Press Release

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Malaysia's First Bond and Equity ETFs Declare Income Distribution

Malaysia's first Exchange-Traded Funds[1] ("ETFs"), namely ABF Malaysia Bond Index Fund ("ABF Malaysia") and FTSE Bursa Malaysia KLCI etf ("FBM KLCI etf") have declared an income distribution of 4.65 sen and 2.80 sen per unit respectively for its financial year ended 31 December 2018. AmInvest manages both ETFs.

ABF Malaysia's income distribution of 4.65 sen per unit in December 2018 represents an income distribution yield (the rate of the return of the ETF based on income distribution) of 4.06%, which was computed based on the ETF's net asset value of RM1.1457 per unit as at 31 December 2018.[2] ABF Malaysia is the only bond ETF in the market and its portfolio consists of mainly Malaysian government bonds. It tracks the performance of Markit iBoxx®ABF Malaysia Bond Index.

FBM KLCI etf is designed to follow the performance of its benchmark index, FTSE Bursa Malaysia KLCI, which comprises Malaysia's top 30 largest companies in terms of market capitalisation. During its financial year, FBM KLCI etf declared a total income distribution of 3.30 sen per unit (inclusive of the above final income distribution of 2.80 sen and an interim income distribution of 0.50 sen declared on June 2018), which represents an income distribution yield of around 1.91%.[2] The yield was computed based on the ETF's net asset value of RM1.7286 per unit as at 31 December 2018.[2]

"Investing in ETFs is an easy and cost-effective way for investors to gain exposure and diversify their current investment portfolios, which can help reduce overall portfolio risk during times of market volatility," said Goh Wee Peng, Chief Executive Officer of AmInvest.

Commenting on developments within the Malaysian ETF industry, she said, "We laud the latest enhancements to the ETF framework by Bursa Malaysia Berhad such as the introduction of qualifying criteria for investors trading in leveraged and inverse ETFs, as well as, the expansion of the permitted short selling framework to allow the short-selling of new types of ETFs from the current equity-based ETFs. Improvements such as these will help drive growth and industry innovation, and thus create a more vibrant ETF ecosystem."

AmInvest dominates the market as the largest ETF provider in the country with around RM1.42 billion worth of assets under management.[3] For the past three years, it has been recognised as Malaysia's Best ETF Provider by The Asset based in Hong Kong.[4]

For more information on ABF Malaysia Bond Index Fund and FBM KLCI etf, please visit www.abfmy1.com.my and at www.fbmklcietf.com.my respectively.

About AmInvest

AmInvest is the brand for the funds management business of AmFunds Management Berhad and AmIslamic Funds Management Sdn Bhd, both of which are wholly owned subsidiaries of AmInvestment Bank Berhad. AmInvest is a multiple award-winning funds management house based in Malaysia with 38 years of investing experience. It manages unit trust funds, wholesale funds, institutional mandates, Exchange-Traded Funds (ETFs) and Private Retirement Scheme (PRS) funds, encompassing both conventional and Shariah-compliant funds.

Sources:

[1] *Based on data compiled by Lipper, Refinitiv on the launch dates of the list of ETFs in Malaysia as at 31 December 2018.*

[2] *Based on data compiled by Bloomberg on the net asset values for FBM KLCI etf and ABF Malaysia as at 31 December 2018.*

[3] *Based on data compiled by Lipper, Refinitiv on the total fund size of ETFs in Malaysia and fund management companies as at 31 December 2018.*

[4] *The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards 2016, 2017 and 2018, based on information extracted from www.theasset.com as at 9 January 2019.*

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