

Think Singapore equities are just about dividends?





There's more to the return story.

Singapore equities have traditionally been associated with dividends, but this understates their evolving return potential. While dividends remain a core anchor of returns, ongoing market-development initiatives - such as deeper research coverage, improved liquidity, and greater active participation - are broadening the opportunity set for capital growth. This evolution allows investors to capture more durable total returns, where dividends provide stability and capital appreciation is driven by stock selection, valuation discipline and long-term value creation.



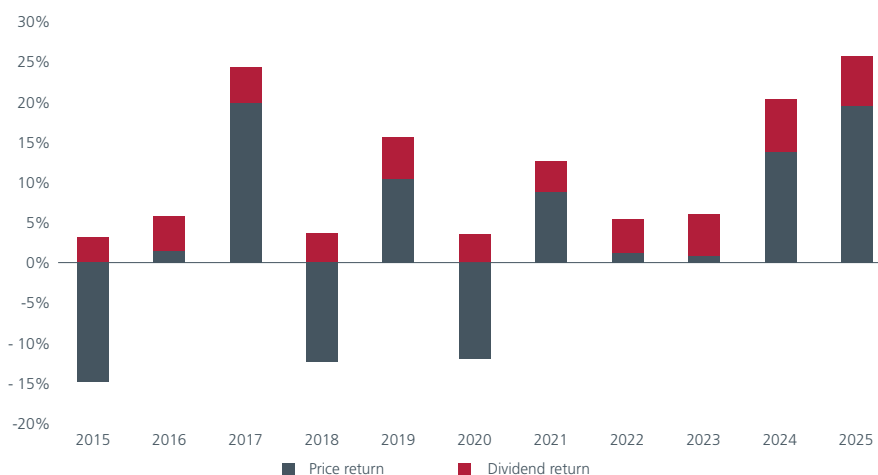
Tell me more

Singapore has Asia's largest listed Real Estate Investment Trust (REIT) market outside of Japan, amounting to ~\$100b. Accounting for about 10%-20% of the Singapore Exchange's total market capitalisation, it represents one of the highest REIT penetrations globally. Besides REITs, dividend payers such as banks, telcos and other defensive names have helped the Singapore equity market achieve a dividend yield of 4.5%¹, one of the highest in Asia. Sustainable dividends are a testimony to the companies' capital discipline, strong balance sheet

and commitment to shareholder returns.

Although dividends have provided investors with relatively consistent returns in the last 10 years, investors who focused on dividends only would have missed out on some very attractive capital gains. For example, the FTSE Straits Times All Share Index delivered capital gains of 14% and 20% in 2024 and 2025 respectively.

Breakdown of returns



Source: Bloomberg. In SGD terms. As of March 2026. Index – FTSE Straits Times All Share Index. ¹Source: Bloomberg. 12-month trailing dividend yield. FTSE Straits Times All Share Index. As of 12 May 2026.



Tell me more

While dividends will remain an important component of total returns in Singapore, capital gains are likely to play an equally meaningful role going forward. The Monetary Authority of Singapore's (MAS) Equity Development Programme aims to deepen active management, research coverage and liquidity beyond index heavyweights and well-known dividend payers. This combined with the MAS' value unlock initiatives

should encourage greater investor engagement which could improve price discovery and reduce valuation discounts among the small and mid-capitalisation stocks. At the same time, there is a desire by the Singapore Stock Exchange to encourage more new economy listings – these companies are likely to be more growth oriented and may not pay out dividends in the near term.

What it means for you

You don't need to choose between dividends and capital growth. A strategy which focuses on both dividends and capital gains means that you get to enjoy the yield and stability from mature, cash generative companies while benefiting from the growth overlay provided by the mid-cap companies and new economy sectors.

20%

Capital gains
in 2025

6%





Dividend returns
in 2025

Tip

Active investing becomes more important as the Singapore equity market moves from being dividend-led to one where income provides resilience while

growth is increasingly sourced from selective sectors and companies.

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