

APPENDIX 2

QUESTIONS AND ANSWERS

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS
IN RELATION TO EXCHANGE-TRADED FUNDS
(As at 7 December 2018)CHAPTER 4 - ADMISSION FOR SPECIFIC APPLICANTS

4.6A With the deletion of the requirements pertaining to the contents of the deed or constituent document governing ETFs in paragraph 4.13 and Appendix 4B, does it mean that ETFs are no longer required to comply with any prescribed contents of the deed or constituent document?

No. The requirements on the contents of the deed or constituent document are deleted from the Main LR as the SC's Guidelines on Exchange-Traded Funds already prescribe comprehensive provisions that must be contained in the deed or constituent document. As such, an ETF must still ensure that its deed or constituent document comply with the requirements in the SC's Guidelines on Exchange-Traded Funds.

CHAPTER 9 - CONTINUING DISCLOSUREDisclosure of information to the Exchange - ETFs

9.25A Under paragraph 9.46(1)(a) of the Main LR, a management company of an ETF must make available on the Exchange, the indicative optimised portfolio value ("IOPV") per unit of the ETF on real-time basis or within such time as may be allowed under the SC's Guidelines on Exchange-Traded Funds. How can the IOPV be made available on the Exchange pursuant to this requirement?

The manner in which the IOPV can be made available on the Exchange includes, among others, publishing the real time IOPV on the Exchange's website or announcing to the Exchange the link to the website of the ETF or an appointed third-party service provider where the real time IOPV can be accessed.

9.38 Is the management company of a ~~real estate investment trust~~REIT and an exchange traded fund required to give quarterly reports pertaining to the ~~real estate investment trust~~REIT and ~~exchange traded fund~~ respectively to Bursa Securities for public release?

Yes, the management company of a ~~real estate investment trust~~REIT and an exchange traded fund must ~~respectively~~ give quarterly reports of the ~~real estate investment trust~~REIT and ~~exchange traded fund~~ for each of the first 3 quarters of its financial year, to Bursa Securities for public release, as soon as the figures are available, and in any event not later than 2 months after the quarter ends as required under paragraphs 9.44 and 9.48 of the Main LR respectively. However, the management company of a ~~real estate investment trust~~REIT and an exchange traded fund need not submit any quarterly report for the last quarter of its financial year.

Periodic reports of ETFs

9.53B Under the Main LR, the management company of an ETF must include information pertaining to Securities Transactions¹ undertaken by the ETF in its semi-annual report² and annual report³. Among others, the management company must disclose the amount of the securities involved in the Securities Transactions as a proportion of the total net asset value of the ETF. What is meant by “amount of securities involved in the Securities Transactions”?

The term refers to the amount of securities lent pursuant to an SBL Negotiated Transaction or Bursa SBL Transaction, or the amount of securities sold pursuant to an ISSBNT Negotiated Transaction.

9.53C Are there any other requirements, apart from the Main LR, that a management company of an ETF must comply with when preparing the ETF’s annual report?

In addition to paragraph 9.49 and Part F of Appendix 9C of the Main LR, the management company must also comply with the requirements in Chapter 12 and Schedule C of the SC’s Guidelines on Exchange-Traded Funds.

[End of Appendix 2]

¹ This is defined in paragraph 9.01(5)(c) of the Main LR to mean the following transactions conducted pursuant to the Rules of Bursa Malaysia Securities Clearing Sdn. Bhd:

- (a) securities lending under the SBL Negotiated Transaction or Bursa SBL Transaction; or
- (b) securities selling under the ISSBNT Negotiated Transaction.

² See paragraph 5, Part E of Appendix 9B of the Main LR.

³ See paragraph 8, Part F of Appendix 9C of the Main LR.