

January - April 2014: Malaysia unit trust industry grows steady

CHART 1: UIC AND NAV OF UNIT TRUST INDUSTRY*

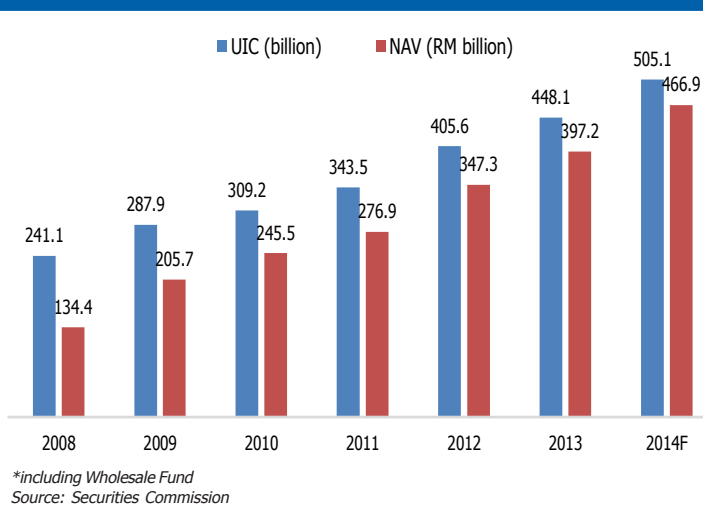


CHART 2: ASSET ALLOCATION OF THE PRIVATE UNIT TRUST: JANUARY TO APRIL 2014

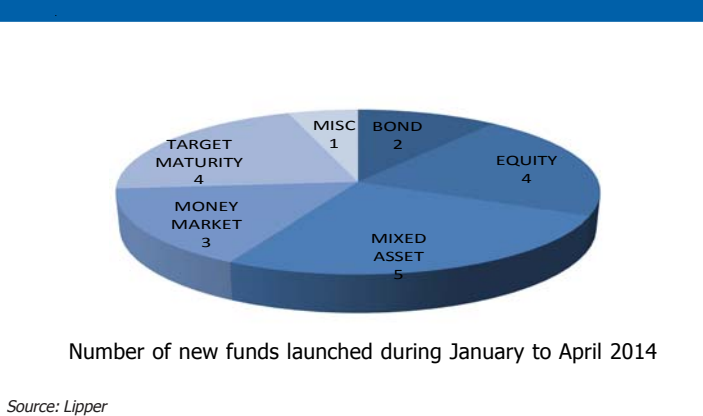


TABLE : PRIVATE UNIT TRUST COMPANIES IN MALAYSIA

	# of UTMCS	# of funds	# of NF	UIC			NAV		
				B units	% mom	% yoy	RM B	% mom	% yoy
2010	37	616	76	184.5		1.9	98.9		11.9
2011	38	646	66	196.4		6.5	106.8		8.0
2012	41	664	77	233.8		19.0	143.2		34.1
2013	39	682	59	258.6		9.5	162.9		12.4
2014 Jan	39	682	9	260.4	0.7	10.5	162.3	-0.4	12.8
Feb	39	682	3	260.8	0.2	10.2	163.4	1.2	12.8
Mar	39	682	7	261.0	0.1	10.6	164.3	2.2	13.0
Apr	39	685	3	262.6	0.6	9.9	164.9	3.2	11.1
2013 J-Apr	0	17	22	5.1		2.2	5.2		3.7
2014 J-Apr	0	3	19	4.0		0.0	2.0		1.2

Source: Lipper, PNBRI

- Malaysia's unit trust industry had expanded favourably in the first four months this year. The industry's units in circulation (UIC) expanded faster by 18.4 billion or 4.1% during the period as against 12 billion or 3.0% in January to April 2013.
- As at end April 2014, the 446.47 billion units in circulation was contributed by 86.3% of unit trust funds and 13.7% of wholesale funds. In the fourth month of the year, the industry grew by 11.7% yoy, stronger than the 10.5% recorded as at end 2013 but slower than 15.7% yoy in April last year.
- The better overall performance in terms of the unit trust subscription was attributed to new account creation and also additional investments from existing unitholders. As many as 226,391 unitholders were added during January to April 2014, representing a growth of 1.3%, a tad faster than 1.1% growth posted in the same period last year. In April, the number of unitholders (NOU) grew steadily by 4.4% from 2.9% in March this year and 3.9% in April 2013.
- The higher UIC and NOU had resulted in a higher average units subscribed per unitholder (UIC/NOU), which had increased to 27,423 in April 2014 as compared to 25,621 in the same period last year. This represents a 7.0% gain from the same period last year.
- Despite the favourable growth in terms of UIC and NOU, the net asset value (NAV) of the industry did not grow as fast during January to April this year, recording a 4.4% yoy growth as compared to 7.1% in the same period last year. The NAV in April 2014 grew by 11.4% yoy, slower than the 13.1% yoy growth posted in the previous month and 22.7% in April 2013.
- Nevertheless, the slower NAV growth of the industry was not in tandem with the better performance from Bursa Market capitalisation (BMC), which could have been dragged by the softer performance in the other asset allocation classes. The ratio of NAV to the BMC was also lower at 23.8% in April 2014 as compared to 24.8% in April last year, and 25.0% recorded in February 2013, an all-time high.
- During the January to April period, 19 new funds were launched by the private unit trust management companies (UTMCs), as compared to the 22 being launched during the same period last year. With further liberalisation and less-strict rules in the industry as announced during Invest Malaysia 2014 on Monday, unitholders would be more at liberty to choose the products that best suits them given the presence of foreign players. This is expected to spark more competition amongst the industry players while boosting the overall unit trust industry per se.
- As such, we are projecting the industry's NAV to grow by 17.6% (2013: 14.3%) in 2014 and the UIC to grow by 12.7% (2013: 10.5%) in 2014.