
27 July 2021

AmInvest's New Fund to Capture Growth of Chinese Technology Giants

AmInvest has launched its new Hong Kong Tech Index Fund ("**Fund**") that will enable investors to catch the growth brought on by the fast-growing technology sector and the increasing number of technology companies that are listed in Hong Kong. The Fund will feed into the world's first and largest Exchange Traded Fund ("**ETF**") which tracks the performance of the Hang Seng TECH Index ("**HSTECH Index**"), namely, CSOP Hang Seng TECH Index ETF ("**Target Fund**").¹

HSTECH Index represents the 30 largest Greater China technology companies listed in Hong Kong. It consists of companies that have high business exposure to selected technology themes, including internet, fintech, cloud, e-commerce and digital activities.² As at 30 June 2021, the top 10 constituents comprise companies such as Meituan, Alibaba, Sunny Optical, Tencent and Xiaomi.² Since its inception in July 2020, the HSTECH Index has delivered returns of around 20%.³

Commenting on the launch, Ms. Tracy Chen Wee Keng, Chief Executive Officer of AmInvestment Bank Berhad, said, "The growth of the technology sector has been on an uptrend accelerated by the pandemic, which has required companies to rely on technology and speed up their digital transformation strategies. Touted as the Nasdaq of the East, the HSTECH Index which the Target Fund tracks, is expected to drive capital flows with Chinese technology companies, including Chinese unicorns and start-ups choosing to list closer to home. Furthermore, trade tensions between the United States ("**US**") and China have also increased the number of US-listed Chinese giants listing in Hong Kong."

Ms. Goh Wee Peng, Chief Executive of AmInvest, added, "The Fund offers investors an easy, transparent and efficient investment tool to replicate the

performance of the fast-growing Chinese technology sector, all through a single transaction. AmInvest is excited to partner with CSOP Asset Management Limited ("**CSOP**") as the Target Fund Manager, which is a leading ETF manager and Exchange Traded Product ("**ETPs**") issuer in Hong Kong. With close to half of Hong Kong's top traded ETPs during this year having been issued by CSOP,⁴ the company has established its brand as a reliable ETF issuer for the past nine years. In addition, the Target Fund has been awarded the Top Performing ETP-Net Cash Flow, Top Breakthrough ETP-Average Daily Turnover and Top New ETP Listing-New Cash Flow for 2020 by Hong Kong Exchanges and Clearing Limited.⁵

HSTECH Index is designed for eligible stocks to be filtered by criteria of whether they operate via a technology-enabled platform, their research and development expenses to revenue ratio, and their revenue growth. The qualified largest 30 stocks in terms of market capitalisation are selected as index constituents and are reviewed on a quarterly basis. In consideration of upcoming sizable technology companies, a rule is also applied to ensure a timely inclusion of these qualified potential constituents for possible investment appreciation opportunities.

The Fund's base currency is Hong Kong Dollar ("**HKD**"). It is being offered for subscription to sophisticated investors in HKD and Ringgit Malaysia ("**RM**") and in RM-Hedged classes at an initial offer price of HDK1 and RM1 per unit respectively, during the initial offer period until 16 August 2021.

For more details on the Fund's features and risks, please refer to the AmInvest Information Memorandum for Hong Kong Tech Index Fund dated 27 July 2021 via www.aminvest.com.

About AmInvest

AmInvest is the brand name 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. We are a multiple award-winning fund manager based in Malaysia with 40 years of investing experience managing unit trust funds, wholesale funds, institutional mandates, Exchange Traded Funds (ETF) and Private Retirement Scheme (PRS); encompassing both conventional and Shariah-compliant funds.

Notes and Sources:

¹Bloomberg, CSOP Asset Management Limited, 30 June 2021. Largest ETF is based on total assets under management.

²Hang Seng Indexes Ltd, Bloomberg, 30 June 2021

³The Target Fund was inception on 27 July 2020. Past performance figures are not indicative of future performance. Bloomberg, 30 June 2021

⁴Based on data compiled by Bloomberg for the period 31 December 2020 to 30 June 2021

⁵Hong Kong Exchanges and Clearing Limited (HKEX), March 2021

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