Asian Markets

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# Singapore's asset management sector surges to record as funds expand

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SINGAPORE, Oct 21 (Reuters) - Singapore's asset management industry grew to a record size last year, outpacing global growth in the sector as the city-state benefited from more business from global and regional funds.

The Monetary Authority of Singapore (MAS) said total assets under management in Singapore rose 16% in 2021 to S$5.4 trillion ($3.8 trillion), compared with a global increase of 12% to $112 trillion last year.

Hobbled by tough measures to combat COVID-19 in China and Hong Kong, entrepreneurs and investors are setting up shop or expanding their investment in Singapore.



The growth in assets was fuelled by a 30% year-on-year jump in the alternatives sector that comprises private equity, venture capital, hedge funds, real estate and real estate investment trusts, according to a survey conducted by the MAS.

Private equity and venture capital managers reported dry powder, or committed but undrawn capital, totalling S$90 billion and S$5 billion, respectively, the survey showed.

There has been a big influx of family offices and funds to Singapore, especially from China, and funds and tycoons have been snapping up premium properties and backing start-ups based in the city and the region.

The MAS said the number of licensed and registered fund management firms in Singapore rose 15% to 1,108, as of last December.



Funds have also taken advantage of generous tax breaks and incentives offered by Singapore as it seeks to burnish its credentials as one of Asia's main financial services hubs.



The launch of a new corporate structure called variable capital companies (VCC) in Singapore in 2020 has attracted a wide spectrum of asset managers, including family offices, hedge funds and private equity.

The MAS survey said more than 660 VCCs had been set up or re-domiciled in Singapore as of Oct. 14 this year compared with more than 400 in the year earlier.

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