

Press release

27 February, 2019

Central Provident Fund Investment Scheme-Included Funds Posted a Negative Return of 7.91% on Average in 2018

Singapore – Refinitiv’s Lipper today announced its findings on the performance of all unit trusts and investment-linked insurance products (ILPs) that are included under the Central Provident Fund Investment Scheme (CPFIS) as of 31 December 2018.

There were 85 unit trusts and 156 ILPs included under the CPFIS, for a total of 241 funds as of 31 December 2018. The overall performance of CPFIS-included funds posted negative returns of 7.45% on average in Q4 2018, given negative returns of 8.74% and 6.69% respectively among CPFIS-included unit trusts and CPFIS-included ILPs. By asset class, across all CPFIS-included funds, equity and mixed-asset funds posted negative return of 10.19% and 5.84% respectively, while bond and money market funds achieved positive returns of 1.43% and 0.35% respectively. During the same period, the key benchmark MSCI World TR USD and MSCI AC Asia ex Japan plunged 13.52% and 8.83%, respectively, while FTSE World Government Bond Index rose 1.5%.

For the one-year period, the overall performance of CPFIS-included funds posted a negative return of 7.91% on average, while CPFIS-included unit trusts and CPFIS-included ILPs slid 9.0% and 7.27% respectively on the year. During the same period, MSCI World TR USD plunged 6.38% and MSCI AC Asia ex Japan Index slid 12.41%, while the FTSE WGBI TR rose 1.13%. In 2018, money market (+1.14%) fund outperformed the bond (+0.27% on average), equity (-10.49% on average) and mixed-asset (-6.40% on average) fund offering.

For the three-year period, CPFIS-included funds achieved 11.94% growth on average, accounted for a gain of 12.39% on average from CPFIS-included unit trusts and 11.67% from CPFIS-included ILPs. During this period, MSCI World TR USD and MSCI AC Asia ex Japan Index rallied 17.40% and 23.99% respectively, while FTSE World Government Bond Index achieved 4.05%. Equities were the lead gainer with growth of 13.92%, while bonds posted 6.23% return on average for the period.

Xav Feng, Head of Asia Pacific Research, Lipper at Refinitiv, commented, “In the fourth quarter of 2018, market fluctuations continued, leading to a plunge in the majority of global equity markets, although the U.S Fed declared that economic activity has been rising at a solid pace. However the Fed was also ready to alter the current run-off of its balance sheet. Meanwhile, the U.S. and China are trying to suspend punitive tariffs and make promises on other issues before the trade war truce ends on 1 March, but no deal has been reached so far. Therefore investors should continue watching out for further progress and potential market volatility.”

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Performance of CPFIS-included unit trusts and ILPs during the 3, 12 and 36 month periods ending December 2018:

	Average of CPFIS-included unit trusts & ILPs	CPFIS-included unit trusts	CPFIS-included ILPs
3-month period ended December 2018	- 7.45%	- 8.74%	- 6.69%
12-month period ended December 2018	- 7.91%	- 9.0%	- 7.27%
36-month period ended December 2018	11.94%	12.39%	11.67%

Source: Lipper

The Investment Management Association of Singapore (IMAS) and Life Insurance Association of Singapore (LIAS) have appointed Lipper to monitor the performance of all unit trusts and investment-linked insurance products included under the Central Provident Fund Investment Scheme (CPFIS).

Notes to the Editor:

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Refinitiv is the former Financial & Risk business of Thomson Reuters following the closing of the partnership deal between Thomson Reuters and private equity funds managed by Blackstone on 1 October 2018.

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