

HIGHLIGHTS

- The total funds to be raised from the proposals approved by the SC in Q2 2021 amounted to RM54.23 billion, of which 89% would be from corporate bonds and sukuk.
- In Q2 2021, the SC considered 15 submissions in relation to take-overs, mergers and compulsory acquisitions.
- In Q2 2021, the net asset value (NAV) of unit trust funds decreased from RM534.07 billion as at 31 March 2021 to RM531.80 billion as at 30 June 2021.

EQUITIES

The SC approved substantive applications¹ for various corporate proposals by companies in Q2 2021 while 1 substantial application was withdrawn.

The total funds to be raised from the proposals approved by/lodged with the SC in Q2 2021 amount to remaining RM5.97 billion or 11% would be from approved IPO proposals.

TAKE-OVERS AND MERGERS

In Q2 2021, the SC considered 15 submissions in relation to take-overs, mergers and compulsory acquisitions comprising the following:

- Clearance of 3 take-over offer documents;
- Clearance of 5 independent advice circulars including for whitewash exemptions;
- 2 applications for exemptions from the mandatory offer obligation; and
- 5 other application including exemption from the provisions of the *Malaysian Code on Take-overs and Mergers 2016 / Rules on Take-overs, Mergers and Compulsory Acquisitions*.

The 15 submissions represented an increase of 15% compared with 13 submissions considered in Q2 2020.

The 3 take-over offers in the Q2 2021 constituted RM837.96 million in offer value, of which there was 1 privatisation proposal being the unconditional voluntary take-over offer by Jardine Cycle & Carriage Ltd (JCCL) for Cycle & Carriage Bintang Bhd (Cycle & Carriage). This was JCCL's second attempt to privatise Cycle & Carriage following the earlier proposal by JCCL on 11 November 2019 to privatise Cycle & Carriage through a selective capital reduction and repayment exercise of Cycle & Carriage, but the scheme did not receive the requisite approval from Cycle & Carriage's minority shareholders at the extraordinary general meeting convened.

The largest offer during Q2 2021 was by Amazing Parade Sdn Bhd for Eastern & Oriental Bhd, which is listed under the property sector of Bursa Malaysia Securities Bhd, at RM492.05 million and representing 59% of the total offer value this quarter.

The 2 applications for exemption from the mandatory offer obligation comprised applications for whitewash exemptions pursuant to a proposed share buy-back and proposed acquisition, respectively.

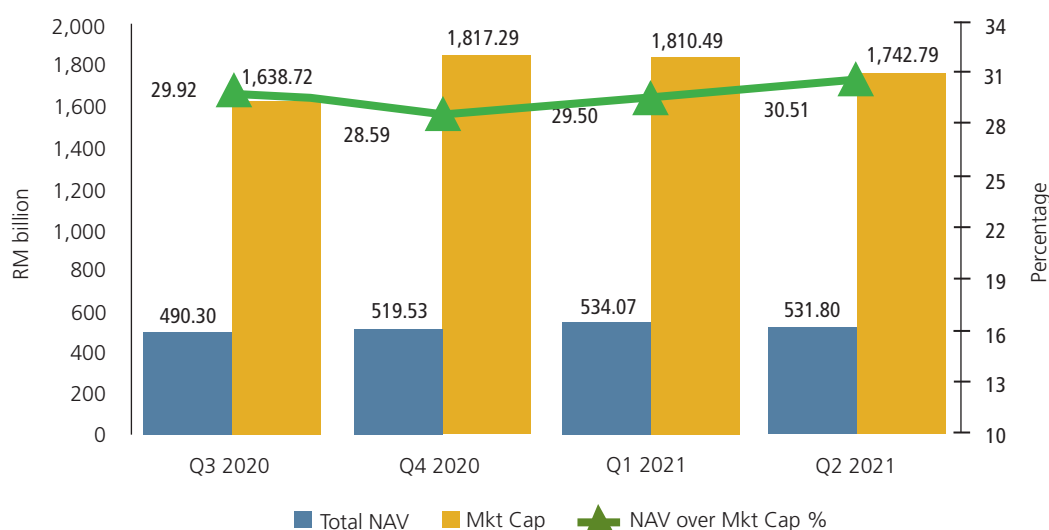
¹ Substantive applications include IPO, reverse take-overs, transfer listings to Main Market of Bursa Malaysia and secondary listing proposals.

UNIT TRUST FUNDS

In Q2 2021, the NAV of unit trust funds decreased from RM534.07 billion as at 31 March 2021 to RM531.80 billion as at 30 June 2021. The percentage of the total NAV against Bursa Securities market capitalisation increased from 29.50% as at 31 March 2021 to 30.51% as at 30 June 2021.

Chart 3

NAV of unit trust industry and Bursa Malaysia market capitalisation



New funds

A total of 10 unit trust funds were launched in Q2 2021 while 2 funds were terminated², which brought the total number of funds in operation to 722 funds as at 30 June 2021. Of the 10 new funds launched, 3 each were from the equity fund category and bond/fixed income/sukuk category, 2 from the mixed asset category and 1 each from the feeder category and fund-of-funds category.

Table 1

	As at 30 June 2021	As at 31 March 2021
Total no. of launched funds	722	714
Units in circulation (billion units)	770.78	770.01

Fund categories

As at 30 June 2021, a total of RM237.90 billion of the industry's total NAV was represented by mixed-asset funds. Equity funds ranked second with NAV of RM118.70 billion.

² 1 fund reached its maturity and 1 fund had no assets/unitholders.

Table 2

Fund Category	NAV (RM billion)	%
Mixed asset	237.90	44.74
Equity	118.70	22.32
Money market	93.08	17.50
Fixed income/Bond/Sukuk/Debenture	56.54	10.63
Feeder	11.29	2.12
Balanced	6.64	1.25
Fund of funds	3.68	0.69
Others	3.97	0.75
TOTAL	531.80	100.00

OTHER COLLECTIVE INVESTMENT SCHEMES

Wholesale funds

As at 30 June 2021, there were 387 wholesale funds in operation with a total NAV of RM76.98 billion. A total of 17 new wholesale funds were launched while 6 wholesale funds were terminated³ in Q2 2021.

Real estate investment trusts

As at 30 June 2021, there were 17 real estate investment trusts (REITs) listed on the Main Market of Bursa. Four REITs, namely Axis REIT, Al-Aqar Healthcare REIT, Al-Salam REIT and KLCC REIT are Shariah-compliant. One REIT, i.e. KLCC REIT, was listed as part of a stapled security group.

The market capitalisation of the listed REITs (including market capitalisation of the stapled group) was RM37.60 billion as at 30 June 2021.

Exchange-traded funds

As at 30 June 2021, there were a total of 18 exchange-traded funds (ETFs) listed on the Main Market of Bursa Securities. Five ETFs are 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 and TradePlus Shariah Gold Tracker. The market capitalisation of the listed ETFs was RM2 billion as at 30 June 2021.

Closed-end funds

As at 30 June 2021, one closed-end fund was listed, i.e. icapital.biz Bhd. The market capitalisation of this fund was RM0.26 billion.

PRIVATE RETIREMENT SCHEMES

As at 30 June 2021, there were 12 private retirement schemes comprising 58 private retirement funds offered by 8 providers, with a total NAV of RM5.21 billion. There were 31 conventional funds while 27 were shariah-compliant funds. Of the total NAV, conventional funds accounted for 66.75% while Shariah-compliant funds accounted for the remaining 33.25%.

³ 4 funds reached their maturity and 2 funds had no assets/unitholders.