

# Products

## Authorisations

During the quarter ended 30 June, we authorised 35 unit trusts and mutual funds (including 17 Hong Kong-domiciled funds) and 47 unlisted structured investment products for public offering in Hong Kong.

## OFC registrations

As of 30 June, there were 78 registered open-ended fund companies (OFCs), of which 16<sup>1</sup> were new OFCs registered during the quarter.

## Hong Kong-domiciled funds

As at 30 June, the assets under management (AUM) of Hong Kong-domiciled funds decreased by 5% from the previous quarter to US\$169.7 billion. Net fund inflows of about US\$0.5 billion were recorded during the quarter and the number of firms licensed for Type 9 regulated activity (asset management) increased 1.8% to 2,039 in the same period.

## ETF Connect<sup>2</sup>

ETF Connect launched on 4 July following our joint announcement with the China Securities Regulatory Commission (CSRC) in June. Under the scheme, four Hong Kong exchange-traded funds (ETFs) are currently eligible for southbound trading and 83 Mainland ETFs (including 53 from the Shanghai Stock Exchange and 30 from the Shenzhen Stock Exchange) are eligible for northbound trading.

## Mutual Recognition of Funds (MRF)

Under the Mainland-Hong Kong MRF scheme, as of 30 June, we authorised a total of 47 Mainland funds (including two umbrella funds) whilst the CSRC approved 38 Hong Kong funds.

As of 30 June, the cumulative net subscription was about RMB1.04 billion for Mainland funds and about RMB11.27 billion for Hong Kong funds. During the quarter, Mainland funds recorded a net redemption of about RMB44.71 million, compared to a net subscription of about RMB54.39 million in the previous quarter. Hong Kong funds recorded a net redemption of about RMB915.48 million this quarter, down from a net redemption of about RMB2.05 billion in the last quarter.

## Asset and Wealth Management Activities Survey<sup>3</sup>

The *Asset and Wealth Management Activities Survey* for 2021, released in July, showed that Hong Kong's asset and wealth management business recorded a 2% year-on-year increase in AUM to \$35,546 billion as at the end of 2021. Net fund inflows during the year reached \$2,152 billion, up 6% from 2020.

## Investment-linked assurance schemes (ILAS)

Following the introduction of enhanced guidance on ILAS product design in November 2021, we have been working closely with the industry and other stakeholders on its implementation. During the quarter, we authorised the first Protection Linked Plan under the new guidance.

## Depositories of SFC-authorised funds

A further consultation on proposed amendments to subsidiary legislation and SFC codes and guidelines to implement the new Type 13 regulated activity for depositories of SFC-authorised funds closed on 30 April. The comments were mainly technical in nature. We will continue to engage the industry and work with the Hong Kong Monetary Authority to finalise the proposals.

<sup>1</sup> This figure includes 15 private OFCs.

<sup>2</sup> Post-reporting period.

<sup>3</sup> Post-reporting period.

## Products

### Authorised collective investment schemes

	As at 30.6.2022	As at 31.3.2022	Change (%)	As at 30.6.2021	YoY change (%)
Unit trusts and mutual funds – Hong Kong-domiciled	868 <sup>a</sup>	866	0.2	838	3.6
Unit trusts and mutual funds – non-Hong Kong-domiciled	1,382	1,381	0.1	1,394	-0.9
ILAS	300	300	0	300	0
Pooled retirement funds	32	32	0	33	-3
Mandatory provident fund (MPF) schemes	26	26	0	26	0
MPF pooled investment funds	219	219	0	209	4.8
Others	25 <sup>b</sup>	25	0	26	-3.8
<b>Total</b>	<b>2,852</b>	<b>2,849</b>	<b>0.1</b>	<b>2,826</b>	<b>0.9</b>

a This figure includes 110 approved pooled investment funds (retail APIFs) which MPFs may invest into and may also be offered to the public in Hong Kong.

b Comprising 14 paper gold schemes and 11 real estate investment trusts (REITs).

### Registered OFCs

	As at 30.6.2022	As at 31.3.2022	Change (%)	As at 30.6.2021	YoY change (%)
OFCs	78 <sup>^</sup>	62	25.8	15	420

<sup>^</sup> This figure includes 68 private OFCs.

### Authorised unlisted structured investment products

	As at 30.6.2022	As at 31.3.2022	Change (%)	As at 30.6.2021	YoY change (%)
Unlisted structured investment products <sup>^</sup>	228	187	21.9	146	56.2

<sup>^</sup> On a "one product per key facts statement" basis, including equity-linked investments and deposits.

## Products

### SFC-authorized renminbi (RMB) investment products

	As at 30.6.2022
<b>Unlisted products</b>	
Unlisted funds primarily investing in onshore Mainland securities markets <sup>a</sup> or offshore RMB bonds, fixed-income instruments or other securities	55
Unlisted funds (non-RMB denominated) with RMB share classes	346
Paper gold schemes with RMB features	1
Recognised Mainland funds under Mainland-Hong Kong MRF arrangement	47
Unlisted structured investment products issued in RMB <sup>b</sup>	227
<b>Listed products</b>	
ETFs primarily investing in onshore Mainland securities markets <sup>a</sup> or offshore RMB bonds, fixed-income instruments or other securities	50
ETFs (non-RMB denominated) with RMB trading counters	11
RMB leveraged and inverse products	2
RMB gold ETFs <sup>c</sup>	1
RMB REITs	1

<sup>a</sup> Refers to onshore Mainland investments through the Qualified Foreign Investor scheme, Stock Connect, Bond Connect and China Interbank Bond Market.

<sup>b</sup> The number is on a "one product per key facts statement" basis.

<sup>c</sup> Only includes gold ETFs denominated in RMB.