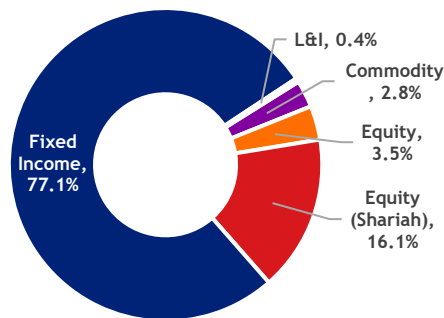


Combined asset under management (AUM) of the 20 Bursa Malaysia-listed ETFs has been showing growth in recent months. With a total AUM of RM1.98 billion at end of June, combined AUM rose in the subsequent months to reach RM2.11 billion at end of October.

Figure 1: Breakdown of Bursa Malaysia’s listed ETFs AUM, end of October 2021



Source: Bursa Malaysia

ETFs listed on Bursa Malaysia comprises four main types - fixed income, Shariah equity, equity, commodity, as well as leveraged and inverse (L&I).

Fixed income ETF dominated with 77.1% of market shares, equivalent to RM1.62 billion of AUM.

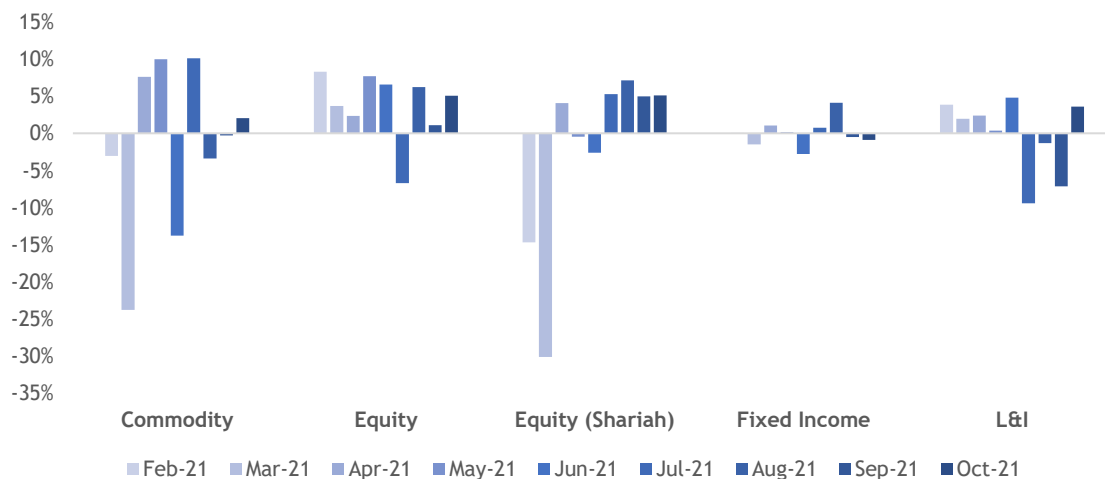
L&I ETFs commanded the lowest market share as its trading is restricted to selective investor group as detailed at the end of report.

80% of the ETF unitholders are foreign institutional investors favouring fixed income ETF.

Equity ETFs has been delivering AUM growth since the beginning of the year. As observed in Figure 2, combined AUM of equity ETFs grew every month with exception to July. Overall, AUM of equity ETFs has expended by 39% from RM53.75 million at end of January to RM74.55 million at end of October.

Shariah equity ETFs saw its AUM grow over the past four months. Despite the fluctuation during the first half of the year, AUM of Shariah equity ETFs swell in the second half, growing from RM273.4 million at end of June to RM340.2 million at end of October. Listing of the new VP-DJ Shariah China A-Shares 100 in July also contributed to the growth.

Figure 2: AUM Growth (%) by Types of ETF



Source: Bursa Malaysia

Tradeplus S&P New China Tracker - MYR (CHINAETF-MYR) leads the growth among equity ETFs

Listed on the Exchange on 28 January 2019, CHINAETF-MYR is an index tracking fund seeking exposure to China listed companies in the consumption and services-oriented industries using the S&P New China Sectors Ex A-Shares Index as benchmark.

Figure 3: Top 10 Portfolio Holdings of CHINAETF-MYR as at close of 29 October 2021

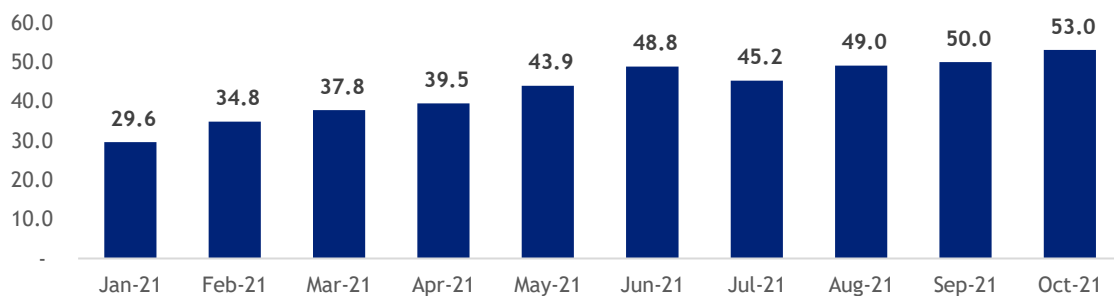
SEDOL	Company Name	Portfolio Holdings			Share Price (Local Currency)	Share Price (HKD)	Market Value (HKD)
		Quantity of Shares	Currency				
BGJW376	Meituan Dianping	37,800	HKD	269.60	269.60	10,190,880.00	
BMMV2K8	Tencent Holdings Ltd	20,600	HKD	481.00	481.00	9,908,600.00	
B4TX8S1	AIA Group Ltd	112,300	HKD	87.85	87.85	9,865,555.00	
BK6YZP5	Alibaba Group Holding Ltd	60,000	HKD	163.00	163.00	9,780,000.00	
BKPQZT6	JD.com, Inc. Class A	16,750	HKD	310.40	310.40	5,199,200.00	
BL6B9P1	Wuxi Biologics (Cayman) Inc	29,000	HKD	118.20	118.20	3,427,800.00	
BFZX9H8	NIO Inc-ADR	11,114	USD	39.42	306.63	3,407,918.34	
BOFXT17	Baidu Inc	2,588	USD	162.25	1,262.08	3,266,262.95	
BM93SF4	NetEase, Inc	19,500	HKD	153.60	153.60	2,995,200.00	
BO1FLR7	Ping An Insurance (Group) Co of China Ltd H Shares	51,500	HKD	55.90	55.90	2,878,850.00	

Source: fund manager's website at https://tradeplus.com.my/new_china-tracker

CHINAETF-MYR has seen its AUM expanded by 79% from RM29.6 million in January to RM53.0 million in October. On a closer look, AUM increased throughout the year with exception of July, as its net asset value (NAV) dropped by 14.6% month-on-month (MoM) following the meltdown in China market.

Overall AUM growth of CHINAETF-MYR was spurred by new units creation, as units in circulation swell 135% from 3.3 million units in January to 7.8 million units in October. As at 18 November, units in circulation further rose to 8.1 million units. 85% of its unitholders are local institutional investors.

Figure 4: CHINAETF-MYR's AUM, RM Mil



Source: Bursa Malaysia

CHINAETF-MYR delivered year-to-date (YTD) return of 20.63% as at 19 November, with 7.275% of 1-year tracking error. As illustrated in Figure 5, the fund generally recorded positive return in the month of April, June, and in the fourth quarter of the year.

Short term return (shown in Figure 6) took a dip mainly dragged by the negative return recorded in July before returning to the black in October. November and December are generally positive return months for the fund based on historical seasonality.

Figure 5: Seasonality of CHINAETF-MYR's Return



Source: Bloomberg

Figure 6: Return and Risk Analysis of CHINAETF-MYR

Short term return			Long term return		1 Year tracking error (%)
1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	YTD (%)	
3.45	(3.90)	(17.56)	(1.21)	20.63	7.275

Note: YTD data as at 19 November 2021

Source: Bursa Marketplace

Speaking to Affin Hwang Asset Management Berhad on the reasons of its rising demand, the fund manager attributed the growth to several key factors.

“CHINAETF-MYR enjoyed strong AUM growth this year with its units in circulation ballooning by over 140%. Key factor is attributed to the rising interest in ETFs among the investment community as a result of dedicated and continuous educational efforts over the years.

Secondly, there is an increasing interest among investors in having China exposure in their portfolio. China has continued to grow its influence on the global economic front as it cements its stature as an economic powerhouse. The recent COVID phenomenon has provided clear display on how the country was able to quickly recover through its strict stance on lock-down measures, strength in supply chain management, as well as its ability to bounce back through the support of its domestic consumers. In this context, our fund provides an easy access to exposure into China companies through its portfolio of 108 stocks listed on both the Hong Kong and US Stock Exchange.

Recent regulatory crackdown in China had seen internet-giants such as Alibaba, Tencent, and Baidu being fined by China’s competition watchdog. Nevertheless, analysts believe that the recent crackdown by the regulators may be conducive for the growth of the domestic economy, and well as the sector over the longer-term. Anticipating future growth, investors had taken this opportunity to bottom-fish, and increase exposure into China’s New Economy for their longer-term portfolio given that the recent sell-down on China’s tech-related companies has provided an opportune time for investors to build their position.

As we are riding on the wave of growth, we have in place a series of strategies to keep the momentum going. We will continue our educational effort by organising in-house webinars or through collaboration with our partners. As we currently already have a healthy following on our social media platforms, we will continue to release market, as well as fund-related news through our platforms to keep our investors informed.

On the backend, we take note of investors’ comparison against foreign ETFs. As such, we will continuously work towards improving the prospects of the product in terms of managing the ETF’s Total Expense Ratios (TER), and maintaining tighter spreads quoted by the Market Makers. We will also continuously work with our Participating Dealers and Market Makers to understand how we can continuously encourage trading activity, and interest within the investment community.”

MyETF Dow Jones US Titan 50 (METFUS50) leads the AUM growth of shariah equity ETFs

Listed on the bourse on 28 February 2018, METFUS50 is an index tracking fund benchmarking against Dow Jones Islamic Market U.S. Titan 50 Index. Top 10 portfolio holdings as tabled in Figure 7 below.

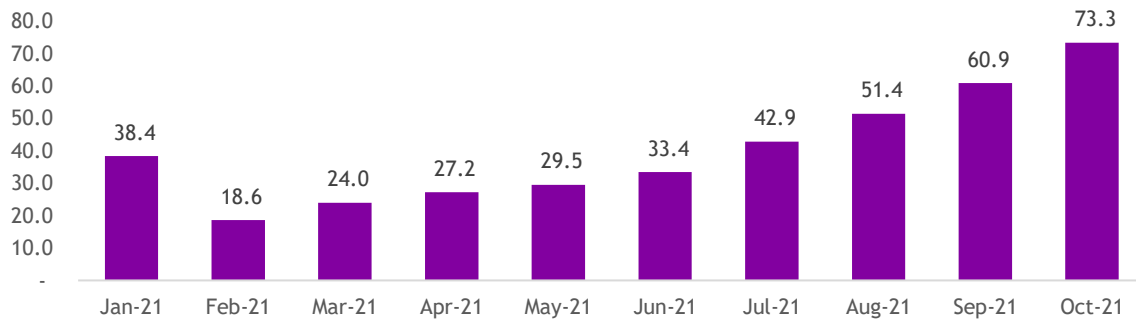
Figure 7: Top 10 Portfolio Holdings of METFUS50 as at close of 18 November 2021

Sedol	Company	Qty of Shares	Price (USD)	Market Value (USD)
2588173	MICROSOFT CORP	203	341.27	69,277.81
2046251	APPLE INC	393	157.87	62,042.91
2000019	AMAZON.COM INC	15	3,696.06	55,440.90
B616C79	TESLA INC	28	1,096.38	30,698.64
BYY88Y7	ALPHABET INC-CL C	10	3,014.18	30,141.80
BVYV8G0	ALPHABET INC-CL A	10	2,996.77	29,967.70
B7TL820	FACEBOOK INC-CLASS A	83	338.69	28,111.27
2379504	NVIDIA CORP	87	316.75	27,557.25
2434209	HOME DEPOT INC	37	405.85	15,016.45
2475833	JOHNSON & JOHNSON	92	162.40	14,940.80

Source: fund manager's website at <https://www.myetf.com.my/en/MyETF-Series/MyETF-Dow-Jones-U-S-Titans-50/Fund-Overview>

AUM of METFUS50 trended upwards by 206% since March to RM73.3 million in October, with monthly growth in both NAV and unit in circulation. NAV grew from USD1.69 at end of March to USD2.08 at end of October, while unit in circulation rose from 3.4 million units to 8.5 million units for the same period. 97% of its unitholders are local institutional investors.

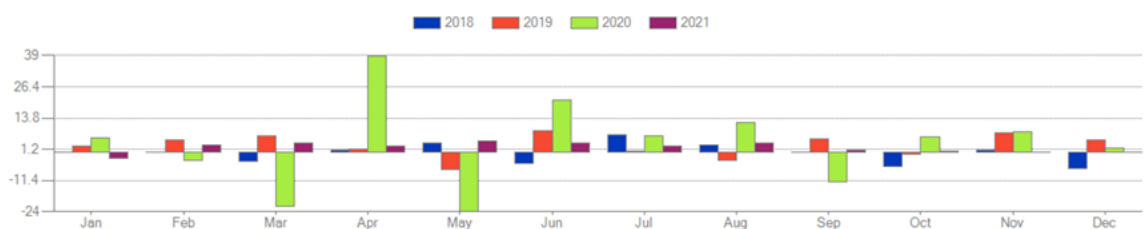
Figure 8: METFUS50's AUM, RM Mil



Source: Bursa Malaysia

Positive gain for both short term and long term return. As illustrated in Figure 9, METFUS50 typically showed positive return in the month of April, July and November. Three years return reached 100.22% while tracking error exhibited improvement - from 3-year tracking error at 1.618% to 1-year tracking error at 1.533%.

Figure 9: Seasonality of METFUS50's Return



Source: Bloomberg

Figure 10: Return and Risk Analysis of METFUS50

Short term return			Long term return			1 Year tracking error (%)	3 Years tracking error (%)
1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years	YTD (%)		
7.72	4.81	17.47	43.42	100.22	31.03	1.533%	1.618%

Note: YTD data as at 19 November 2021

Source: Bursa Marketplace

Speaking to i-VCAP Management Sdn Bhd on the reasons of the fund's popularity, the fund manager cited:

“Attractiveness of the index and appreciation of the fund’s NAV have attracted inflows in the recent months, and growth momentum is continuing as we speak. We also plan to foster further growth for the fund in the near term by widening our distribution network with additional inflow channels and increase its accessibility at brokerage houses alongside other potential fulfilment methods.”

Investor criteria to trade L&I ETFs

Investor needs to fulfil **ONE** of the **four** criteria below to trade L&I ETFs

- Investors who fall under the category of sophisticated investors
 - Assets > RM3 million excluding primary residence;
 - Personal income > RM300,000; or
 - Joint income (personal + spouse) > RM400,000.
- Investors who have margin accounts with their brokers;
- Investors who have made at least five transactions in exchange traded derivatives or structured warrants in the preceding 12 months; or
- Investors who have utilised a performance simulator which simulates trading in L&I ETFs and have undergone the video tutorials on L&I ETFs on Bursa Marketplace

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