

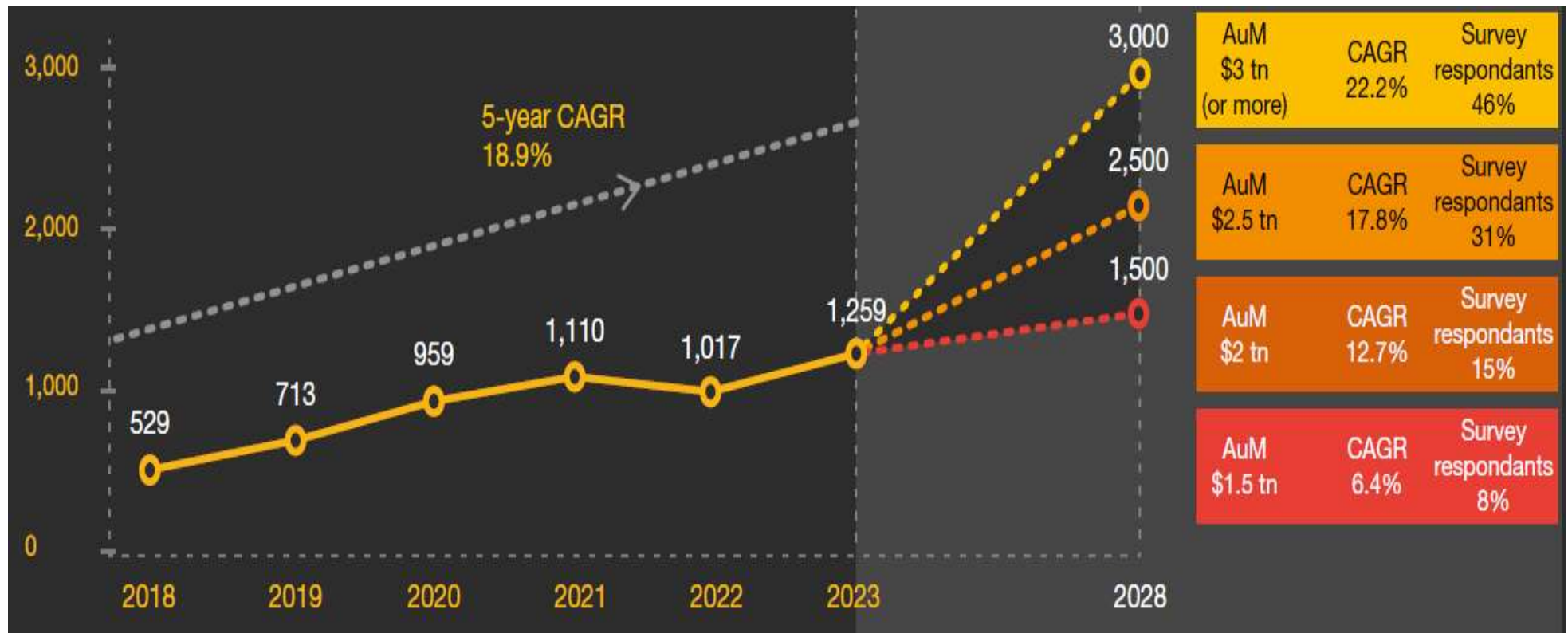
The emerging Asia ETF Asset Management Center

Taiwan

Julian, Tsung Sheng Liu
Chairman, SITCA
August, 2024

APAC ETF AUM is likely to be No. 2 by 2028

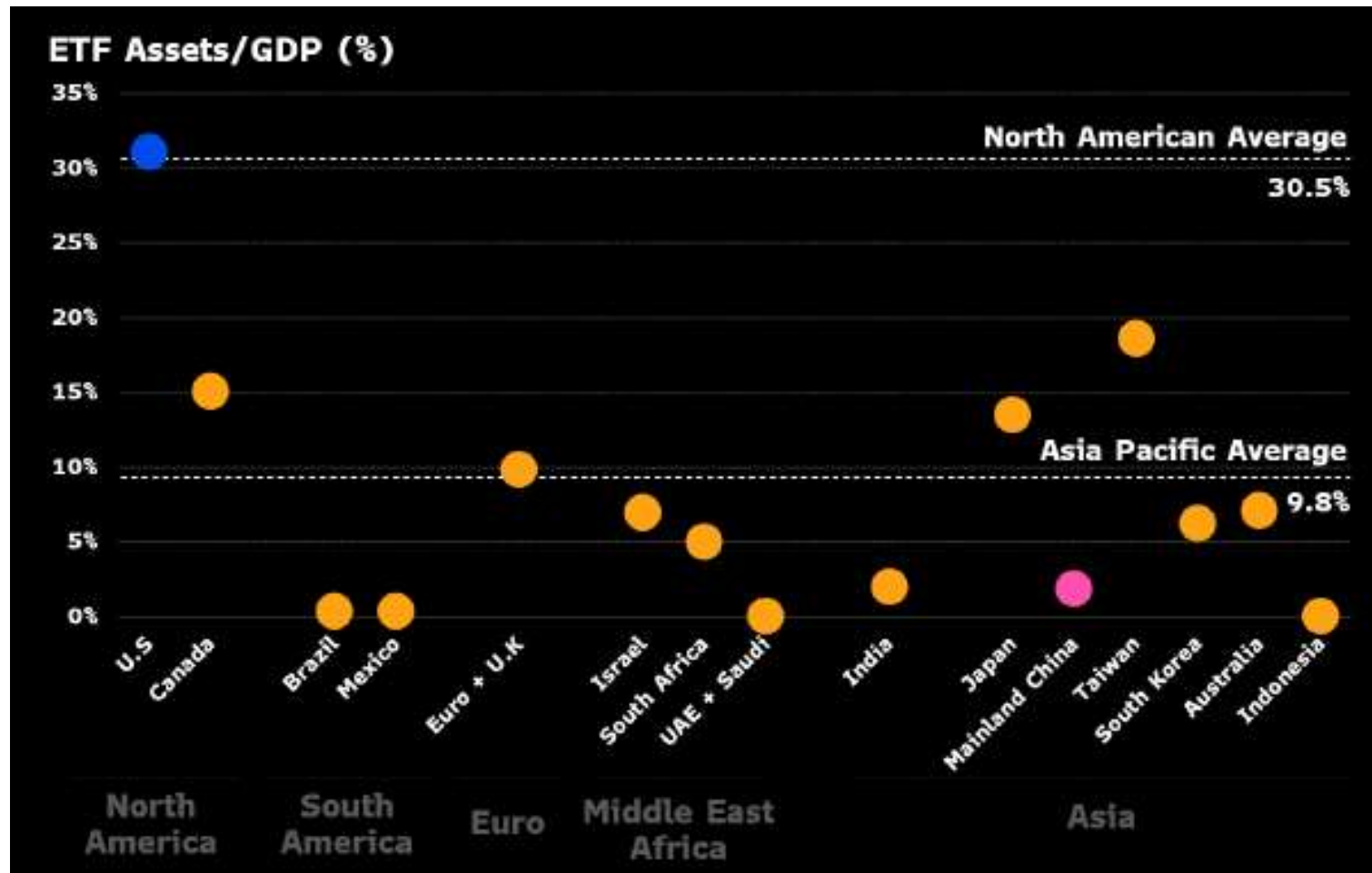
- APAC is the third largest ETF market worldwide, with 11% of global ETF AUM.
- APAC AUM will catch up with Europe by 2028, reaching \$3 trillion AUM, with a 17.8% CAGR from PWC survey.



Source : PWC-ETFs 2028 : Shaping in the future., July, 2024

Taiwan has the highest ratio of ETF AUM/GDP in Asia

- According to Bloomberg, the ratio of ETF AUM/GDP is over 30% in North America.
- Taiwan is 20% that is the highest among the Asian countries.

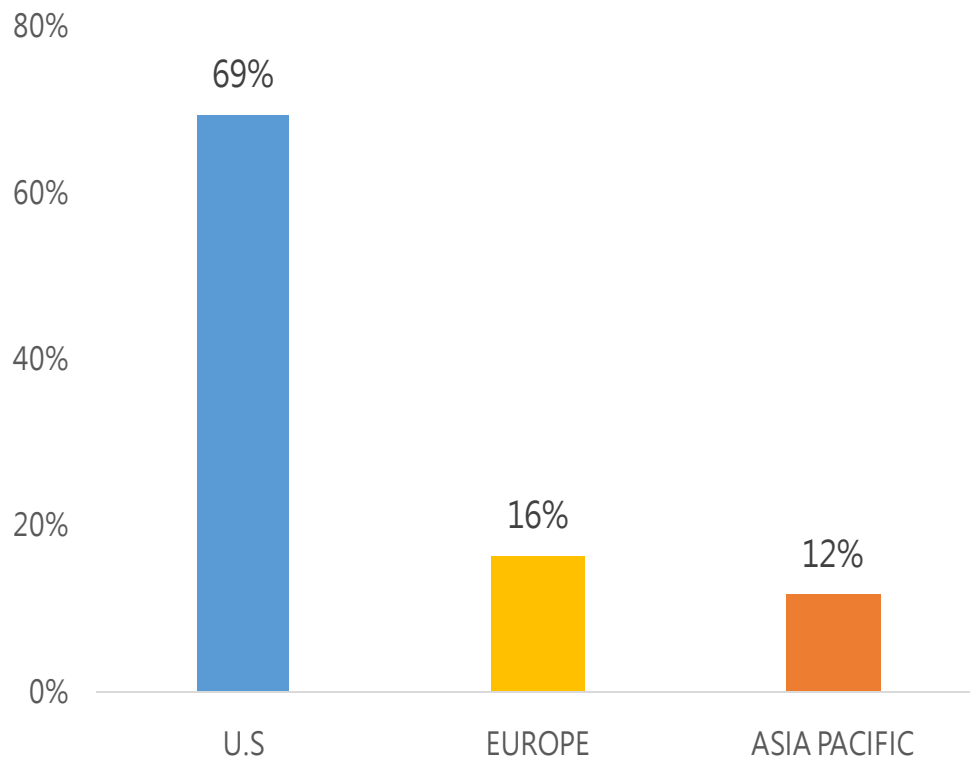


Source : Bloomberg, June, 2024

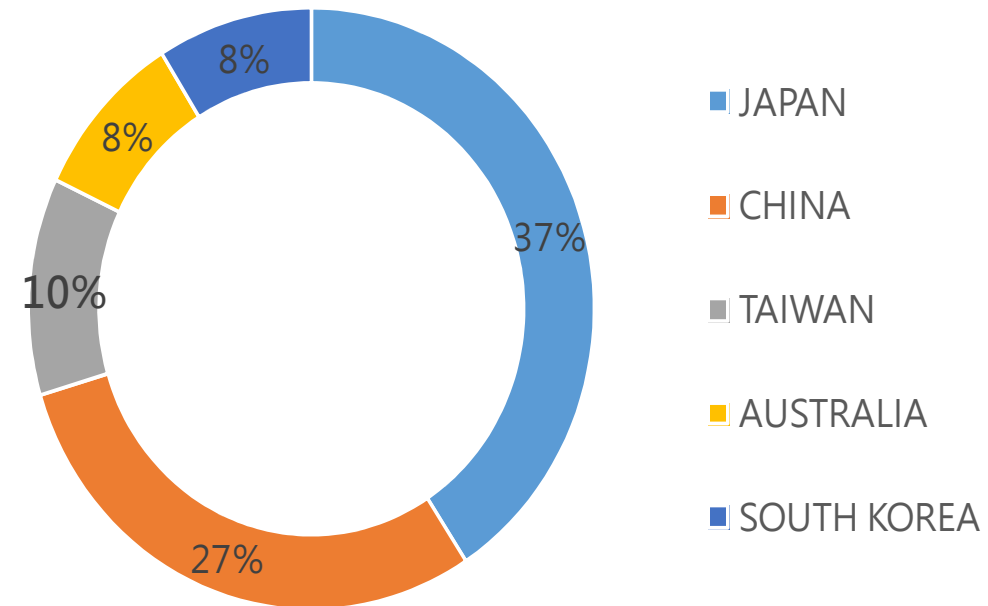
Taiwan is the 3rd Largest ETF Market in Asia

- AUM of Global ETF market surpassed USD 13.3 trillion in June, 2024, Asia Pacific ETF AUM reached USD 1.5 trillion.
- Taiwan ETF AUM have become the 3rd largest ETF market in Asia since 2023, and currently own 10% market shares in Asia in June, 2024.

Market shares of Global ETF market



Market shares of Asia Pacific ETF market

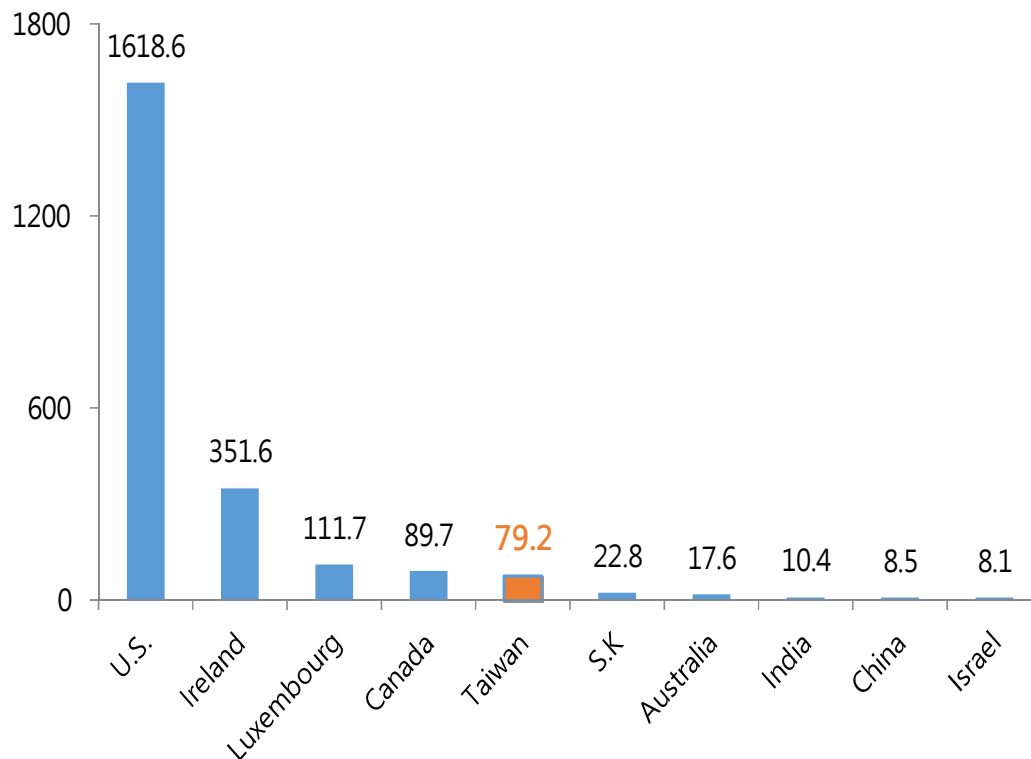


Source : Bloomberg, Jun., 2024

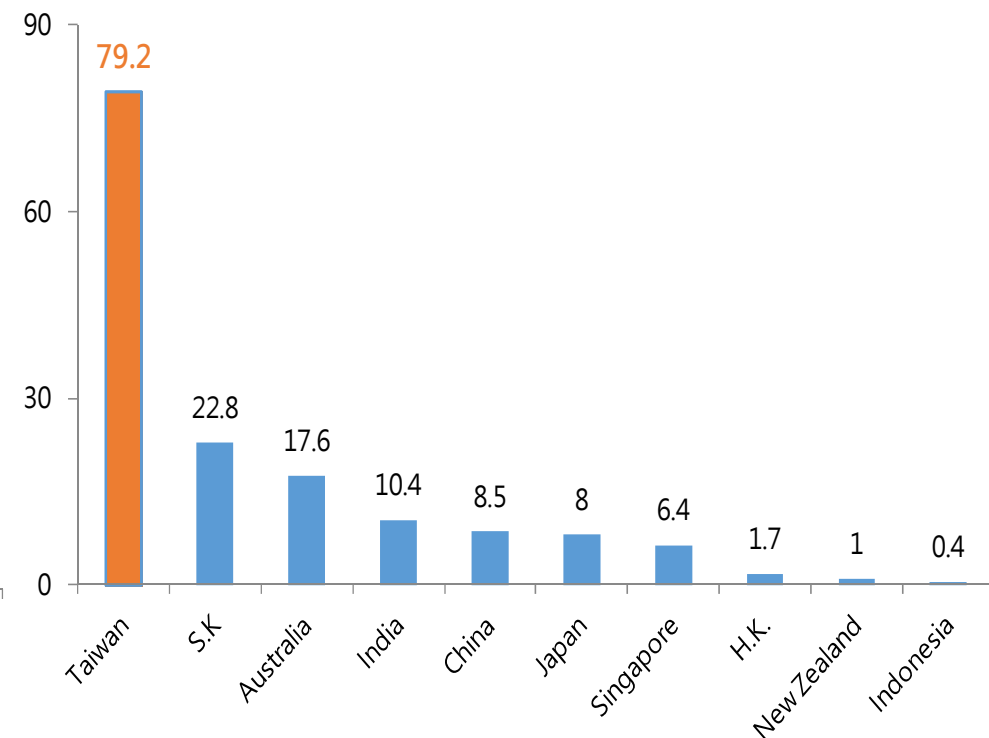
Taiwan Bond ETFs AUM is No.1 in Asia & No.5 in the world

- AUM of Global bond ETFs reached \$2.35 trillion, and AUM of America are \$1.8 trillion with 73% market shares.
- AUM of Taiwan bond ETFs are \$79.2 bn. and are ranked No.1 in Asia/ No. 5 in the global market.

Top 10 Bond ETF Markets in the world



Top 10 Bond ETF Market in Asia

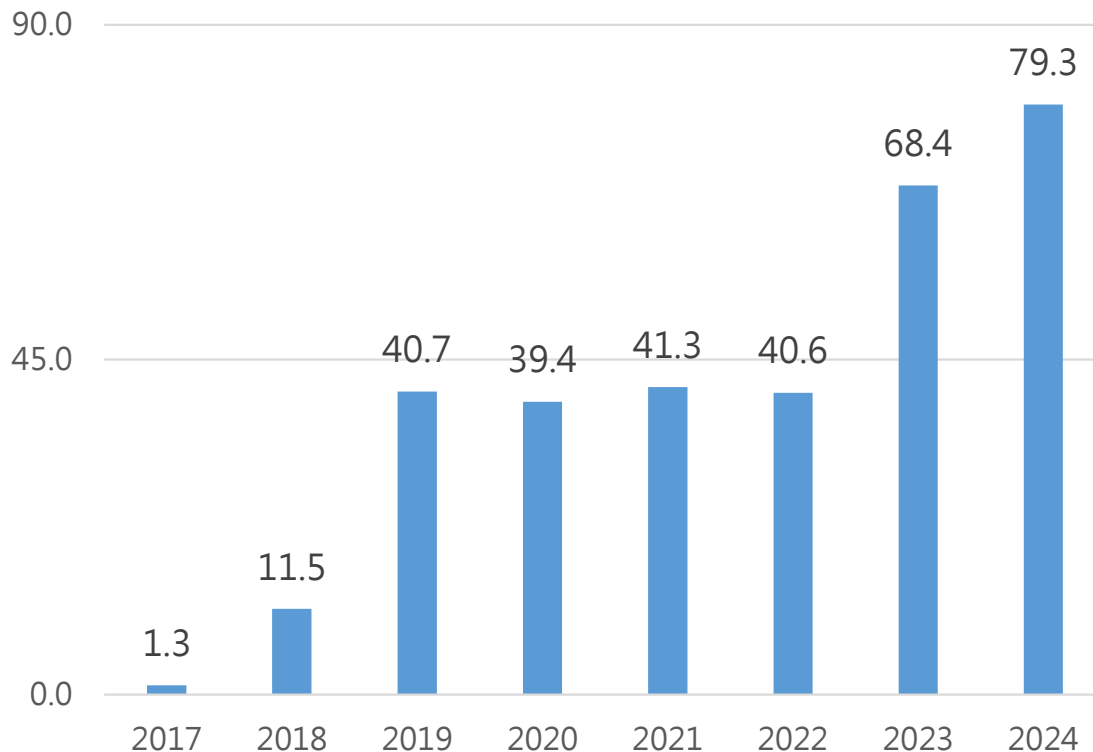


Source : Bloomberg, June, 2024 • unit : bn. USD

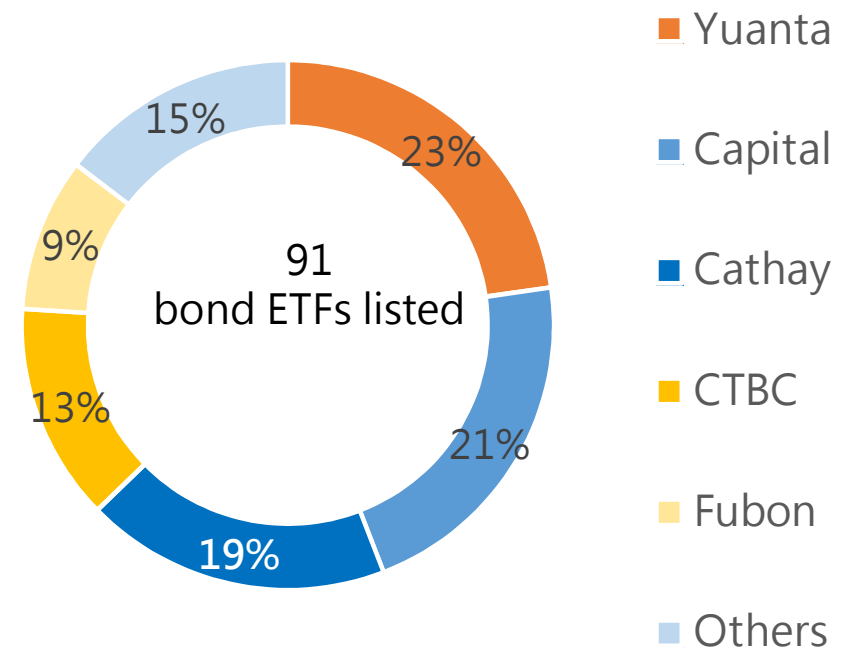
Bond ETFs AUM are the Largest in Taiwan and Asia

- Overall bond ETF AUM are over USD 79 bn. which remain as the largest asset class in Taiwan ETF market.
- Yuanta Funds is the largest bond ETFs provider in Taiwan, top 5 providers capture 85% market shares.

AUM of Bond ETFs in Taiwan



Top 5 ETF providers capture 85%

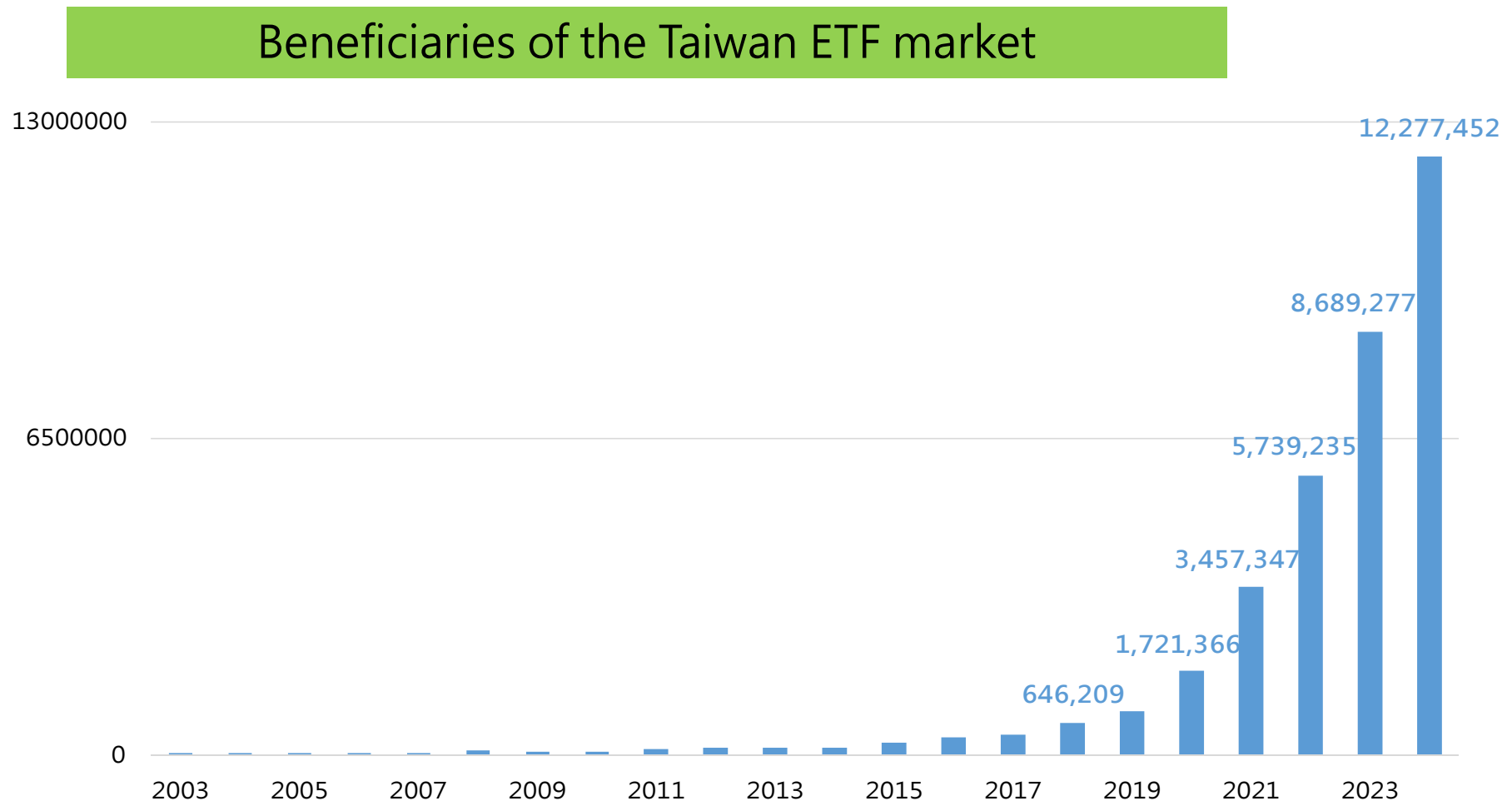


There are 12 bond ETF issuers

Source : SITCA, Jun. 2024. unit: bn. USD. NTD/USD=32.45(June. 30, 2024 from Taiwan central bank)

95% penetration rate is the highest in Asia

- Beneficiaries of the Taiwan ETF market have surpassed 12 million, which is 95% of accumulated numbers of Investors with stock trading accounts 12.9 million.



Source : SITCA, Jun. 2024.

Asia Top 20 ETF AUM ranking

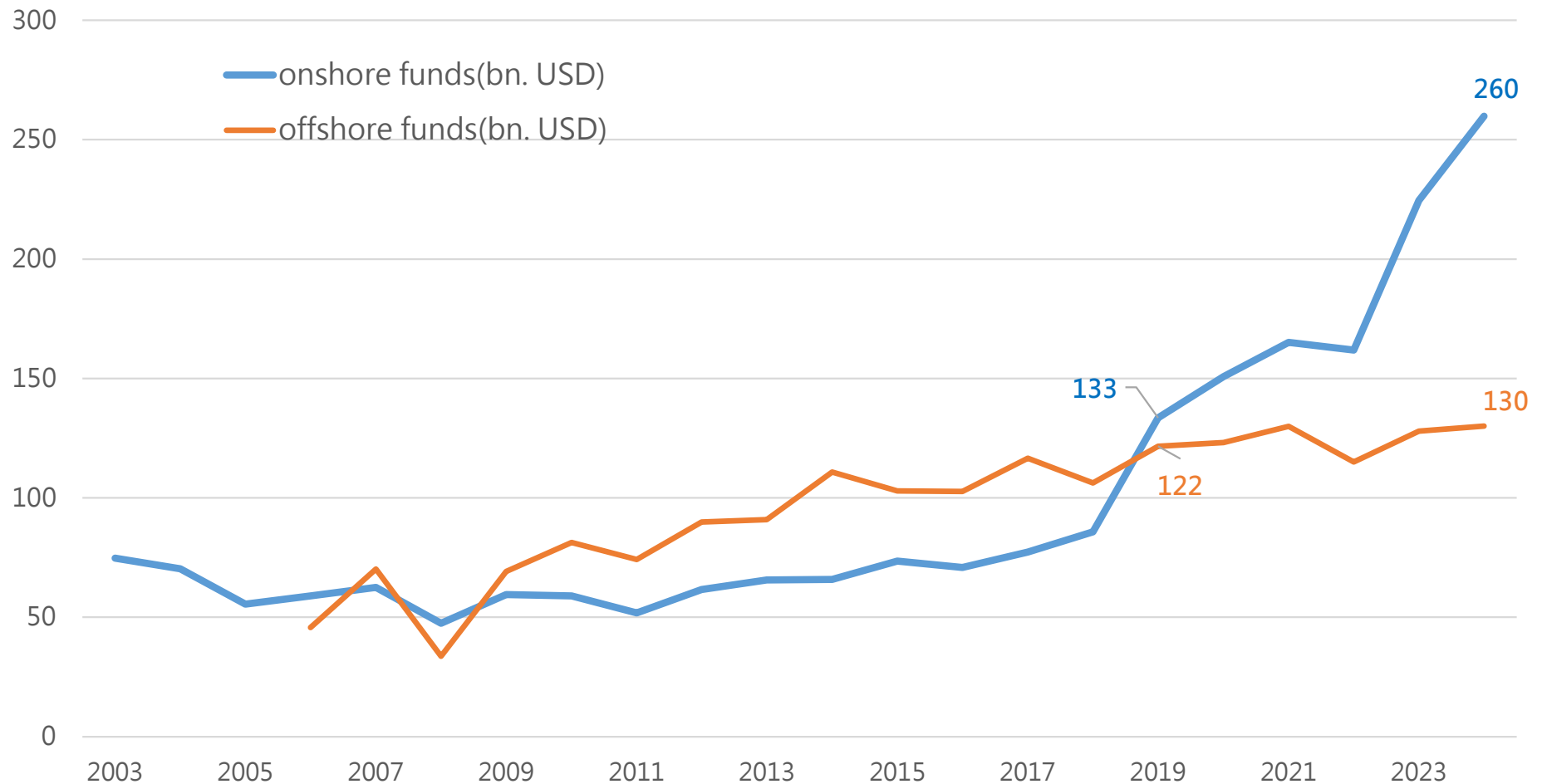
Ticker	ETF	ETF Issuer	Inception date	AUM(mn. USD)
1306 JP	NEXT FUNDS TOPIX ETF	Nomura Asset Management	7/13/2001	141,616
1308 JP	NIKKO ETF - TOPIX	Nikko Asset Management	1/9/2002	65,999
1305 JP	IFREE ETF TOPIX	Daiwa Asset Management	7/13/2001	64,378
1321 JP	NF NIKKEI 225 ETF	Nomura Asset Management	7/13/2001	64,294
1330 JP	NIKKO ETF - NKY 225	Nikko Asset Management	7/13/2001	30,771
1320 JP	IFREE ETF NIKKEI 225	Daiwa Asset Management	7/13/2001	29,779
1348 JP	MAXIS TOPIX ETF	Mitsubishi UFJ Asset Management	5/15/2009	21,383
2800 HK	TRACKER FUND OF HONG KONG-B	Hang Seng Investment Management Ltd	11/12/1999	16,486
510300 CH	HUATAI-PB CSI 300 ETF	Huatai-PineBridge Fund Management	5/4/2012	16,448
1346 JP	MAXIS NIKKEI 225 ETF	Mitsubishi UFJ Asset Management	2/25/2009	15,642
588000 CH	CHINAAMC STAR50 ETF	China Asset Management	9/28/2020	12,972
1475 JP	ISHARES CORE TOPIX ETF	iShares ETFs/Japan	10/20/2015	10,893
0050 TT	YUANTA Taiwan TOP 50 ETF	Yuanta Securities Investment Trust /Taiwan	6/25/2003	10,195
1591 JP	NF JPX-NIKKEI 400 ETF	Nomura Asset Management	1/28/2014	10,074
510050 CH	CHINA AMC SSE50 ETF	China Asset Management	12/30/2004	8,815
1329 JP	ISHARES CORE NIKKEI 225 ETF	iShares ETFs/Japan	9/5/2001	8,450
0056 TT	YUANTA Taiwan Dividend PLUS ETF	Yuanta Securities Investment Trust /Taiwan	12/13/2007	8,289
00878 TT	CATHAY TW ESG SUSTAIN HY ETF	Cathay Securities Investment Trust /Taiwan	7/10/2020	8,159
510500 CH	CHINA CSI 500 ETF	China Southern Asset Management	2/6/2013	7,905
159915 CH	E FUND CHINEXT INDEX ETF	E Fund Management /China	9/20/2011	5,452
1593 JP	MAXIS JPX-NIKKEI INDEX 400	Mitsubishi UFJ Asset Management	2/6/2014	5,143
069500 KS	SAMSUNG KODEX 200 ETF	Samsung Asset Management	10/11/2002	5,094

Source : Bloomberg, Dec. 2023

ETFs are the key driver of onshore funds growth

- Onshore funds AUM reached USD 260 bn., and the significant growth of ETFs has driven onshore funds to surpass offshore funds since 2019.

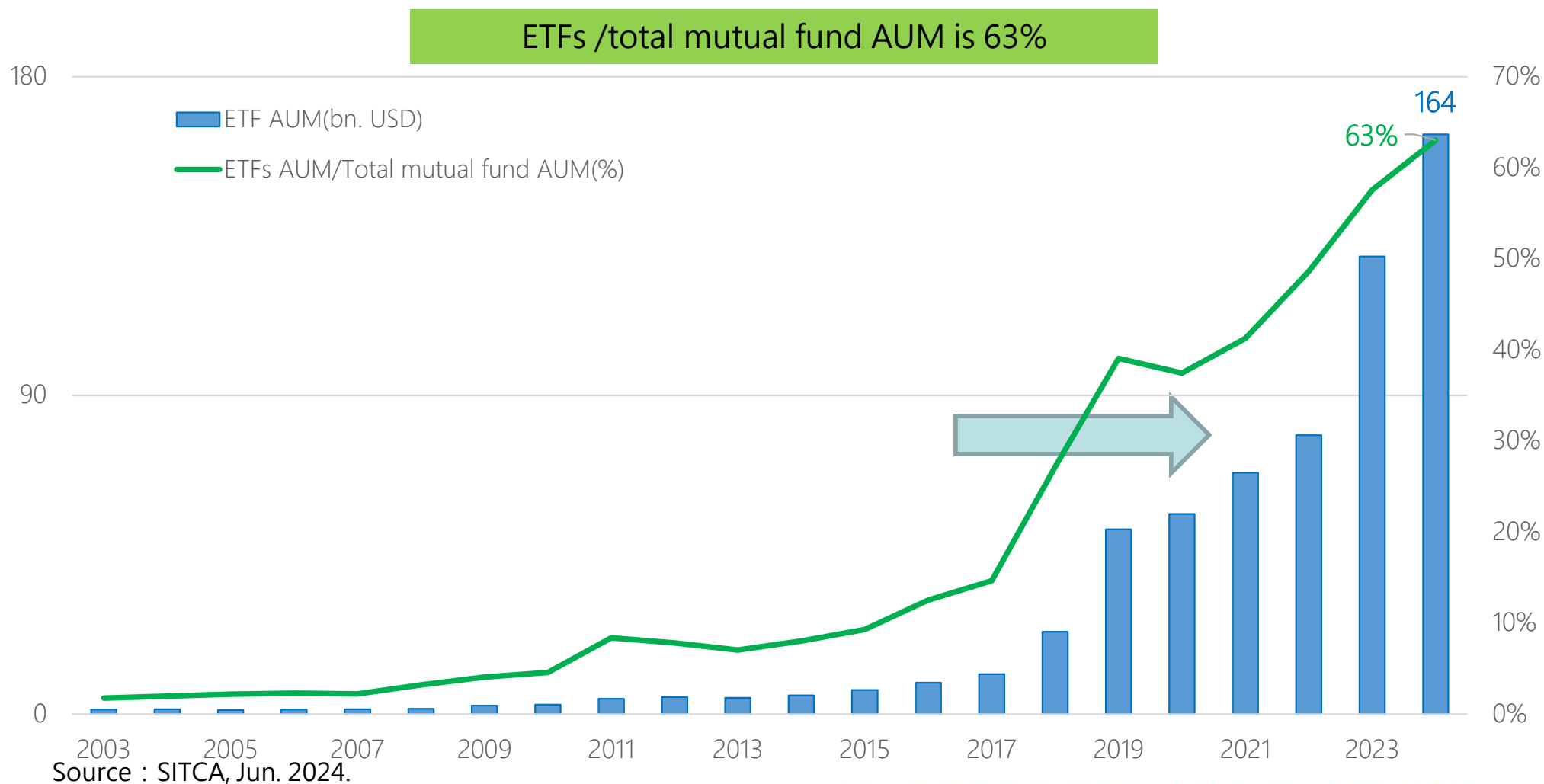
AUM of onshore and offshore funds



Source : SITCA, Jun. 2024

ETF/ total AUM ratio more than 63% is the highest in Asia

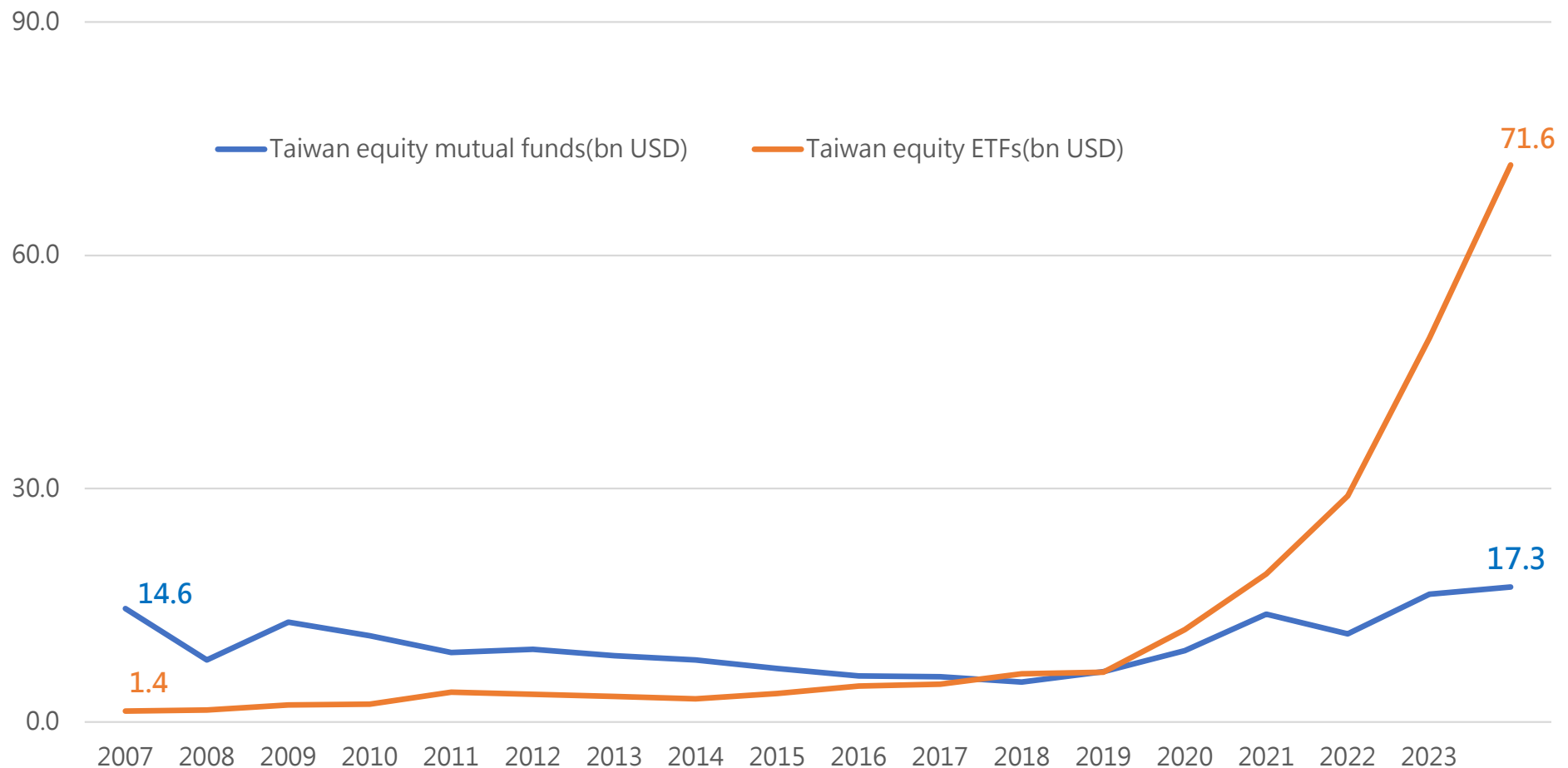
- 252 ETFs are listed in Taiwan with AUM of USD 164 bn., the growth rate is over 214% since 2020.
- The ratio of ETFs AUM/total mutual fund AUM is 63% and continues to increase.



Highest local equity ETF AUM growth in Asia

- Taiwan equity ETFs AUM reached USD 71.6bn., the growth rate is 1115% compared to 2019. Taiwan equity mutual funds have increased 190% since 2020.

AUM of Taiwan equity mutual funds and ETFs are approaching \$100 bn.

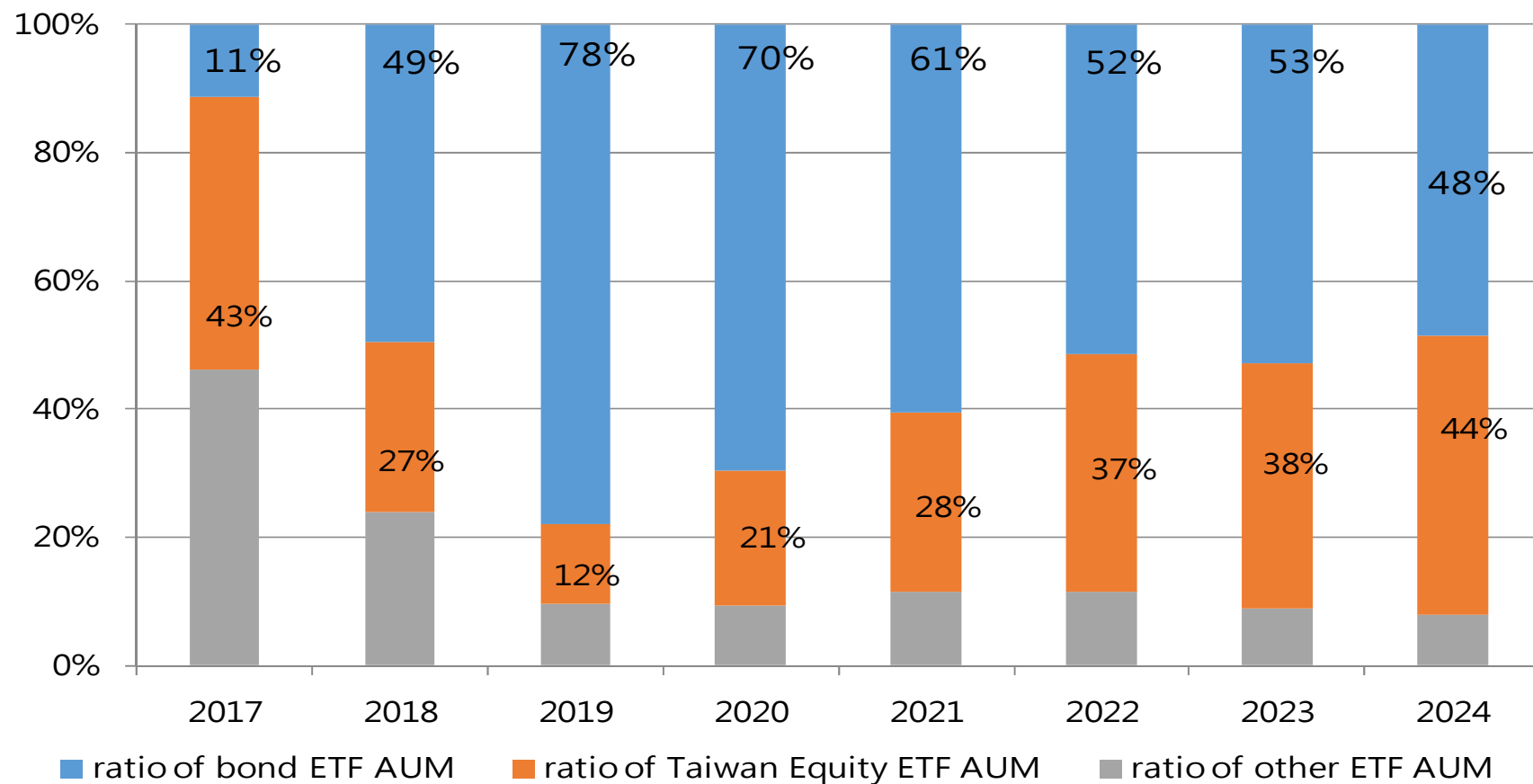


Source : SITCA, Jun. 2024.

Balanced AUM structure in between equity and bond ETF

- The market shares of bond ETF AUM were 78% in 2019, however, AUM of Taiwan equity ETFs have increased rapidly since 2020, the market share is up to 44%.

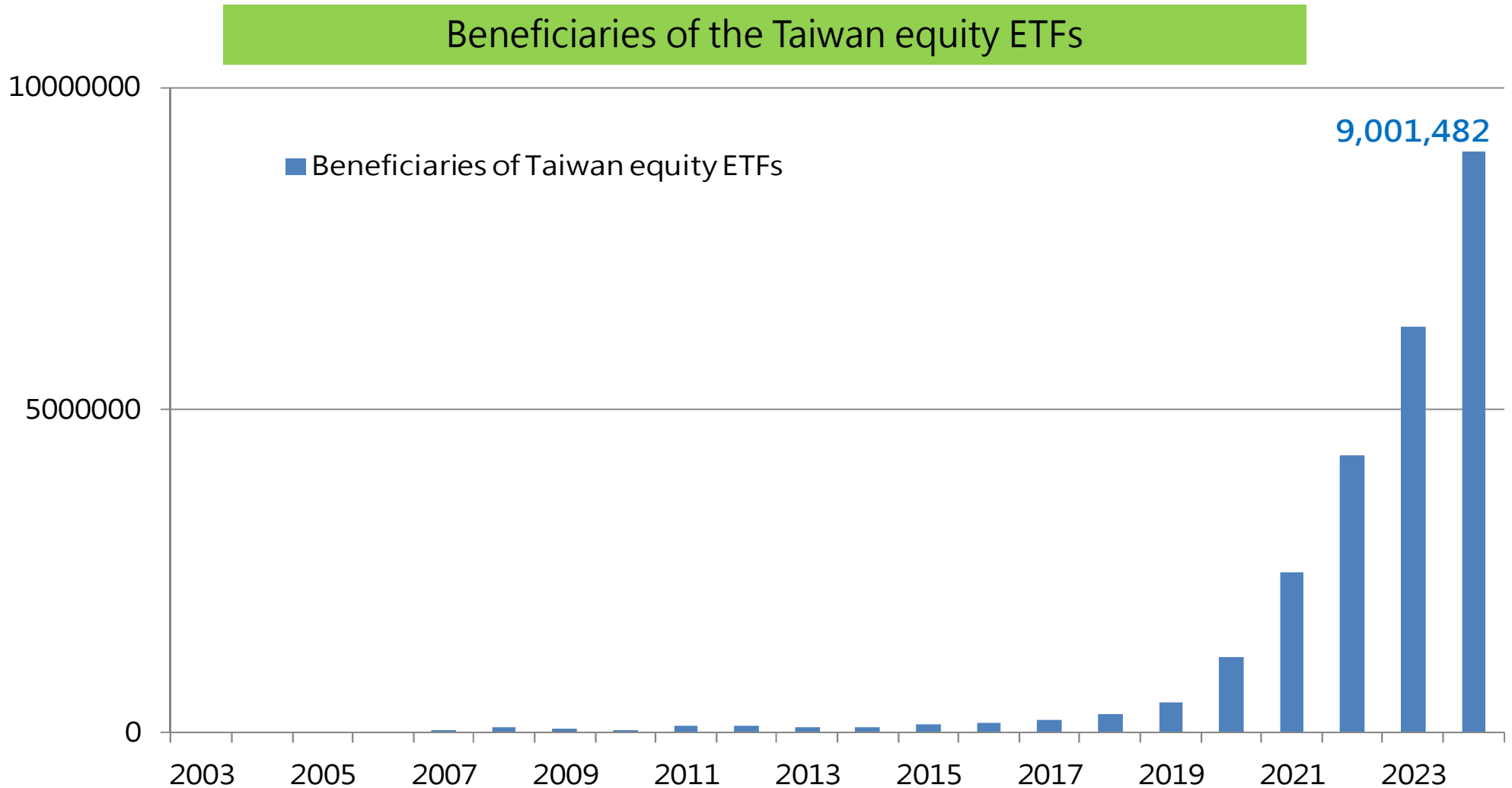
Two main ETF asset classes : Bond and Taiwan equity



Source : SITCA, Jun. 2024.

73% beneficiaries focus on domestic Investment

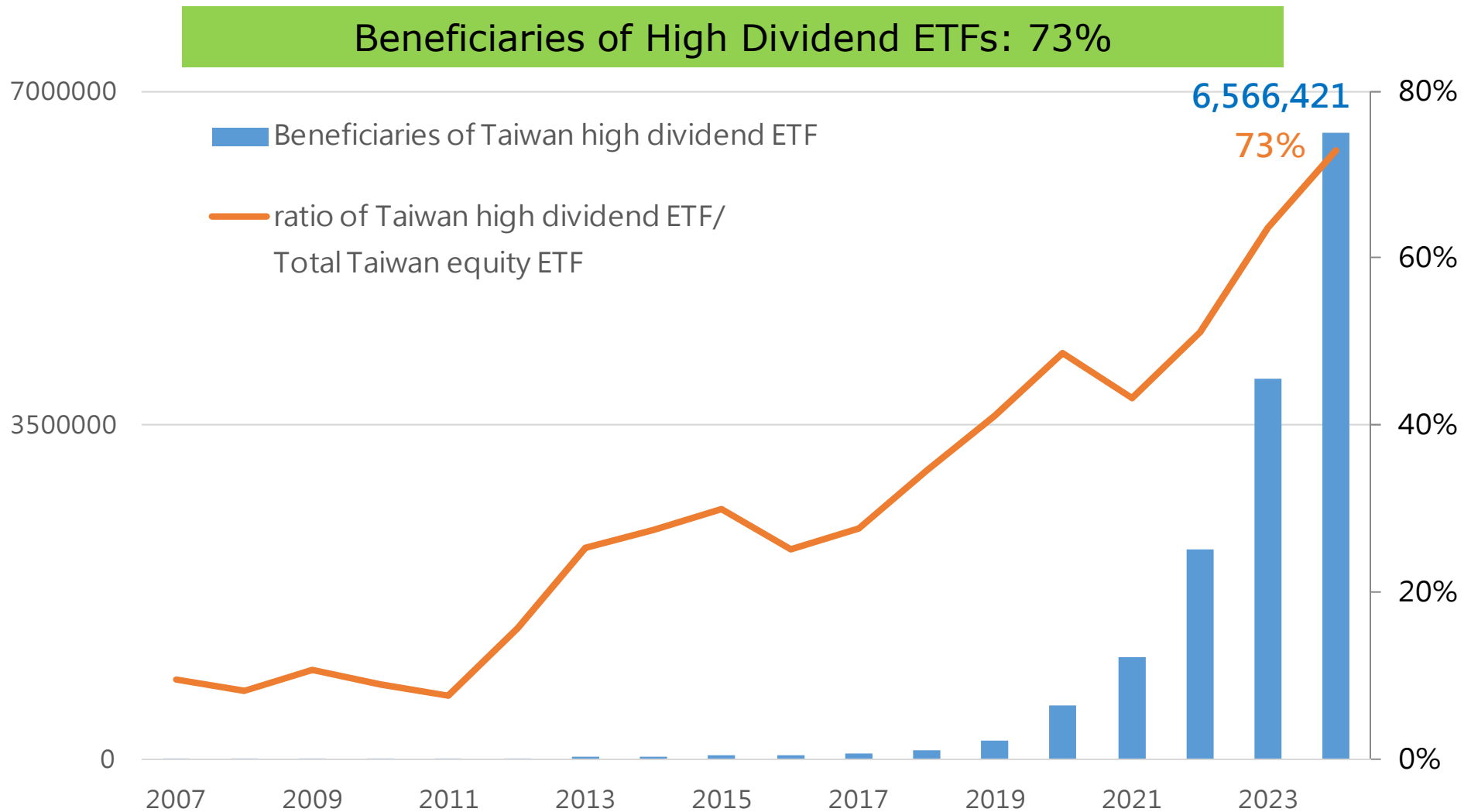
- Beneficiaries of the Taiwan ETF market have surpassed 12 million, and **Taiwan equity ETFs have over 9 million beneficiaries with 73% market shares.**



Source : SITCA, Jun. 2024.

High Dividend ETFs own 73% of TW Equity Beneficiaries

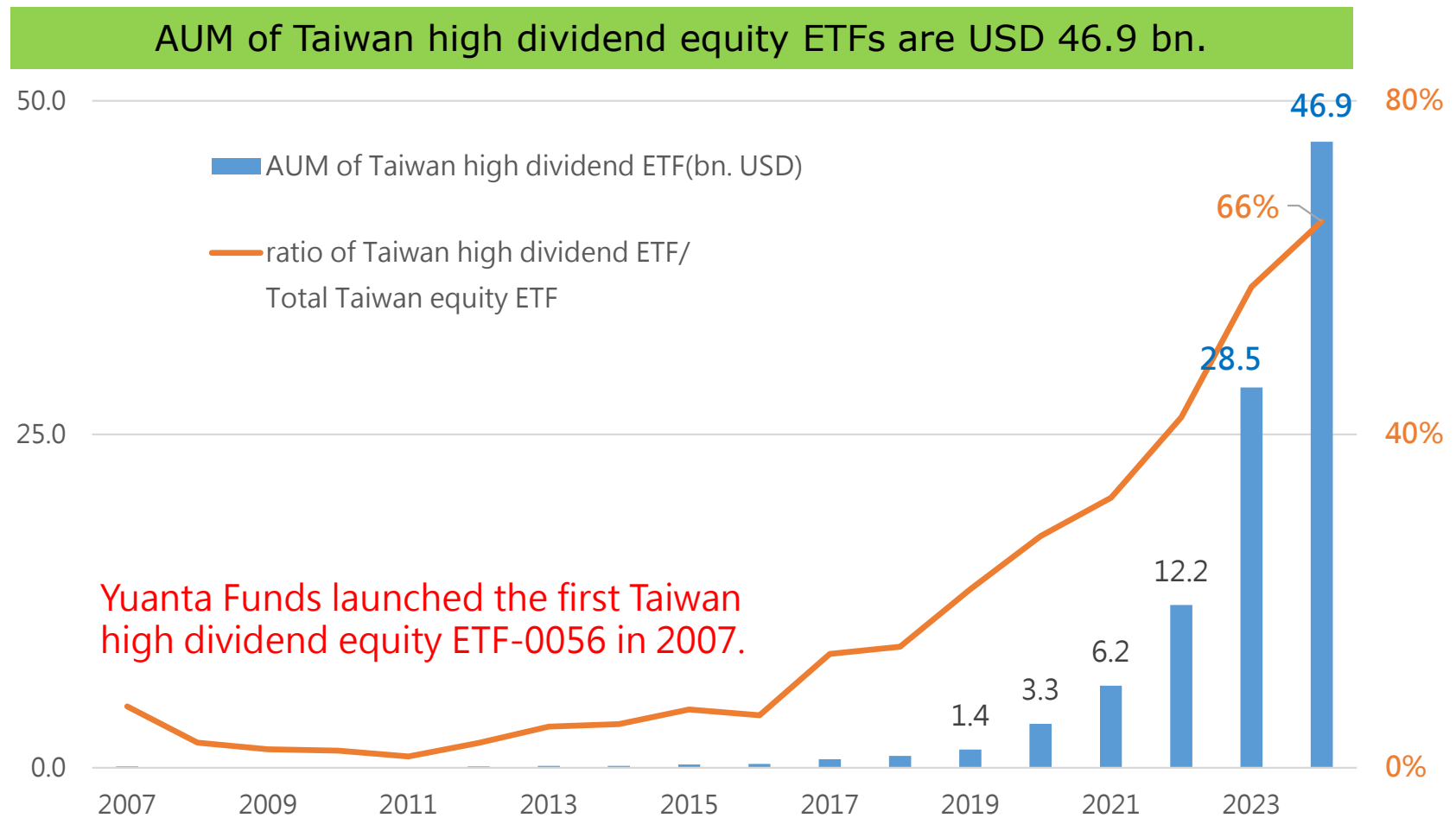
- Taiwan high dividend equity ETFs continue to attract investors, **over 6.5 million beneficiaries**.



Source : SITCA, Jun. 2024.

High dividend ETFs become retirement solutions

- There are 22 Taiwan high dividend equity ETFs at the end of Jun. 2024, there were 5 new ETFs with monthly payout dividends launched in first half year. Investors are keeping investing in high dividend ETFs. High dividend ETFs have already been the best solutions for retirement plans.



Source : SITCA, Jun. 2024.

92% AUM are Dividend Distribution ETFs

- There are 15 monthly dividend distribution ETFs with AUM are USD 30.6 bn., and beneficiaries are over 2.9 million which increase sharply.
- Over 90% AUM and beneficiaries invest in dividend ETFs.

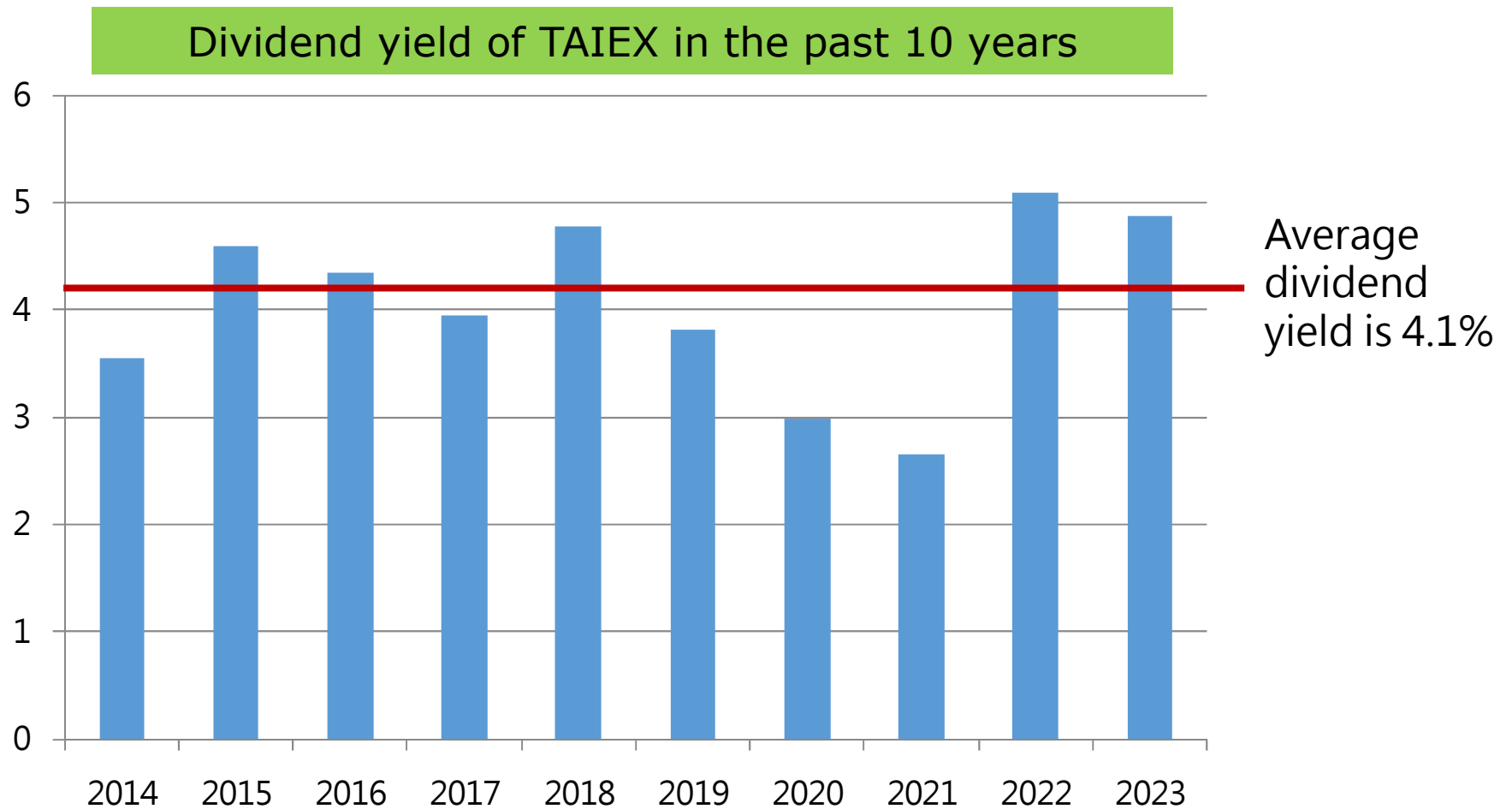
Non-dividend and dividend distribution ETFs breakdown

payout frequency	listing No.	AUM(bn. USD)	YTD change (bn. USD)	Beneficiaries	YTD change
non-distribution	88	12.1	0.1	1,072,636	138,397
monthly	15	30.6	17.1	2,952,422	2,090,349
bi-monthly	2	0.2	0.0	57,402	9,656
quarterly	103	96.3	12.4	5,897,877	1,114,599
semi-annually	21	22.1	4.0	2,022,303	122,661
annually	23	2.5	0.8	274,812	83,386

Source : SITCA, Jun. 2024.

Attractive dividend yield

- Taiwan Stock Market is one of the highest dividend yield in the world, it has been the tailwind for the growth of Taiwan high dividend equity ETFs.



Source: CMoney · 2014~2023

Top 10 AUM ETF : 3 Monthly payout ETFs

ETF	Payout frequency	AUM (bn. USD)	Beneficiaries
Yuanta Taiwan Top 50 ETF	semi-annually	12.8	697,787
Yuanta Taiwan Dividend Plus ETF	quarterly	9.2	1,095,379
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	quarterly	9.0	1,362,698
Fuh Hwa Taiwan Technology Dividend Highlight ETF	monthly	7.2	805,232
Yuanta U.S. Treasury 20+ Year Bond ETF	quarterly	6.9	349,949
CAPITAL TIP CUSTOMIZED TAIWAN SELECT HIGH DIVIDEND EXCHANGE TRADED FUND	quarterly	6.9	863,794
Yuanta Taiwan Value High Dividend ETF	monthly	5.8	982,476
CAPITAL ICE ESG 20+ Year BBB Corporate ETF	monthly	5.3	308,875
Cathay U.S. Treasury 20+ Year Bond ETF	quarterly	5.0	234,747
Yuanta US 20+ Year AAA-A Corporate Bond ETF	quarterly	4.9	103,176

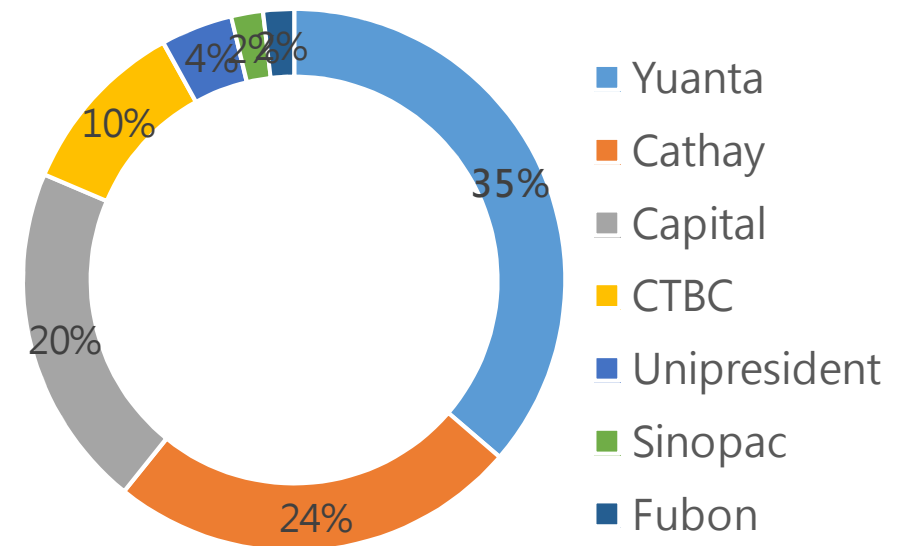
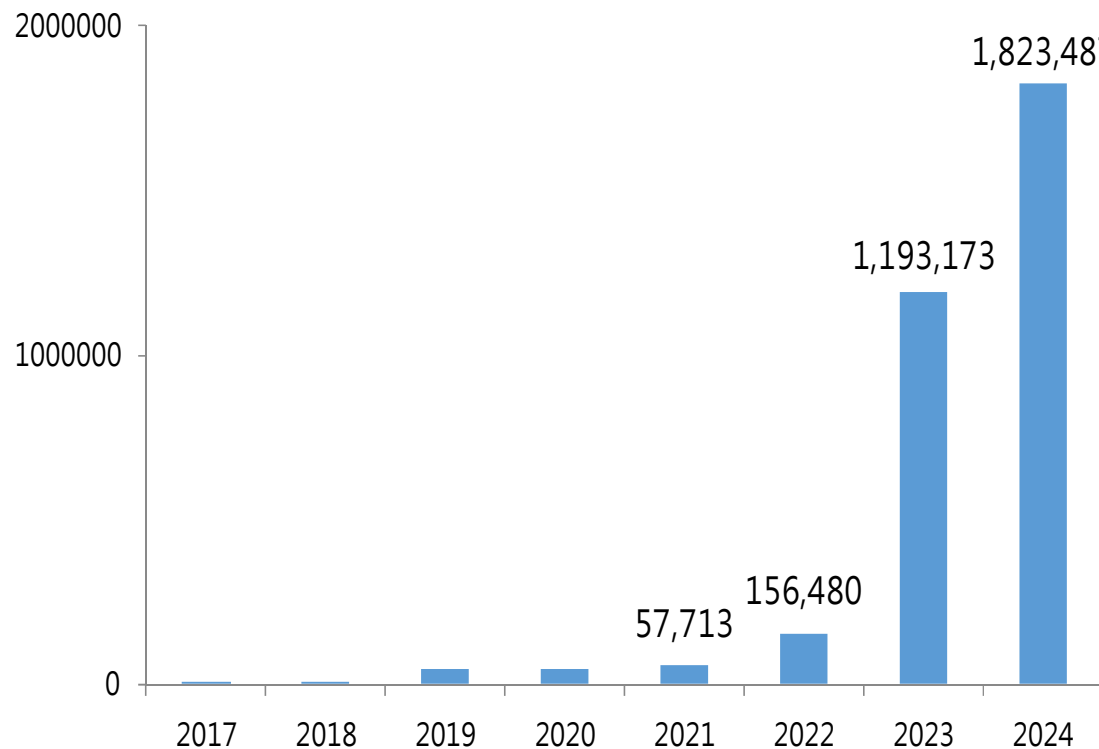
Source : SITCA, Jun. 2024. Yuanta Taiwan Value High Dividend ETF listed on April. 1, 2024.

Spillover effect

- Taiwan's insurance companies have been dominating the AUM contribution of the bond ETF market since 2019.
- Currently, retail investors are aggressively participating in bond ETFs, beneficiaries have increased 1065% compared to the end of 2022.

Beneficiaries of bond ETFs are over 1.8 mn.

Breakdown of beneficiaries



Source : SITCA, Jun. 2024.

Paradigm shift (trading driven to allocation oriented)

	Before	Now
Investment purposes	trading volatility	asset allocation
Product preferences	L&I ETFs	high dividend
Trading frequency	hit & run	buy & hold
ETF market	<ul style="list-style-type: none"> 1.70% trading volume in L&I ETFs 2. L&I ETFs were in top 10 in terms of AUM 3.50% beneficiaries in Taiwan equity ETFs 4.70% AUM in bond ETFs 	<ul style="list-style-type: none"> 1.48% AUM in bond ETFs, 44% in Taiwan equity ETFs 2.73% beneficiaries in Taiwan equity ETFs 3.53% beneficiaries in Taiwan high dividend equity ETFs

Source : SITCA, Jun. 2024.

Major participants in the market

- Bond and Taiwan equity ETFs captures around 92% of market shares.
- Yuanta ETF product lines are holistic and comprehensive, including 4 asset classes ETFs.

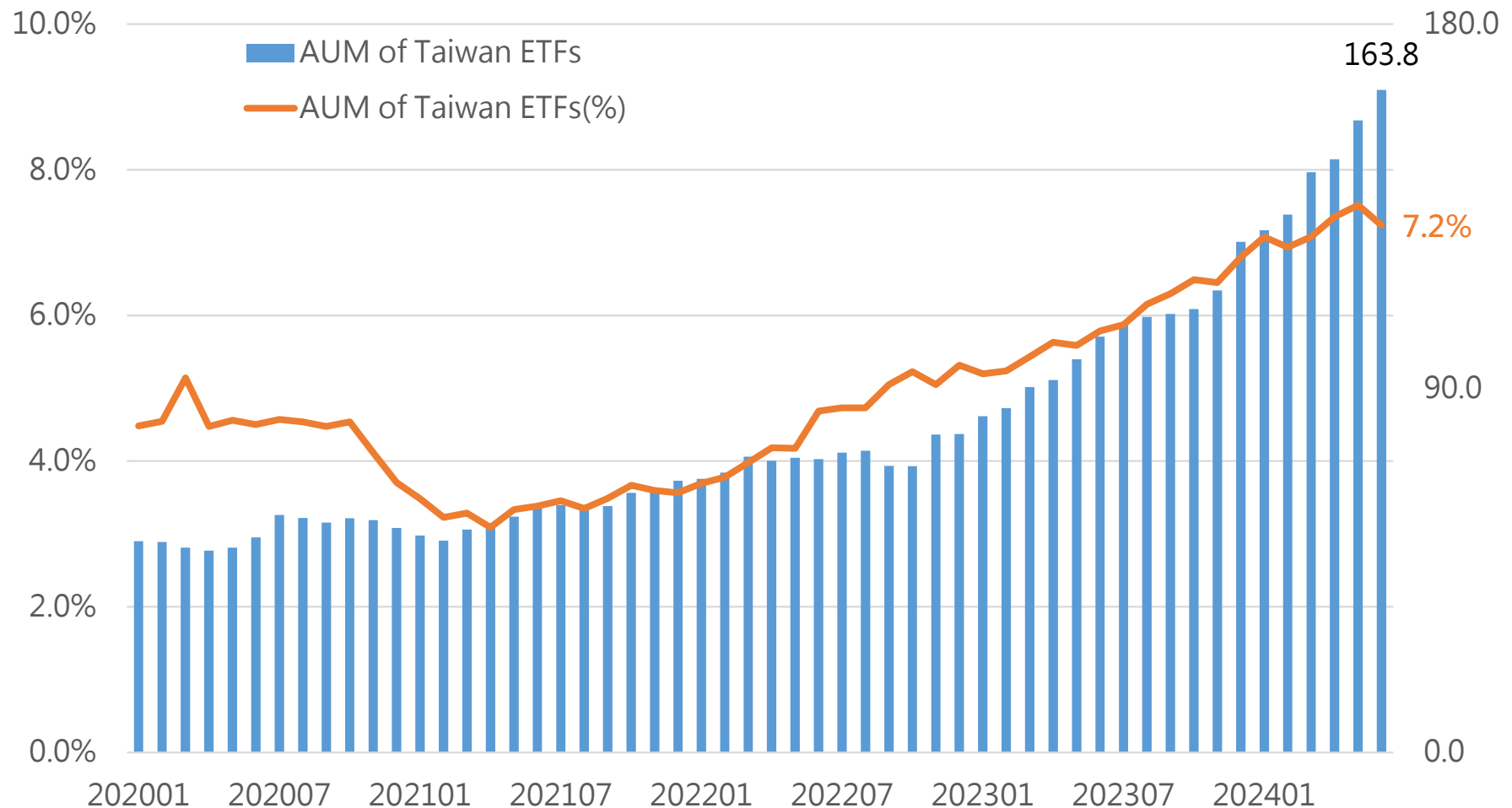
Company		Bond ETF	Taiwan Equity ETF	International Equity ETF	China Equity ETF	Commodity & Currency ETF	Total
Yuanta	AUM	18.0	32.4	1.1	0.9	0.5	53.0
	No. of listed	12	12	9	5	11	49
Cathay	AUM	14.8	11.2	1.5	0.2	0.0	27.7
	No. of listed	13	6	15	3	0	37
Capital	AUM	17.0	8.0	0.0	0.0	0.0	25.0
	No. of listed	13	6	2	1	0	22
Fubon	AUM	7.4	6.3	2.5	0.7	0.0	16.9
	No. of listed	11	10	17	8	0	46
CTBC	AUM	10.5	1.0	1.0	1.7	0.0	14.3
	No. of listed	12	6	3	3	0	24
Total	AUM	79.3	71.6	8.4	3.8	0.7	163.8
	%	48%	44%	5%	2%	0%	100%
	No. of listed	92	62	60	24	14	252

Source : SITCA, Jun. 2024. AUM unit : bn. USD.

AUM of Taiwan ETFs/Market Cap. Less than 10%

- Taiwan Stock Market Cap. is over USD 2.2 trillion, while AUM of Taiwan ETFs are USD 164 bn. The concentration of Taiwan ETFs vs market is still low.

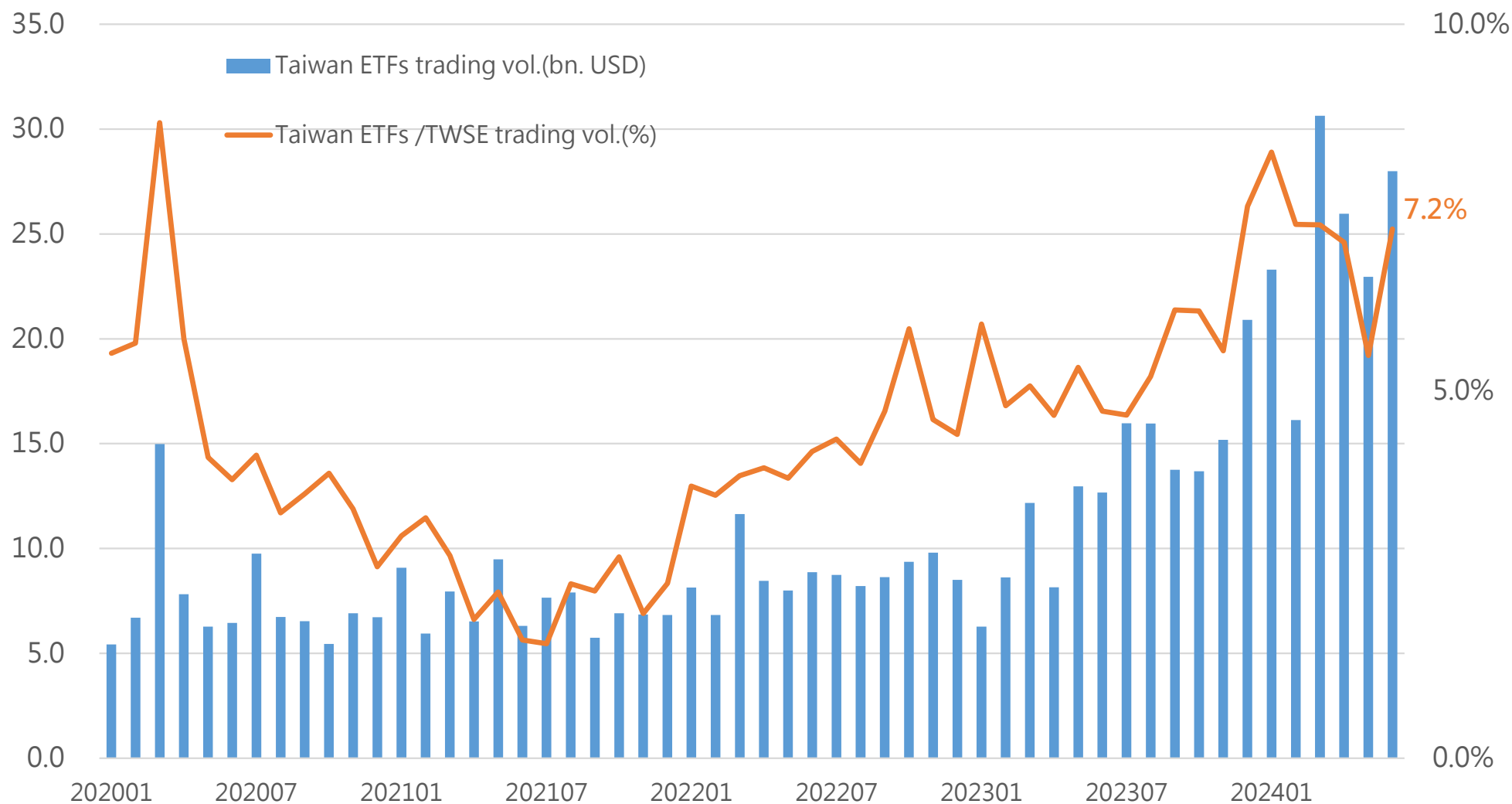
The ratio of Taiwan ETFs AUM/Taiwan Stock Market Cap.



Source : Cmoney, Jan. 2020~Jun. 2024.

Taiwan ETFs trading Vol. is around 7.2% of the total turnover

The ratio of Taiwan ETFs/Taiwan Stock Market trading vol.

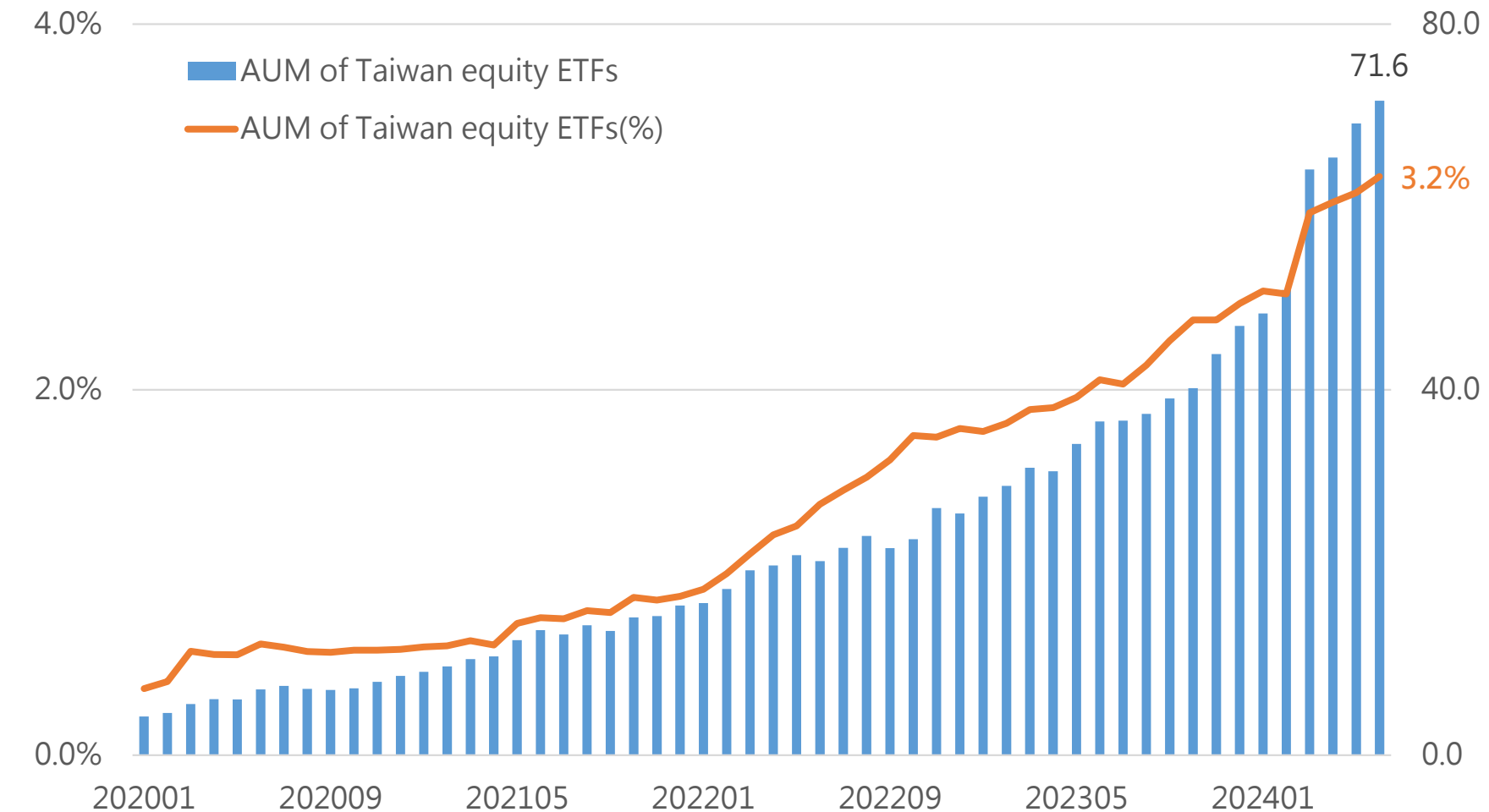


Source : Cmoney, Jan. 2020~Jun. 2024.

Taiwan equity ETFs still have potential growing momentum

- Taiwan equity ETFs AUM are USD 71.6 bn. which compared to the stock market cap. is only 3.2%.

The ratio of Taiwan equity ETFs AUM/Taiwan Stock Market Cap.



Source : Cmoney, Jan. 2020~Jun. 2024.

New Taiwan ETF Market Regulations-IOSCO

- Taiwan regulator would like to follow the guidelines of IOSCO to supervise and manage the ETF market.
- IOSCO includes 4 aspects and 11 measures :
 - 1. Effective Product Structuring (6 measures)
 - 2. Disclosure (3 measures)
 - 3. Liquidity Provisions (1 measure)
 - 4. Volatility Control Mechanisms (1 measure)

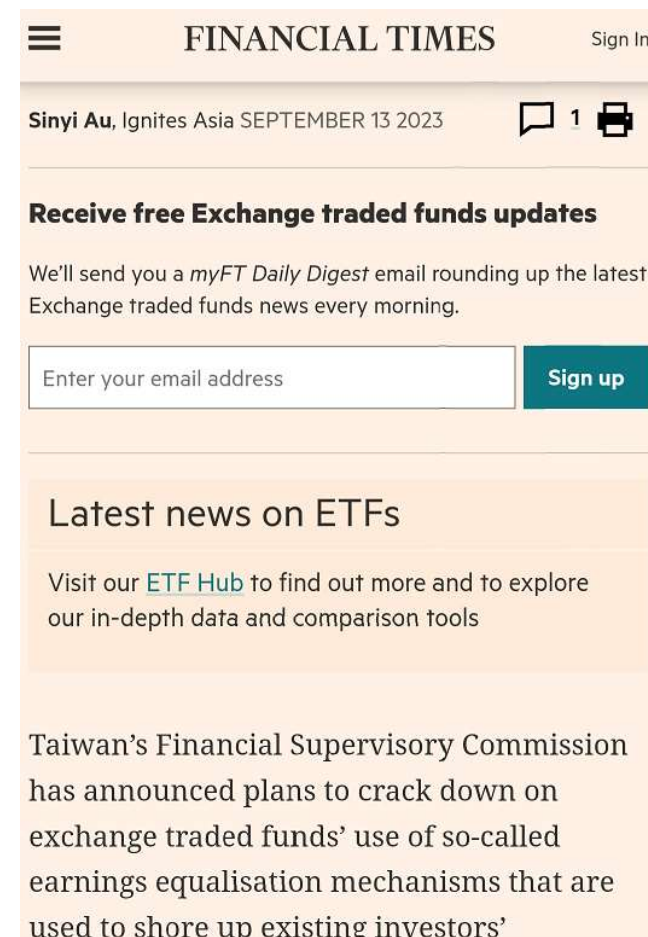
FSC Implemented 6 ETF Regulatory Measures

- Taiwan' s Financial Supervisory Commission (FSC) recently implemented six regulatory measures aimed at enhancing product structure, improving data transparency, and increasing liquidity for ETFs.
- The new measures follow FSC' s press release in November last year, which highlighted potential product and market risks associated with ETFs, and the introduction of "special financial inspections" for ETFs in January.



New requirement of high dividend ETF operation

- In Taiwan, there are some ETFs set up income equalization mechanism. The purpose of this mechanism prevent new investors from diluting the dividends of existing investors.
- AUM and beneficiaries of Taiwan high dividend equity ETFs have keeping hitting a record high, so FSC would like to tighten this trend.



Self-discipline guidelines for Influencers

- **Certificates or licenses for influencers**

Taiwan' s Financial Supervisory Commission asked online influencers who team up with fund houses to promote ETF sales should hold relevant certificates or licenses in investment trust and consulting.

- Online influencers do not engage in fraud or other inappropriate behavior.

- The rules are self-discipline guidelines issued by Taiwan' s Securities Investment Trust & Consulting Association(SITCA) and the rules required online influencers compliance by September.

New ETF products to be released in 2H2024

- More foreign ETF players are entering the market
- New Multi-asset ETF should be also endorsed by global index providers

Taiwan set to allow active ETFs into booming retail market

Exchanged traded fund assets under management soared more than 60% last year



Active ETFs would open a new channel in a market where appetite for ETFs has been running red-hot © AFP via Getty Images

Sinyi Au, Ignites Asia FEBRUARY 7 2024



Cross-border collaboration opportunities

Home / Business

Tue, Mar 19, 2024 page12

Taiwan ETFs hit record NT\$340bn

'SWARM OF BEES': Central bank Governor Yang Chin-long last week described the enthusiasm for exchange-traded funds as a "herding effect" in the market

Staff writer, with Bloomberg



A record rally in Taiwanese stocks is luring retail investors to pile into exchange-traded funds (ETFs), as local regulators stepped up warnings on the herding behavior.

Two new stock ETFs this month raised a combined NT\$223.1 billion (US\$7.05 billion), with the latest one which ended subscriptions on Friday last week setting a new record.

This brings the total inflows into equity ETFs to about NT\$340 billion, more than half of last year's, underscoring how the global market frenzy around artificial intelligence (AI) is spurring local demand for exposure to a technology-heavy market.



ETF information portal and investor education

<https://www.sitca.org.tw/ROC/SITCA ETF/index.html>





中華民國證券投資信託暨顧問商業同業公會
SECURITIES INVESTMENT TRUST & CONSULTING ASSOCIATION OF THE R.O.C.

[中文](#) [English](#) [網頁導覽](#) [回首頁](#) [意見信箱](#)

[關於公會](#) [公告訊息](#) [統計資料](#) [公會刊物](#) [法規函令](#) [教育訓練](#)

會員及會務專區

- 天然災害與重大緊急事件通報系統
- 基金投資宣導
 - 創造自己的定時定額微笑曲線
(投信投顧公會前理事長張錫)
 - 境外基金手續費前收後收差異
 - 國際資產管理論壇
 - 共同基金銷售簡章資訊
 - 證券投資信託基金介紹影片
 - 非投資等級債券基金及新興市場債券基金宣導專區
 - 好事通全民退休投資專案
 - 基金報酬率試算
 - 歷年基金投資管理活動

ETF專區

1 2 3 4 5 6 7 8 9 10 11 12 13

[最新法令](#) [最新統計](#) [新聞稿](#) [活動廣宣](#)

► 2024-04-22 公告：為轉全聯監督管理委員會113年3月5日全管證投字第1130380944號函暨113年4月3日全管證投字第1130135079號函，有關為加強投信投顧人員道德操守意識，投信投顧新進人員於職前訓練，及投信投顧專業基金(全委)經理人之在職訓練等3年應至少接受3小時以上道德操守相關課程，自113年9月1日開始施行，請 查照。

► 2024-04-16 主旨：檢送本公會指數股票型基金(ETF)證券投資信託契約範本(含股票型通用、債券型/定向型ETF適用及債券型通用)，請 查照。



ETF專區



好好退休

——第一、二、三、四、五、六、七、八、九、十、十一、十二、十三——



定時定額微笑曲線

投資投顧公會 已獲專業認證



ETF專區



認識自動化投資顧問服務



ETF專區

指數股票型基金
Exchange Traded Funds





ETF總覽



ETF統計數據



相關網站



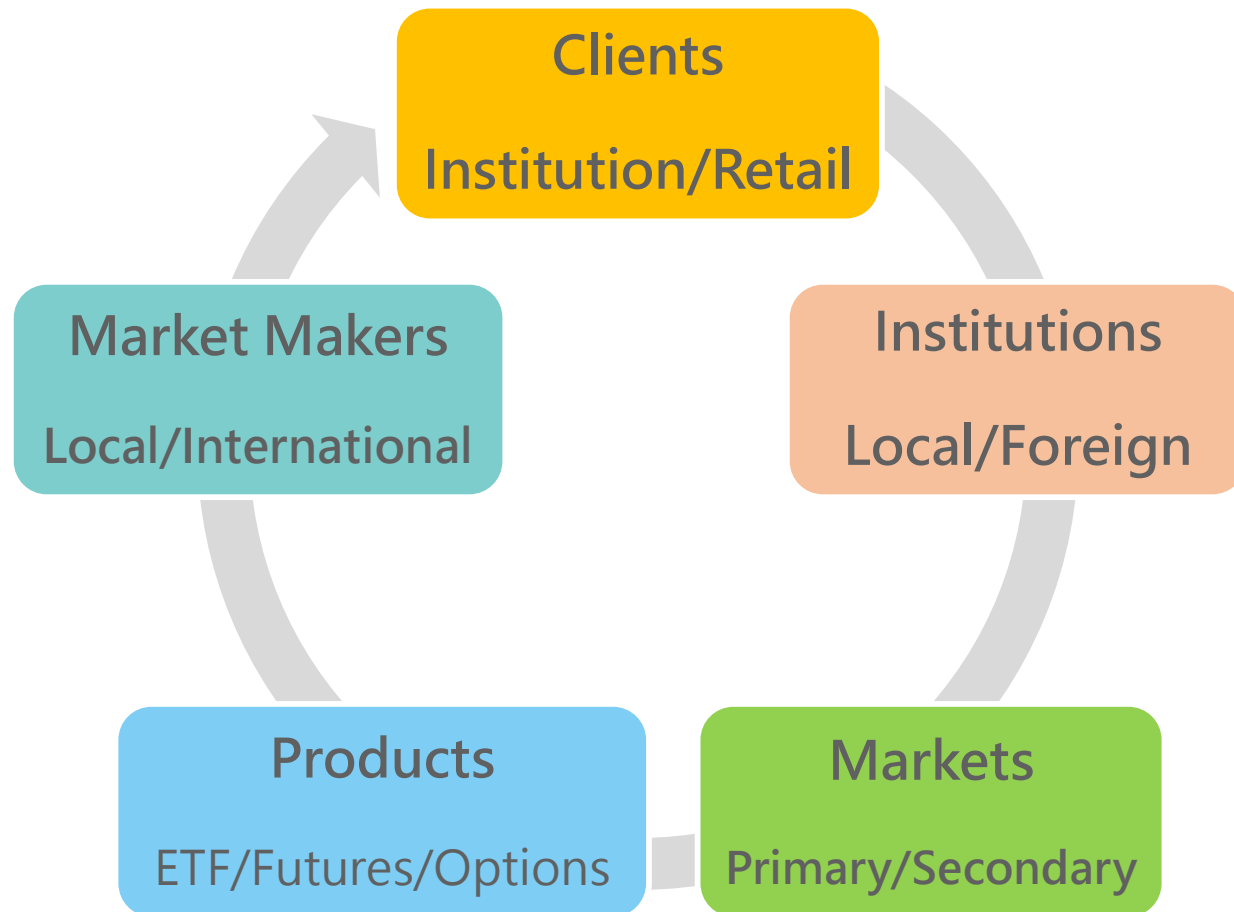
投資百寶箱

中華民國證券投資信託暨顧問商業同業公會
SECURITIES INVESTMENT TRUST & CONSULTING ASSOCIATION OF THE R.O.C.

30

Taiwan ETFs Ecosystem is the KSF

- Taiwan ETFs market owns unique and comprehensive ecosystem. This not only has created many milestones in the past few years, but also attracted international media to be interested in reporting Taiwan ETFs growth.
- Including foreign investors, asset managers, market makers have highly interests to explore potential opportunities in Taiwan.



Thank you