

# Operational Data

**Table 1 Takeovers activities**

|                                                                           | Quarter ended<br>30.6.2023 | Quarter ended<br>31.3.2023 | Change<br>(%) | Quarter ended<br>30.6.2022 | YoY<br>change<br>(%) |
|---------------------------------------------------------------------------|----------------------------|----------------------------|---------------|----------------------------|----------------------|
| <b>Codes on Takeovers and Mergers and Share Buy-backs</b>                 |                            |                            |               |                            |                      |
| General and partial offers under Code on Takeovers and Mergers            | 5                          | 7                          | -28.6         | 7                          | -28.6                |
| Privatisations                                                            | 2                          | 3                          | -33.3         | 0                          | N/A                  |
| Whitewash waiver applications                                             | 6                          | 8                          | -25.0         | 4                          | 50.0                 |
| Other applications under Code on Takeovers and Mergers <sup>1</sup>       | 50                         | 44                         | 13.6          | 64                         | -21.9                |
| Off-market and general offer share buy-backs                              | 3                          | 2                          | 50.0          | 3                          | 0.0                  |
| Other applications under Code on Share Buy-backs <sup>1</sup>             | 0                          | 0                          | 0.0           | 1                          | -100.0               |
| <b>Total</b>                                                              | <b>66</b>                  | <b>64</b>                  | <b>3.1</b>    | <b>79</b>                  | <b>-16.5</b>         |
| <b>Executive Statements</b>                                               |                            |                            |               |                            |                      |
| Sanctions imposed with parties' agreement <sup>2</sup>                    | 0                          | 0                          | 0.0           | 1                          | -100.0               |
| <b>Takeovers and Mergers Panel</b>                                        |                            |                            |               |                            |                      |
| Meetings for review of Codes on Takeovers and Mergers and Share Buy-backs | 0                          | 1                          | -100          | 0                          | 0.0                  |

<sup>1</sup> Including stand-alone applications and those made during the course of a code-related transaction.

<sup>2</sup> Pursuant to section 12.3 of the Introduction to the Codes on Takeovers and Mergers and Share Buy-backs.

## Operational Data

**Table 2 Breaches noted during on-site inspections<sup>1</sup>**

|                                                                                                                         | Quarter ended<br>30.6.2023 | Quarter ended<br>31.3.2023 | Change<br>(%) | Quarter ended<br>30.6.2022 <sup>5</sup> | YoY<br>change<br>(%) |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|---------------|-----------------------------------------|----------------------|
| Failure to comply with Securities and Futures (Financial Resources) Rules                                               | 3                          | 1                          | 200.0         | 2                                       | 50.0                 |
| Failure to safekeep client securities                                                                                   | 9                          | 9                          | 0.0           | 4                                       | 125.0                |
| Failure to maintain proper books and records                                                                            | 3                          | 7                          | -57.1         | 2                                       | 50.0                 |
| Failure to safekeep client money                                                                                        | 9                          | 9                          | 0.0           | 7                                       | 28.6                 |
| Unlicensed dealing and other registration issues                                                                        | 5                          | 1                          | 400.0         | 5                                       | 0.0                  |
| Breach of licensing conditions                                                                                          | 0                          | 2                          | -100.0        | 2                                       | -100.0               |
| Breach of requirements of contract notes/statements of account/receipts                                                 | 8                          | 15                         | -46.7         | 13                                      | -38.5                |
| Breach of margin requirements                                                                                           | 0                          | 0                          | 0.0           | 1                                       | -100.0               |
| Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission <sup>2</sup> | 59                         | 45                         | 31.1          | 48                                      | 22.9                 |
| Breach of Corporate Finance Adviser Code of Conduct                                                                     | 5                          | 5                          | 0.0           | 2                                       | 150.0                |
| Breach of Fund Manager Code of Conduct                                                                                  | 28                         | 25                         | 12.0          | 34                                      | -17.6                |
| Breach of regulation of on-line trading                                                                                 | 4                          | 0                          | N/A           | 4                                       | 0.0                  |
| Non-compliance with anti-money laundering guidelines                                                                    | 72                         | 29                         | 148.3         | 54                                      | 33.3                 |
| Breach of other rules and regulations of the Exchanges <sup>3</sup>                                                     | 2                          | 0                          | N/A           | 1                                       | 100.0                |
| Internal control weaknesses <sup>4</sup>                                                                                | 100                        | 94                         | 6.4           | 106                                     | -5.7                 |
| Others                                                                                                                  | 16                         | 14                         | 14.3          | 26                                      | -38.5                |
| <b>Total</b>                                                                                                            | <b>323</b>                 | <b>256</b>                 | <b>26.2</b>   | <b>311</b>                              | <b>3.9</b>           |

<sup>1</sup> Including inspections conducted remotely in light of the COVID-19 pandemic.

<sup>2</sup> Commonly related to risk management, record keeping, client agreements, safeguarding of client assets and information for or about clients and reasonable advice.

<sup>3</sup> The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited.

<sup>4</sup> Comprised deficiencies in management review and supervision, operational controls over the handling of client accounts, segregation of duties, information management, adequacy of audit trail for internal control purposes, among other weaknesses.

<sup>5</sup> Figures have been adjusted for the period.



## Operational Data

**Table 3 Hong Kong-domiciled authorised funds**

| a) Number of funds by type     | As at<br>30.6.2023 | As at<br>31.3.2023 | Change<br>(%) | As at<br>30.6.2022 | YoY<br>change<br>(%) |
|--------------------------------|--------------------|--------------------|---------------|--------------------|----------------------|
| Bond                           | 171                | 173                | -1.2          | 167                | 2.4                  |
| Equity                         | 204                | 206                | -1.0          | 201                | 1.5                  |
| Mixed                          | 110                | 112                | -1.8          | 110                | 0.0                  |
| Money market                   | 56                 | 49                 | 14.3          | 40                 | 40.0                 |
| Feeder funds                   | 47                 | 48                 | -2.1          | 46                 | 2.2                  |
| Index <sup>1</sup>             | 164                | 169                | -3.0          | 163                | 0.6                  |
| Guaranteed                     | 1                  | 1                  | 0.0           | 1                  | 0.0                  |
| Other specialised <sup>2</sup> | 3                  | 3                  | 0.0           | 0                  | N/A                  |
| Sub-total                      | 756                | 761                | -0.7          | 728                | 3.8                  |
| Umbrella structures            | 152                | 152                | 0.0           | 140                | 8.6                  |
| <b>Total</b>                   | <b>908</b>         | <b>913</b>         | <b>-0.5</b>   | <b>868</b>         | <b>4.6</b>           |

| b) Assets under management by type | Total NAV<br>(US\$ million)<br>as at<br>30.6.2023 | Total NAV<br>(US\$ million)<br>as at<br>31.3.2023 | Change<br>(%) | Total NAV<br>(US\$ million)<br>as at<br>30.6.2022 | YoY<br>change<br>(%) |
|------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------|---------------------------------------------------|----------------------|
| Bond                               | 26,563                                            | 26,396                                            | 0.6           | 27,073                                            | -1.9                 |
| Equity                             | 48,919                                            | 50,530                                            | -3.2          | 50,380                                            | -2.9                 |
| Mixed                              | 27,473                                            | 28,384                                            | -3.2          | 30,039                                            | -8.5                 |
| Money market                       | 17,359                                            | 16,542                                            | 4.9           | 9,826                                             | 76.7                 |
| Feeder funds <sup>3</sup>          | 19                                                | 20                                                | -5.2          | 22                                                | -13.8                |
| Index <sup>1</sup>                 | 50,292                                            | 52,578                                            | -4.3          | 52,300 <sup>5</sup>                               | -3.8                 |
| Guaranteed                         | 32                                                | 34                                                | -4.8          | 37                                                | -12.5                |
| Other specialised <sup>2</sup>     | 46                                                | 44                                                | 4.5           | 0                                                 | N/A                  |
| <b>Total<sup>4</sup></b>           | <b>170,703</b>                                    | <b>174,527</b>                                    | <b>-2.2</b>   | <b>169,677<sup>5</sup></b>                        | <b>0.6</b>           |

<sup>1</sup> Including exchange-traded funds and leveraged and inverse products.

<sup>2</sup> Including virtual asset futures exchange-traded funds.

<sup>3</sup> The NAV of feeder funds whose master funds are authorised by the SFC has been excluded from the total NAV figures in the "Feeder funds" category to better reflect the total asset under management.

<sup>4</sup> Figures may not add up to total due to rounding.

<sup>5</sup> These figures differ from those disclosed in the Quarterly Report April – June 2022 due to a revised figure reported after the report's issuance.

## Operational Data

**Table 4 Non-Hong Kong-domiciled authorised funds**

| a) Number of funds by origin | As at<br>30.6.2023 | As at<br>31.3.2023 | Change<br>(%) | As at<br>30.6.2022 | YoY<br>change<br>(%) |
|------------------------------|--------------------|--------------------|---------------|--------------------|----------------------|
| Luxembourg                   | 1,065              | 1,063              | 0.2           | 1,034              | 3.0                  |
| Ireland                      | 254                | 250                | 1.6           | 242                | 5.0                  |
| United Kingdom               | 29                 | 29                 | 0.0           | 29                 | 0.0                  |
| Mainland China               | 46                 | 49                 | -6.1          | 49                 | -6.1                 |
| Bermuda                      | 1                  | 1                  | 0.0           | 1                  | 0.0                  |
| Cayman Islands               | 20                 | 20                 | 0.0           | 22                 | -9.1                 |
| Others                       | 5                  | 5                  | 0.0           | 5                  | 0.0                  |
| <b>Total</b>                 | <b>1,420</b>       | <b>1,417</b>       | <b>0.2</b>    | <b>1,382</b>       | <b>2.7</b>           |

| b) Assets under management by origin | Total NAV<br>(US\$ million)<br>as at<br>30.6.2023 | Total NAV<br>(US\$ million)<br>as at<br>31.3.2023 | Change<br>(%) | Total NAV<br>(US\$ million)<br>as at<br>30.6.2022 | YoY<br>change<br>(%) |
|--------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------|---------------------------------------------------|----------------------|
| Luxembourg                           | 1,132,133                                         | 1,119,869                                         | 1.1           | 1,094,097                                         | 3.5                  |
| Ireland                              | 226,159                                           | 222,462                                           | 1.7           | 214,093 <sup>2</sup>                              | 5.6                  |
| United Kingdom                       | 68,097                                            | 65,319                                            | 4.3           | 64,051                                            | 6.3                  |
| Mainland China                       | 20,513                                            | 22,786                                            | -10.0         | 26,953                                            | -23.9                |
| Bermuda                              | 121                                               | 116                                               | 4.1           | 143                                               | -15.6                |
| Cayman Islands                       | 1,324                                             | 1,446                                             | -8.4          | 1,733                                             | -23.6                |
| Others                               | 61,195                                            | 63,634                                            | -3.8          | 65,960                                            | -7.2                 |
| <b>Total<sup>1</sup></b>             | <b>1,509,541</b>                                  | <b>1,495,633</b>                                  | <b>0.9</b>    | <b>1,467,031<sup>2</sup></b>                      | <b>2.9</b>           |

<sup>1</sup> Figures may not add up to total due to rounding.

<sup>2</sup> These figures differ from those disclosed in the Quarterly Report April – June 2022 due to a revised figure reported after the report's issuance.



## Operational Data

| c) Number of funds by type | As at<br>30.6.2023 | As at<br>31.3.2023 | Change<br>(%) | As at<br>30.6.2022 | YoY<br>change<br>(%) |
|----------------------------|--------------------|--------------------|---------------|--------------------|----------------------|
| Bond                       | 358                | 358                | 0.0           | 358                | 0.0                  |
| Equity                     | 779                | 774                | 0.6           | 756                | 3.0                  |
| Mixed                      | 154                | 155                | -0.6          | 144                | 6.9                  |
| Money market               | 12                 | 12                 | 0.0           | 12                 | 0.0                  |
| Feeder funds               | 3                  | 3                  | 0.0           | 3                  | 0.0                  |
| Index <sup>1</sup>         | 26                 | 26                 | 0.0           | 25                 | 4.0                  |
| Hedge                      | 1                  | 1                  | 0.0           | 1                  | 0.0                  |
| Sub-total                  | 1,333              | 1,329              | 0.3           | 1,299              | 2.6                  |
| Umbrella structures        | 87                 | 88                 | -1.1          | 83                 | 4.8                  |
| <b>Total</b>               | <b>1,420</b>       | <b>1,417</b>       | <b>0.2</b>    | <b>1,382</b>       | <b>2.7</b>           |

| d) Assets under management by type | Total NAV<br>(US\$ million)<br>as at<br>30.6.2023 | Total NAV<br>(US\$ million)<br>as at<br>31.3.2023 | Change<br>(%) | Total NAV<br>(US\$ million)<br>as at<br>30.6.2022 | YoY<br>change<br>(%) |
|------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------|---------------------------------------------------|----------------------|
| Bond                               | 427,727                                           | 432,041                                           | -1.0          | 440,563                                           | -2.9                 |
| Equity                             | 809,715                                           | 791,354                                           | 2.3           | 757,703                                           | 6.9                  |
| Mixed                              | 156,218                                           | 156,729                                           | -0.3          | 158,399 <sup>4</sup>                              | -1.4                 |
| Money market                       | 9,771                                             | 9,724                                             | 0.5           | 8,626                                             | 13.3                 |
| Feeder funds <sup>2</sup>          | 0                                                 | 0                                                 | 0.0           | 0                                                 | 0.0                  |
| Index <sup>1</sup>                 | 105,989                                           | 105,669                                           | 0.3           | 101,597                                           | 4.3                  |
| Hedge                              | 121                                               | 116                                               | 4.1           | 143                                               | -15.6                |
| <b>Total<sup>3</sup></b>           | <b>1,509,541</b>                                  | <b>1,495,633</b>                                  | <b>0.9</b>    | <b>1,467,031<sup>4</sup></b>                      | <b>2.9</b>           |

<sup>1</sup> Including exchange-traded funds.

<sup>2</sup> The NAV of feeder funds whose master funds are authorised by the SFC has been excluded from the total NAV figures in the "Feeder funds" category to better reflect the total asset under management.

<sup>3</sup> Figures may not add up to total due to rounding.

<sup>4</sup> These figures differ from those disclosed in the Quarterly Report April – June 2022 due to a revised figure reported after the report's issuance.

## Operational Data

**Table 5 Complaints against intermediaries and market activities**

|                                                                  | Quarter ended<br>30.6.2023 | Quarter ended<br>31.3.2023 | Change<br>(%) | Quarter ended<br>30.6.2022 | YoY<br>change<br>(%) |
|------------------------------------------------------------------|----------------------------|----------------------------|---------------|----------------------------|----------------------|
| Conduct of licensees                                             | 132                        | 156                        | -15.4         | 215                        | -38.6                |
| Conduct of registered institutions                               | 0                          | 1                          | -100.0        | 15                         | -100.0               |
| Listed companies and disclosure of interests                     | 150                        | 162                        | -7.4          | 188                        | -20.2                |
| Market misconduct <sup>1</sup>                                   | 91                         | 85                         | 7.1           | 74                         | 23.0                 |
| Product disclosure                                               | 0                          | 2                          | -100.0        | 2                          | -100.0               |
| Unlicensed activities                                            | 75                         | 22                         | 240.9         | 19                         | 294.7                |
| Breach of offers of investments                                  | 7                          | 5                          | 40.0          | 7                          | 0.0                  |
| Boiler rooms and suspicious websites                             | 40                         | 44                         | -9.1          | 58                         | -31.0                |
| Scams and frauds <sup>2</sup>                                    | 128                        | 60                         | 113.3         | 165                        | -22.4                |
| Other financial activities not regulated by the SFC <sup>3</sup> | 81                         | 54                         | 50.0          | 94                         | -13.8                |
| <b>Total</b>                                                     | <b>704</b>                 | <b>591</b>                 | <b>19.1</b>   | <b>837</b>                 | <b>-15.9</b>         |

<sup>1</sup> Primarily, alleged market manipulation and insider dealing.

<sup>2</sup> Such as identity fraud and impersonation.

<sup>3</sup> For example, bullion trading and banking services.

