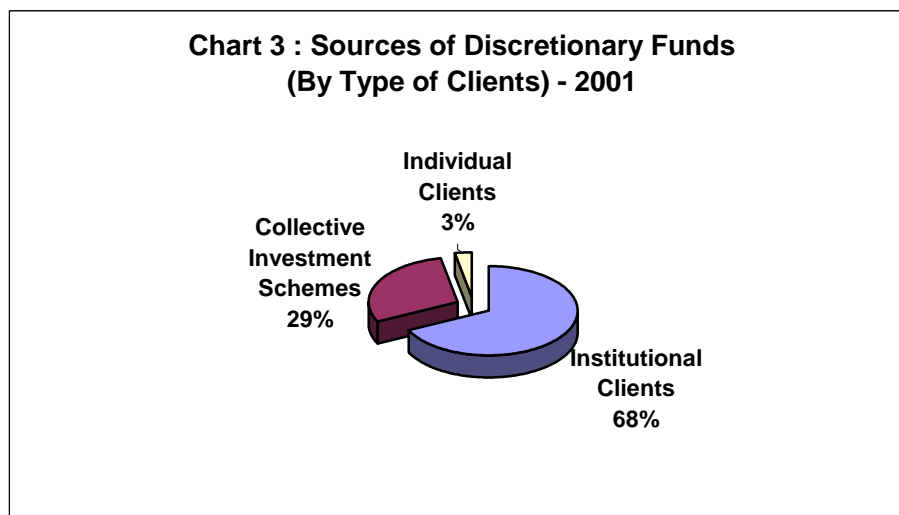
1.2 Discretionary AUM in Singapore grew by 9% from S\$166.4 billion as at end-2000 to S\$180.7 billion as at end-2001. Total non-discretionary AUM increased by about 15% from S\$109.8 billion as at end-2000 to S\$126.3 billion at end-2001. The increase in the AUM figures can be attributed to the inflow of new funds in part due to fund managers increasing their allocations to Asia in 2001. Furthermore, the consolidation of the Asian investment operations of several global fund managers into Singapore has also led to the increase of funds inflow here.

## 2. SOURCES OF FUNDS – DISCRETIONARY AUM

2.1 The survey also revealed that of the S\$180.7 billion of discretionary assets managed in Singapore, 29% was sourced domestically, representing a 28% growth in the amount sourced the preceding year. US and European clients were major foreign sources for discretionary assets managed in Singapore in 2001. [See Chart 2.]



2.2 Chart 3 shows the total discretionary AUM distributed by type of clients. Institutional funds made up the bulk: 68% (2000 : 58%), followed by funds managed on behalf of collective investment schemes : 29% (2000 : 38%). Funds from individuals made up 3% of total funds (2000 : 4%).



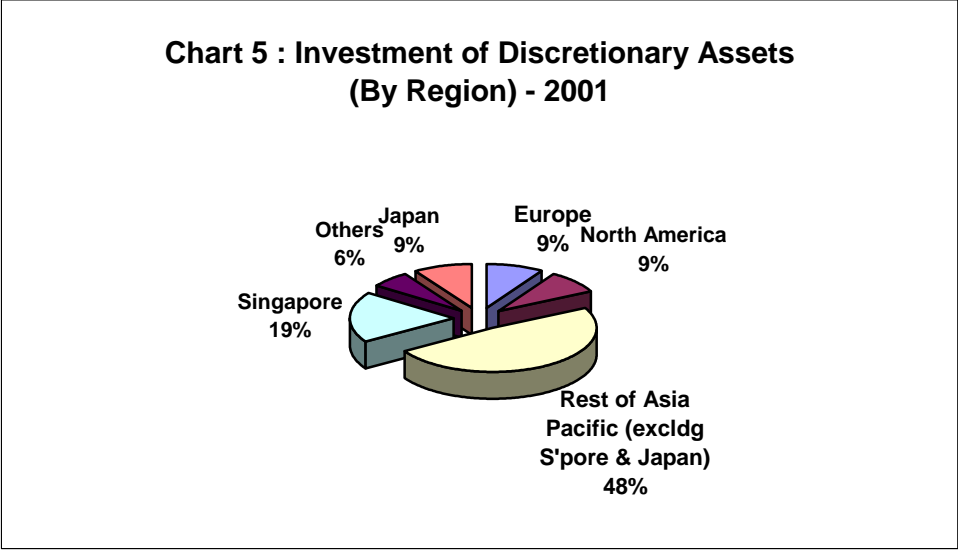
### 3. INVESTMENT OF FUNDS – DISCRETIONARY AUM

3.1 Discretionary AUM continued to be invested predominantly in equities which amounted to S\$97.2 billion or 54% of total discretionary funds. The proportion of the funds invested in bonds, collective investment schemes and cash deposits / money markets has grown. [See Table 4.]

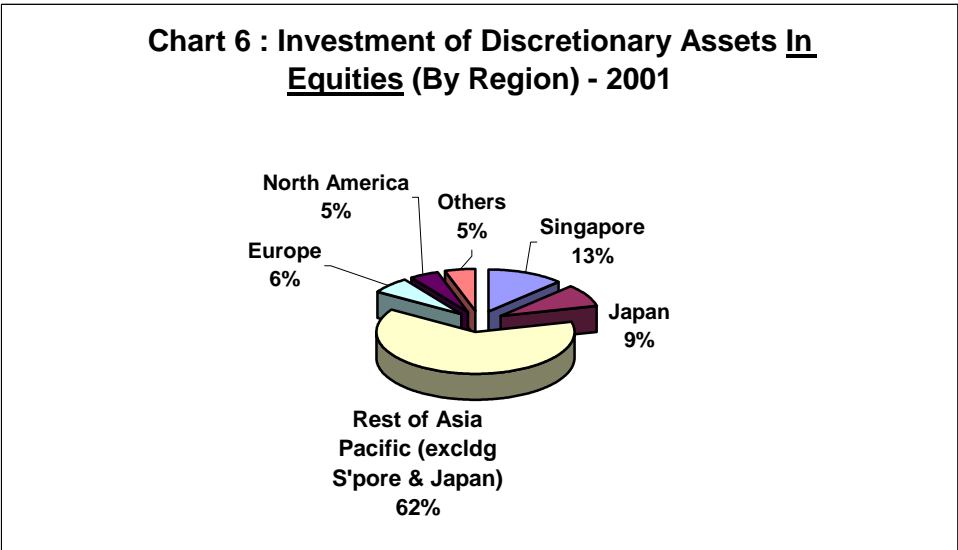
**Table 4 : Investment of Discretionary Funds – by Instrument**

	End-2000		End-2001	
	Amt (\$B)	% Share	Amt (\$B)	% Share
Equities	98.7	59%	97.2	54%
Bonds	30.9	19%	37.8	21%
Collective Investment Schemes	10.8	6%	14.9	8%
Cash, Deposits, Money Market Instruments	22.9	14%	27.8	15%
Other Investments	3.1	2%	3.0	2%
<b>TOTAL</b>	<b>166.4</b>	<b>100%</b>	<b>180.7</b>	<b>100%</b>

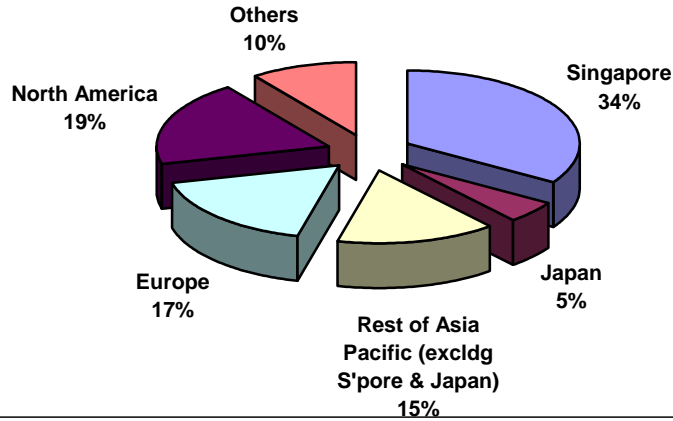
3.2 In terms of geographical allocation of investments, the bulk of the discretionary funds were invested in Asia, with 19% invested in Singapore, 9% invested in Japan and 48% invested in the rest of Asia Pacific. [See Chart 5.]



3.3 Charts 6 and 7 indicates the breakdown of investments by region for Equity and Bond Investments respectively.



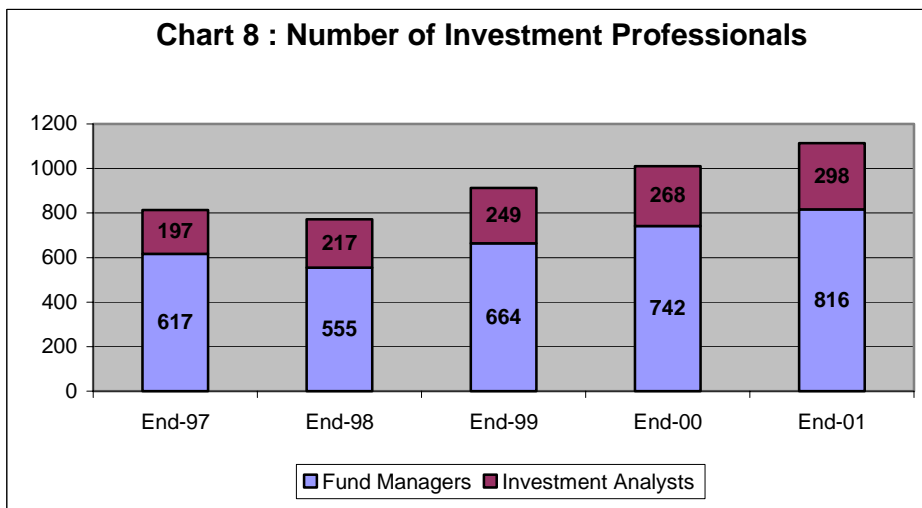
**Chart 7 : Investment of Discretionary Assets In Bonds (By Region) - 2001**



#### 4. PROFILE OF INDUSTRY PLAYERS

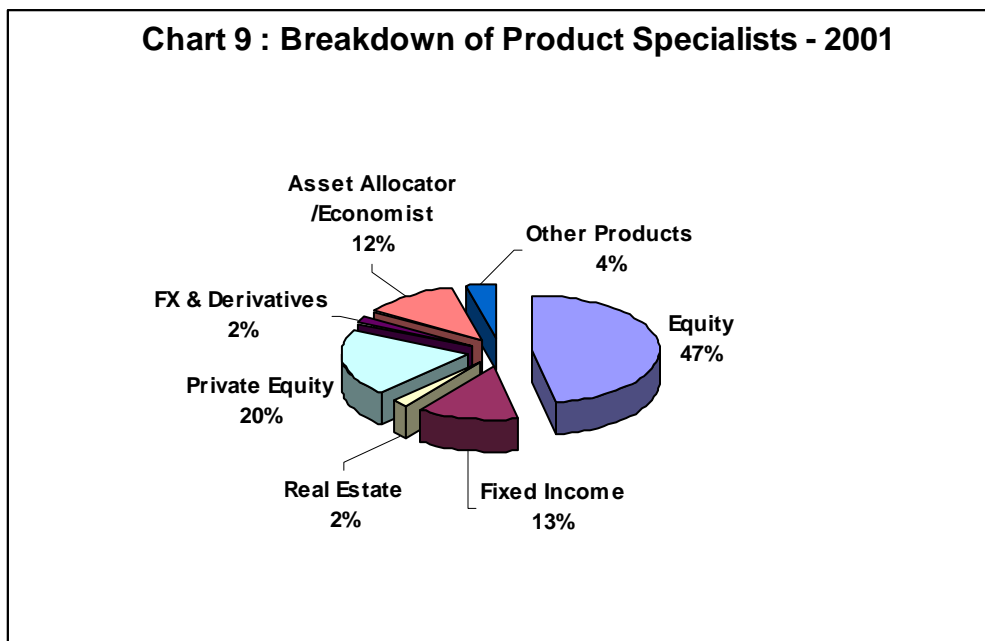
4.1 There has been a significant rise in the number of investment professionals in the industry. The total number of investment professionals as at end-2001 has increased by 10% to a headcount of 1,114, comprising 816 fund managers, 298 investment analysts, compared with a total of 1,010<sup>3</sup> as at end-2000. [See Chart 8.]

**Chart 8 : Number of Investment Professionals**



3 The end-2000 investment professionals headcount has been adjusted from the earlier-released figure of 1,000 professionals, based on updated figures provided by the financial institutions.

4.2 As at end-2001, the majority of investment professionals in Singapore are equity specialists, with the rest of the professionals specializing largely in private equity / venture capital and fixed income investments. [See Chart 9.]



## 5. THE UNIT TRUST INDUSTRY

5.1 As at end-2001, there were 32 unit trust managers managing a total of 319 unit trusts, compared to 31 managers managing 265 unit trusts at end-2000. Total unit trust assets increased by 35%, from S\$7.8 billion at end-2000, to S\$10.5 billion at end-2001. As in 2000, balanced funds and capital guaranteed/protected funds continue to be popular investment choices in 2001. Notably, the number of capital guaranteed / protected funds increased significantly to 39 funds amounting to a total AUM of S\$1,782.3 million, at end-2001. [See Table 10.]

**Table 10 : Number and AUM of Unit Trusts – By Fund Type**

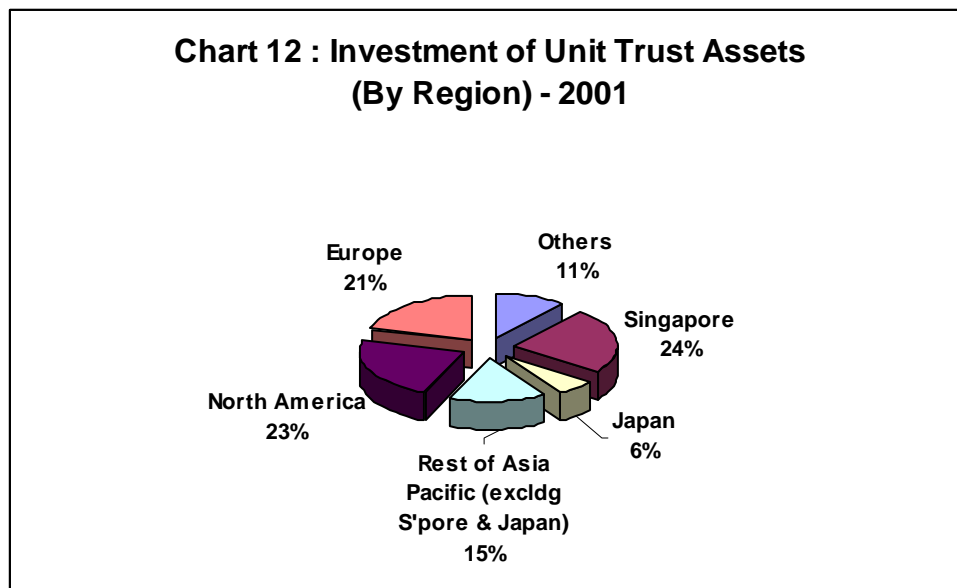
Fund Type	No. of Unit Trusts				Total AUM (\$M except where otherwise indicated)			
	End-00		End-01		End-00		End-01	
Equity Funds	189	71%	206	65%	6,226	80%	6,200	59%
Bond Funds	26	10%	32	10%	709	9%	1,133	11%
Balance Funds	28	10%	27	8%	568	7%	986	9%
Money Market Funds	12	5%	15	5%	87	1%	423	4%
Capital Guaranteed/Protected Funds	10	4%	39	12%	253	3%	1,782	17%
<b>TOTAL</b>	<b>265</b>	<b>100%</b>	<b>319</b>	<b>100%</b>	<b>7,843</b>	<b>100%</b>	<b>10,524</b>	<b>100%</b>

5.2 Of the total 319 unit trusts, 155 were included under the CPF Investment Scheme (CPFIS) compared to 105 out of 265 unit trusts at end-2000. The share of the total AUM contributed by funds included under CPFIS has increased to 69% from 60% at end-2000. [See Table 11.]

**Table 11 : Number of Unit Trusts and AUM – Breakdown by Inclusion in CPFIS**

	As at end-2000		As at end-2001	
	No.	AUM (\$M)	No.	AUM (\$M)
Unit Trusts included under CPFIS	105	4,705	155 (+47%)	7,289 (+55%)
Unit Trusts not included under CPFIS	160	3,138	164 (+3%)	3,235 (+3%)
<b>TOTAL</b>	<b>265</b>	<b>7,843</b>	<b>319 (+20%)</b>	<b>10,524 (+34%)</b>

5.3 In terms of geographical allocation, 45% of total unit trust assets were invested in Asia compared to 50% at end-2000. [See Chart 12.]



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