

HIGHLIGHTS

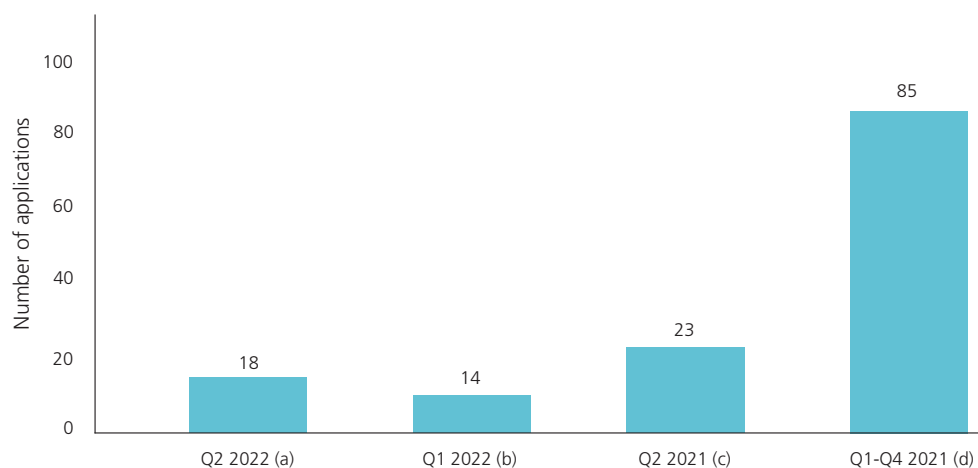
- The SC approved 4 substantive applications¹ for various corporate proposals by companies.
- Total funds to be raised from the proposals approved by/lodged with the SC amounted to RM38.21 billion, out of which RM38.11 billion or 99.7% would be from corporate bonds and sukuk.
- The SC considered 15 submissions in relation to take-overs, mergers and compulsory acquisitions.
- In Q2 2022, the net asset value (NAV) of unit trust funds decreased from RM517.63 billion as at 31 March 2022 to RM486.80 billion as at 30 June 2022.

EQUITIES, CORPORATE BONDS AND SUKUK

The SC approved 4 substantive applications¹ for various corporate proposals by companies in Q2 2022. In addition, there were 14 corporate bonds and sukuk lodgments submitted under the LOLA Framework.

Chart 1

Substantive applications approved and lodged



Note:

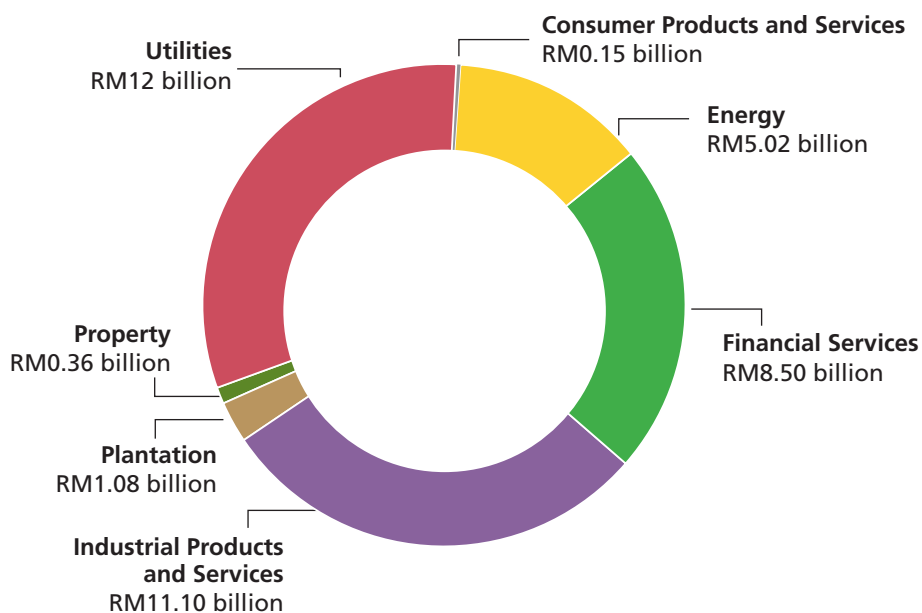
- (a) Includes 14 corporate bonds and sukuk lodged under LOLA framework.
- (b) Includes 13 corporate bonds and sukuk lodged under LOLA framework.
- (c) Includes 18 corporate bonds and sukuk lodged under LOLA framework.
- (d) Includes 72 corporate bonds and sukuk lodged under LOLA framework.

¹ Substantive applications include initial public offerings (IPO), reverse take-overs, transfer listings to Main Market of Bursa Malaysia and secondary listing proposals.

The total funds to be raised from the proposals approved by/lodged with the SC in Q2 2022 amounted to RM38.21 billion, out of which RM38.11 billion or 99.7% would be from corporate bonds and sukuk. The remaining RM0.10 billion or 0.3% would be from the IPO proposal approved. The utilities sector would raise the largest amount of funds amounting to RM12 billion or 31.4%.

Chart 2

Funds approved to be raised by sectors: RM38.21 billion



TAKE-OVERS AND MERGERS

The SC considered 15 submissions in relation to take-overs, mergers and compulsory acquisitions in Q2 2022, comprising the following:

- a) Clearance of 2 take-over offer documents;
- b) Clearance of 3 independent advice circulars including for whitewash exemption;
- c) Clearance of 1 circular for whitewash exemption;
- d) 3 applications for exemptions from the mandatory offer obligation; and
- e) 6 other applications in relation to the provisions of the *Capital Markets and Services Act (CMSA) 2007/ Malaysian Code on Take-overs and Mergers 2016 / Rules on Take-overs, Mergers and Compulsory Acquisitions (Rules)*.

The total number of submissions considered during Q2 2022 was similar to the corresponding quarter in 2021.

The 2 take-over offer documents cleared by the SC involved a total offer value of RM0.11 billion, comprising the offer by Dato’ Lim Kian Onn for ECM Libra Group Bhd with an offer value of RM43.1 million and the offer by Dato’ Sri Dr Pang Chow Huat for Computer Forms (Malaysia) Bhd with offer value of RM64.6 million.

Pursuant to the revised Rules issued on 28 December 2021, circulars for whitewash exemptions must be submitted to the SC for its comments and clearance on the contents relating to the whitewash exemptions. Following this, 1 circular was cleared by the SC in Q2 2022.

The 3 applications for exemption from the mandatory offer obligation involved acquisitions or transfer of shares within members of a group of persons acting in concert.

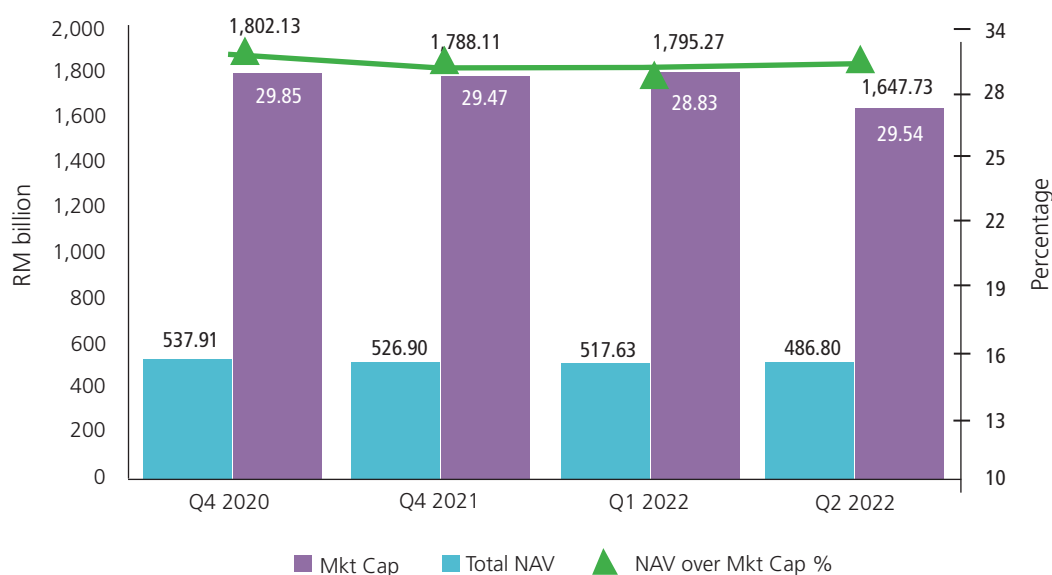
Of the 6 other applications considered by the SC, 2 applications sought its consent for the offerors to reduce their entitlements in relation to the voting shares in the offeree companies during the offer period which had commenced for the proposed take-over offers in the respective companies.

UNIT TRUST FUNDS

In Q2 2022, the NAV of unit trust funds decreased from RM517.63 billion as at 31 March 2022 to RM486.80 billion as at 30 June 2022. The percentage of the total NAV against Bursa Securities market capitalisation has increased from 28.83% as at 31 March 2022 to 29.54% as at 30 June 2022.

Chart 3

NAV of unit trust industry and Bursa Malaysia market capitalisation



New funds

A total of 7 unit trust funds were launched while 4 funds were terminated², which brought the total number of funds in operation to 752 funds as at 30 June 2022. Of the 7 new funds launched, 4 were from the equity category, 2 from the fixed income/bond/sukuk/debenture category and 1 from the mixed assets category.

As at 30 June 2022, a total number of 39 management companies were approved to offer unit trust funds.

² 2 funds reached their maturity, 1 fund had no assets/unitholders and 1 fund wound-up voluntarily pursuant to unitholders' approval as it's no longer economically viable.

Table 1

	As at 30 June 2022	As at 31 March 2022
Total no. of launched funds	752	749
Units in circulation (billion units)	764.91	768.23

Fund categories

As at 30 June 2022, a total of RM240.52 billion of the industry's total NAV was represented by mixed asset funds. Equity funds ranked second with NAV of RM106.77 billion.

Table 2

Fund category	NAV (RM billion)	%
Mixed asset	240.52	49.41
Equity	106.77	21.93
Money market	61.98	12.73
Fixed income/bond/sukuk/debenture	51.64	10.61
Feeder	11.31	2.32
Balanced	6.68	1.38
Fund of funds	3.95	0.81
Others	3.95	0.81
TOTAL	486.80	100.00

OTHER COLLECTIVE INVESTMENT SCHEMES

Wholesale funds

As at 30 June 2022, there were 435 wholesale funds in operation with a total NAV of RM77.80 billion. A total of 10 new wholesale funds were launched while 4 wholesale funds were terminated³ in Q2 2022.

Real estate investment trusts

As at 30 June 2022, 18 real estate investment trusts (REITs) were listed on the Main Market of Bursa Securities. A total of 4 REITs, namely Axis REIT, Al-Aqar Healthcare REIT, Al-Salam REIT and KLCC REIT are Shariah-compliant. One REIT, KLCC REIT, was listed as part of a stapled security group.

The market capitalisation of the listed REITs (including the market capitalisation of the stapled group) was RM39.23 billion as at 30 June 2022.

As at 30 June 2022, there were 2 unlisted REITs, namely Alpha Real Estate Investment Trust, a Shariah-compliant fund, and Amanah Harta Tanah PNB. The NAV of the unlisted REITs was RM0.68 billion.

Exchange-traded funds

As at 30 June 2022, 19 exchange-traded funds (ETFs) were listed on the Main Market of Bursa Securities. A total of 6 ETFs were Shariah-compliant, i.e. MyETF Dow Jones Islamic Market Malaysia Titans 25, MyETF MSCI Malaysia Islamic Dividend, MyETF MSCI SEA Islamic Dividend, MyETF Dow Jones U.S. Titans 50, TradePlus Shariah Gold Tracker and VP-DJ Shariah China A-Shares 100 ETF.

The market capitalisation of the listed ETFs was RM2.12 billion as at 30 June 2022.

Closed-end funds

As at 30 June 2022, one closed-end fund (CEF) was listed, i.e. icapital.biz Bhd. The market capitalisation of this fund was RM0.28 billion.

PRIVATE RETIREMENT SCHEMES

With the launch of Principal RetireEasy Income and Principal Islamic RetireEasy Income on 20 April 2022, there were 12 private retirement schemes (PRS) comprising 62 private retirement funds offered by 8 providers as at 30 June 2022, with a total NAV of RM5.09 billion. There were 32 conventional funds and 30 shariah-compliant funds. Of the total NAV, conventional funds accounted for 67.67% while Shariah-compliant funds accounted for the remaining 32.33%.

³ 2 funds reached their maturity, 1 fund had no assets/unitholders and 1 fund wound-up as it's no longer economically viable.

APPLICATIONS CONSIDERED BY THE SC

The SC considered 14 applications in Q2 2022 as compared to 25 applications in Q1 2022 in relation to the establishment of new collective investment schemes (CIS) and other applications. In addition, the SC considered 58 applications in relation to the registration of prospectuses, disclosure documents and deeds in Q2 2022 as compared to 45 applications in Q1 2022.

In Q2 2022, the SC authorised 8 unit trust funds.

Chart 5

Summary of cases considered

