

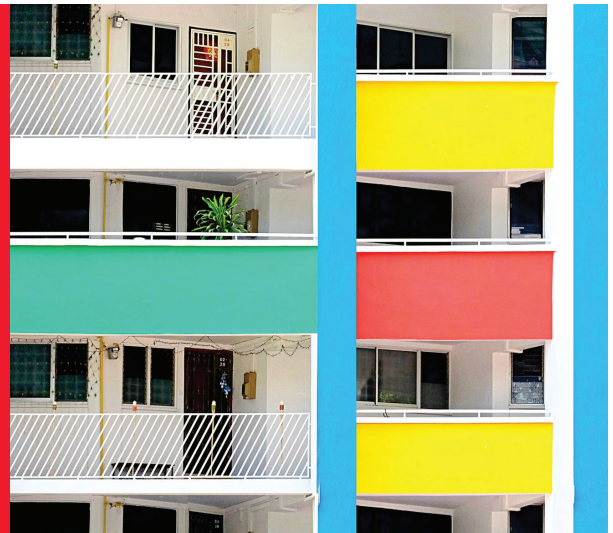
Think Singapore large caps are all you need?





Small, mid and large are better together.

Singapore's equity market has rewarded different capitalisations of the market at different points in the cycle. Rather than trying to time which market cap segment will lead next, investors may benefit from a more balanced approach that brings together the resilience of large caps, the growth potential of mid-caps, and the dynamism of small caps.



Tell me more

Traditionally, Singapore's blue chip large caps appeal to investors given their stability and attractive dividends. However, small and mid-caps have garnered more investor interest recently, following the launch of the Monetary Authority of Singapore's Equity Market Development Programme in 2025 which is aimed at improving liquidity and revitalising the small and mid-cap companies.

The table below shows that across 2012–2025, no single market-cap segment has consistently outperformed. Small caps led in years such as 2012, 2019 and 2020, mid-caps rallied in 2014, 2022 and 2023, while large caps outperformed in 2017, 2024 and 2025.

Performance by market capitalisation

Year	Rank 1 (Highest)	Rank 2	Rank 3	Rank 4 (Lowest)
2012	Small cap 39%	Small mid cap 26%	Mid cap 22%	Large cap 19%
2013	Large cap 2%	Mid cap -2%	Small mid cap -4%	Small cap -9%
2014	Mid cap 7%	Large cap 4%	Small mid cap 3%	Small cap -6%
2015	Small mid cap -14%	Large cap -15%	Mid cap -16%	Small cap -17%
2016	Large cap 1%	Small cap 0%	Small mid cap -1%	Mid cap -4%
2017	Large cap 24%	Small cap 22%	Mid cap 16%	Small mid cap 15%
2018	Large cap -10%	Small cap -14%	Small mid cap -14%	Mid cap -15%
2019	Small cap 16%	Small mid cap 13%	Mid cap 12%	Large cap 7%
2020	Small cap -4%	Small mid cap -11%	Large cap -12%	Mid cap -15%
2021	Large cap 7%	Small cap 3%	Small mid cap 3%	Mid cap 1%
2022	Mid cap 3%	Small mid cap -4%	Small cap -12%	Large cap -21%
2023	Mid cap 5%	Small mid cap 2%	Small cap 0%	Large cap -4%
2024	Large cap 47%	Mid cap -1%	Small mid cap -1%	Small cap -3%
2025	Large cap 21%	Mid cap 20%	Small cap 19%	Small mid cap 17%

Source: Bloomberg. In USD terms. As of March 2026. Indices – MSCI Singapore Small Cap Index. MSCI Singapore Small and Mid-Cap Index. MSCI Singapore Large Cap Index.



Tell me more

Small caps tend to benefit most when investors rotate away from defensiveness and look for growth. Post the European debt crisis and downgrade of the US' sovereign debt rating in 2011, Singapore small caps rallied in 2012 as risk appetite improved, and valuations, operating leverage and earnings benefitted from the early phase of the economic recovery. Meanwhile, large caps' defensiveness came into focus in 2013, which was a year characterised by the global taper-related uncertainty and more selective risk taking. Large caps demonstrated their resilience again in 2018, as global equity markets

came under pressure from escalating US-China trade tensions and multiple interest rate hikes by the US Federal Reserve. In 2018, Singapore large caps fell less than their small and medium cap counterparts.

The difference in returns between the best and worst performing market cap segments has averaged 13% over the last 15 years, ranging from as small as 3% in some years to as large as 49% in others. As such, a market cap tilt in a portfolio can result in a very different outcome.

What it means for you

Singapore equity portfolios are often skewed toward large caps, reflecting the dominance of banks and blue-chip names in headline indices. While this can provide portfolio stability, it also means that investors can miss out when market leadership shifts elsewhere.

49%

Widest gap
in a single year

3%

Narrowest gap
in a single year

An actively managed portfolio that has a structural allocation to large caps while allocating meaningfully to small and mid-caps may help portfolios navigate changing market conditions.

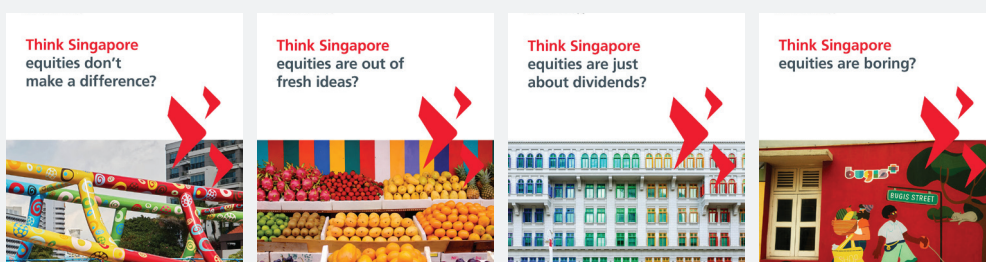
The dispersion of returns across market cap segments also highlights the opportunity set that active managers can have. By selecting stocks across small, mid and large caps, active managers can potentially participate more fully in the market upside while managing downside risks across cycles.

Tip

Don't limit your exposure to a particular market segment. Having a portfolio with a core allocation to large caps can help provide stability through volatility

while a deliberate allocation to small and mid-caps can offer upside when market leadership changes.

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