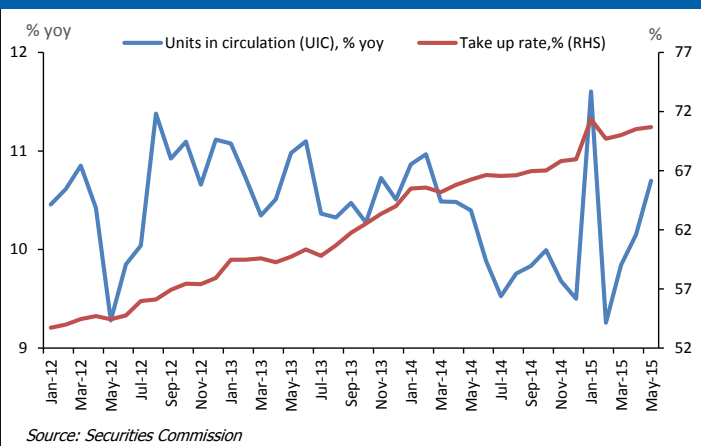


## Bucking the trend?

**CHART 1: UNITS IN CIRCULATION ANNUAL GROWTH AND**

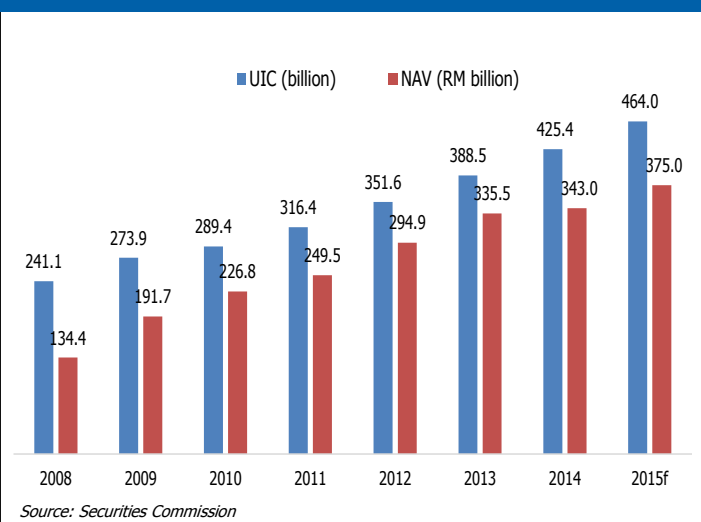


Source: Securities Commission

- The Malaysian unit trust industry (MUTI) grew favourably as units in circulation (UIC) in the first five months of 2015 grew faster by 5.3%, adding 22.7 billion units, from the 4.2% recorded during the same period last year (+16.3 billion units).

- In line with the growing UIC, the number of unitholders also increased, albeit at a more moderate pace. New unitholders grew by 2.0% (341,894 unitholders) during January to May 2015 period as compared to the 1.6% or 275,797 recorded during the same period last year. This was despite the rising cost of living and its impact on purchasing power. Ironically it could also be one of the contributing factors towards the higher UIC growth as the general public sought to conserve wealth. As one expect prices to keep increasing, one would better manage his/her finances to mitigate future risks, and one way of doing this is through investment in unit trust products.

**CHART 2: UIC AND NAV OF MUTI**



Source: Securities Commission

- Looking at the supply side, the approved funds' size (AFS) grew steadily by 1.3% or 8 billion units in the first five months of 2015, double the amount recorded during January to May last year, on ample demand from the public. We are of the view that unit trust providers are optimistic on the outlook; hence, continued to provide the market with a larger pool of an approved funds size. The take up rate (UIC/AFS) in May 2015 was at 70.7%, higher than 2014's average at 66.5% but marginally lower than the all-time best of 71.3% in January 2015. The better take-up rate could be contributed by higher subscriptions due to the larger pool of new funds introduced during January to May 2015 period—26 new funds launched vs 20 new funds during the same period last year.

- Meanwhile, Bursa Malaysia market capitalisation growth was moderate, albeit slightly faster during January to May 2015 (2.6% ytd) as compared to January to May 2014 (2.0% ytd). The marginally higher market capitalisation could have resulted in a slightly better net asset value (NAV) growth of MUTI this year as most of the unit trust funds are invested in the local equity market. The NAV growth in January to May 2015 was a tad faster at 4.8% from 4.5% realised in the same period last year.

**TABLE 1: UNIT TRUST STATISTICS**

	# of UTMCS	# of funds	New funds	UIC			NAV		
				B units	% mom	% yoy	RM billion	% mom	% yoy
2011	38	646	66	316.4		9.3	249.5		10.0
2012	41	664	77	351.6		11.1	294.9		18.2
2013	39	682	59	388.5		10.5	335.5		13.8
2014	36	740	66	425.4		9.5	343.0		2.2
2015f	36	810	70	464.0		9.1	375.0		9.3
2015 Jan	36	745	5	446.6	5.0	11.6	356.2	3.8	4.8
Feb	36	748	3	438.4	-1.8	9.3	363.3	2.0	5.5
Mar	36	750	6	440.4	0.5	9.8	362.6	-0.2	5.4
Apr	36	759	9	443.6	1.2	10.1	365.2	0.5	4.5
May	36	762	3	448.1	1.8	10.7	359.6	-0.8	2.5
2014 J-May	-1		20	16.3		4.2	15.2		4.5
2015 J-May	0		26	22.7		5.3	16.6		4.8

Source: Securities Commission, Lipper, PNBRI

- Nevertheless, as volatility in the global financial markets persist, the downside risks to equity performance also remained potent as Malaysia has a developed and open financial market. This could have explained the moderation in the NAV growth in the first five months of 2014 and 2015, as compared to 2013. In 2013, Bursa Malaysia market capitalisation and net asset value of unit trust industry grew at double-digits.

- We are projecting the industry's UIC to expand slower by 9.0% yoy in 2015, but still respectable vis-à-vis the 9.5% recorded in 2014. This is taking into account headwinds arising from the more volatile financial market and softer domestic demand, although so far the unit trust industry has proved itself able to weather the headwinds by recording commendable growth in the first five months of this year.

	Management Companies Unit Trust	Lipper Global Classification	Launch Date	Par Value (RM)	UIC (M units)	Geo. focus
1	<b>AFFIN HWANG ASSET MANAGEMENT BERHAD</b>					
	1 Affin Hwang Fixed Maturity Income XIII	Target Maturity Other	12-Jan-15	0.00	215.1	Global
	2 Affin Hwang Fixed Maturity Income XIV	Target Maturity Other	6-Apr-15	0.00	229.9	Global
	3 Affin Hwang Dividend Value USD	Equity Asia Pacific ex Japan	8-Jun-15	0.00	0.06	Asia ex Japan
2	<b>AMANAH MUTUAL BERHAD</b>					
	1 AMB Shariah Value Plus A-MYR	Equity Malaysia Diversified	16-Jun-15	0.00	0.00	Malaysia
3	<b>AMINVESTMENT SERVICES BERHAD</b>					
	1 AmlIncome Regular 2	Target Maturity Other	9-Feb-15	1.00	91.3	Asia Pacific ex Japan
4	<b>ARECA CAPITAL SDN BHD</b>					
	1 Areca Islamic Cash	Money Market MYR	18-Jun-15	0.00	0.50	Malaysia
5	<b>CIMB PRINCIPAL ASSET MANAGEMENT BERHAD</b>					
	1 CIMB-Principal Total Return Bond	Target Maturity Other	23-Jan-15	1.00	27.8	Asia Pacific ex Japan
	2 CIMB-Principal Global Multi Asset Income 2	Mixed Asset USD Flex - Global	10-Feb-15	1.00	4.8	Global
	3 CIMB-Principal ASEAN Total Return USD	Absolute Return Other	3-Mar-15	0.50	1.6	ASEAN
	4 CIMB-Principal Global Dividend Maximiser USD	Equity Global Income	11-May-15	1.00	8.9	Global
6	<b>EASTSPRING INVESTMENTS BERHAD</b>					
	1 Eastspring Investments Japan Dynamic MY-JPY	Equity Japan	16-Jun-15	0.00	0.00	Japan
	2 Eastspring Investments Asian High Yield Bd MY-USD	Equity Global	16-Jun-15	0.00	0.00	Asia Pacific
7	<b>KENANGA INVESTORS BERHAD</b>					
	1 Kenanga Sukuk Wholesale-Series 1	Bond MYR	16-Mar-15	1.00	0.0	Malaysia
8	<b>MANULIFE ASSET MANAGEMENT SERVICES BERHAD</b>					
	1 Manulife Asian Small Cap Equity MYR	Equity Asia Pacific Sm&Mid Cap	8-Apr-15	0.00	24.6	Asia Pacific
	2 Manulife Investment-ML Shariah Flexi	Mixed Asset MYR Aggressive	30-Jun-15	0.00	0.05	Asia Pacific
9	<b>MAYBANK ASSET MANAGEMENT SDN BERHAD</b>					
	1 Maybank Constant Income 2	Target Maturity Other	5-Jan-15	1.00	264.1	Global
	2 Maybank Islamic Cash	Money Market MYR	10-Apr-15	0.00	53.1	Malaysia
	3 Maybank Bosera Greater China Asean Equity-I A	Equity Asia Pacific	27-Apr-15	0.00	32.0	Asia Pacific
10	<b>MIDF AMANAH ASSET MANAGEMENT BERHAD</b>					
	1 MIDF Amanah Shariah Cash	Money Market MYR	22-Jan-15	1.00	757.1	Malaysia
11	<b>PMB INVESTMENT BERHAD</b>					
	1 PMB Wholesale Sukuk	Bond MYR	20-May-15	1.00	21.0	Malaysia
12	<b>PUBLIC MUTUAL BERHAD</b>					
	1 Public Islamic Enterprises Equity	Equity Malaysia	18-Mar-15	0.25	228.4	Malaysia
	2 PB Dividend Builder Equity	Equity Global	30-Jun-15	0.00	32.77	Global
13	<b>RHB ASSET MANAGEMENT SDN BERHAD</b>					
	1 RHB-OSK Global Equity Stabiliser	Equity Global	15-Jan-15	1.00	115.6	Global
	2 RHB-OSK European Select	Equity Europe ex UK	3-Mar-15	0.50	606.4	Europe ex UK
	3 RHB-OSK Eurozone Index Beta	Equity EuroZone	13-Apr-15	1.00	50.5	Eurozone
	4 RHB-OSK Japan Index Beta	Equity Japan	13-Apr-15	1.00	9.5	Japan
	5 RHB-OSK Emerging Asia Index Beta	Equity Emerging Mkts Asia	13-Apr-15	1.00	6.3	Asia ex Japan
	6 RHB-OSK US Index Beta	Equity US	13-Apr-15	1.00	0.5	US
	7 RHB-OSK Focus Income Bond-Series 5	Target Maturity Other	15-Apr-15	0.00	78.4	Global
	8 RHB Asian High Yield-MYR	Bond Asia Pacific HC	8-Jun-15	0.00	4.86	Asia Pacific
	9 RHB-OSK Focus Income Bond-Series 6	Target Maturity Other	3-Jun-15	0.00	34.73	Global
14	<b>RHB ISLAMIC INTERNATIONAL ASSET MGMT BHD</b>					
	1 RHB Islamic Global Developed Markets MYR	Equity Global	28-May-15	1.00	10.7	Global
				0.00	0.0	
15	<b>UOB ASSET MANAGEMENT (MALAYSIA) BERHAD</b>					
	1 United Income Plus	Mixed Asset MYR Conservative	9-Feb-15	0.50	30.9	Asia Pacific ex Japan
	2 United Target Income Bond	Target Maturity Other	16-Mar-15	0.50	278.8	Asia Pacific ex Japan
	3 United Money Market	Money Market MYR	26-Mar-15	0.00	60.3	Malaysia
	4 United Asian High Yield MYR	Bond Asia Pacific LC	30-Jun-15	0.00	0.00	Asia Pacific
			36		3,280.7	