

The simplified way to create
a stock portfolio

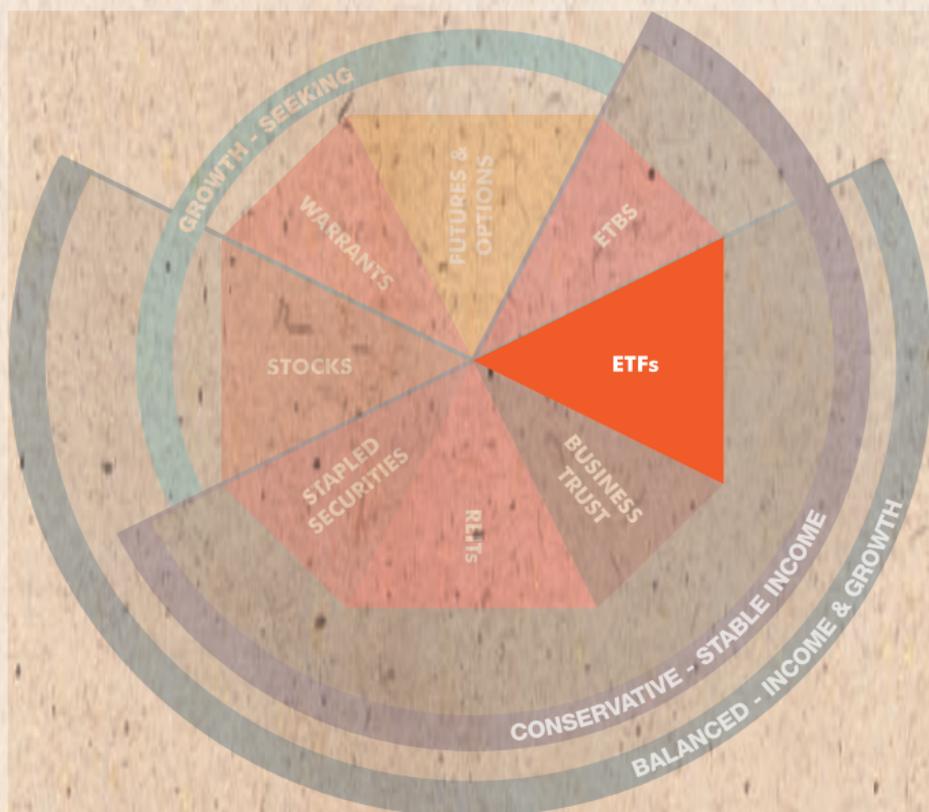


ETFs

Exchange Traded Funds

Listed on Bursa Malaysia

WHICH TYPE OF INVESTOR ARE YOU?



Every investor has different goals, and your approach to achieving them depends on your risk/return appetite.

You can find your investor type on this chart and then see what other products you might consider having in your portfolio besides the one in this brochure.

**THERE'S SOMETHING FOR
EVERYONE
ON BURS MALAYSIA**

WHAT ARE EXCHANGE TRADED FUNDS (ETFs)?



ETFs invest in a basket of stocks or bonds or other instruments which track the performance of an index. ETFs are listed and traded on a stock exchange.

WHY INVEST IN ETFs?



DIVERSIFICATION

Gain exposure to a basket of securities in a single transaction. Also, an efficient way to gain regional and international diversification.

LOW COST

ETF does not impose sales charge and has lower management fees (<1% compared to managed funds)

TRADE LIKE STOCKS

Just like stocks, you can buy and sell anytime throughout the trading day.

FULLY TRANSPARENT

Prices are available real-time throughout the trading day. What's more – the investment portfolio is fully transparent as it tracks an index.

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ALL ABOUT INVESTING IN **ETFs**

1. **What do I have to pay when buying and selling ETFs?**

Similar to buying and selling stocks, investors need to pay brokerage commission, stamp duty, clearing fees and GST, where applicable.

2. **What determines the price of an ETF?**

The market price of an ETF is usually very close to the Net Asset Value (NAV) of the fund i.e. market value of the underlying stocks and any net income not distributed. However, the price of an ETF can be affected by demand and supply in the market.

3. **What are the expected returns?**

Investment returns generally correspond to the price and yield performance of their underlying indices.

4. **What is the minimum investment units?**

ETFs are traded in minimum traded lots (board lots) of 100 units.

5. Do ETFs pay dividends?

Most ETFs pay dividends to their holders either half yearly or yearly. You are advised to refer to the distribution policy in the prospectus or offering documents of the ETF.

6. How are transactions in ETFs settled?

In the same manner as share transactions i.e. not later than 3 market days after the transaction date (T+3).

7. Is there any risk?

Yes, investing in ETFs, similar to stocks, is subject to ups and downs of the market. The performance of the ETF may be directly affected by the performance of its underlying.

8. What should I do before investing in an ETF?

You are advised to know the following before investing:

- Investment objective & strategy of the ETF
- Information on the underlying that the ETF is tracking
- Dividend policy
- Fees & charges that will be borne by you as an investor
- Trading information of the ETF
- Information about the management company

PRODUCT COMPARISON

	ETFs	STOCKS	UNIT TRUST
Diversification	√	x	√
Real-time dissemination	√	√	x
Trade via	Broker	Broker	Agent
Purchase of ETF / Stocks / Unit Trust	T+3	T+3*	Upfront

* T+3 means the 3rd market / business day after trade date.

COST OF TRADING

	ETFs	STOCKS	UNIT TRUST
Sales Charge	x	x	√
Brokerage Commission / Clearing Fee / Stamp Duty	<1%	<1%	-

MANAGEMENT FEE

	ETFs	STOCKS	UNIT TRUST
Management fee*	<1%	-	1-2%

* The management fee is a standard feature of ETFs and unit trust. The management fee is reflected in the Net Asset Value (NAV) and unit price of the ETF or unit trust.

GETTING STARTED



ETFs trade just like stocks, subject to the same trading, payment and settlement rules (T+3).

You need to open a CDS account and a trading account with a Participating Organisation i.e. a stockbroking firm registered in Malaysia, if you do not have one.

For more information, visit www.bursamalaysia.com and the respective ETFs' website.

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