

PressRelease

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Malaysia's First Two ETFs Declare Income Distributions

AmInvestment Bank Group (AIBG)'s exchange-traded funds (ETFs), namely ABF Malaysia Bond Index Fund and FTSE Bursa Malaysia KLCI etf (FBM KLCI etf) have respectively declared final income distributions of 1.85 sen per unit and 1.60 sen per unit on 11 January 2010 and 12 January 2010 respectively for the financial year ended 31 December 2009.

FBM KLCI etf, Malaysia's first equity etf which is listed on Bursa Malaysia, is designed to follow the performance of its benchmark index, FTSE Bursa Malaysia KLCI (FBM KLCI). The etf gives investors the exposure to the top 30 largest companies in the market in terms of market capitalization, thus representing the Malaysian stock market. The total income distribution of 2.2 sen from the interim and final income distributions represented a yield of 2.0% investment return based on the NAV of RM3.7 million as at 31 December 2008.

Malaysia's first bond ETF, ABF Malaysia Bond Index Fund is also listed on Bursa Malaysia and is passively managed against the given benchmark and the returns correspond closely to the performance of the benchmark, Markit iBoxx ABF Malaysia Bond Index. The total income distribution of 3.7 sen from the interim and final income distribution represented a yield of 3.3% investment return for the etf's financial year based on the net asset value (NAV) per unit of RM1.11 as at 31 December 2008.

"FBM KLCI etf's one year performance was outstanding with 47.49% mirroring the FBM KLCI of 45.37%. ABF Malaysia Bond Index Fund gave a one-year return of 2.01% in line with its benchmark of 2.69%*," said Datin Maznah Mahbob, Chief Executive Officer of Funds Management Division, AmInvestment Bank Group.

"There are many favourable characteristics the etfs have to offer, such as the flexibility to trade like a stock with a small amount of capital and no entry fees as well as lower management fees compared to unit trust. ETFs also offer transparency where investors can easily access real-time information on their investment. ETFs are very efficient and convenient investment tools for investors as ETFs give investors the opportunity to invest in a basket of securities of an index rather than build a similar portfolio by purchasing individual stocks, bonds or commodities," added Datin Maznah.

Source:

* Lipper Hindsight as at 30 November 2009

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