

# Products

## Authorisations

During the quarter, we authorised 28 unit trusts and mutual funds (including 12 Hong Kong-domiciled funds), 10 investment-linked assurance schemes (ILAS), nine mandatory provident fund (MPF) pooled investment funds and 47 unlisted structured investment products for public offering in Hong Kong.

## OFC registrations

As at 30 June, there were 152 registered open-ended fund companies (OFCs), of which 21<sup>1</sup> were newly registered during the quarter.

## Hong Kong-domiciled funds

As at 30 June, the assets under management (AUM) of Hong Kong-domiciled funds decreased 2% from the previous quarter to US\$170.7 billion. During the quarter, net fund inflows of about US\$1.4 billion were recorded.

## ETF Connect

Southbound ETF<sup>2</sup> trading has maintained strong momentum through the debut year for ETF Connect. Its average daily turnover increased 20 times from \$216 million in July 2022 to \$4.64 billion in June 2023, which contributed 18.4% of the eligible Hong Kong ETFs' turnover during the month. ETF Connect has played a vital role in driving an aggregate inflow of \$42.5 billion into eligible ETFs since their inclusion, representing 22% of their total AUM as at 30 June. Under the scheme, there are currently six Hong Kong ETFs eligible for southbound trading and 131 Mainland ETFs (including 76 on the Shanghai Stock Exchange and 55 on the Shenzhen Stock Exchange) eligible for northbound trading.

## Mutual recognition of funds (MRF)

Under the Mainland-Hong Kong MRF scheme, we had authorised a total of 44 Mainland funds as at 30 June, whilst the China Securities Regulatory Commission had approved 37 Hong Kong funds.

The cumulative net subscription amounted to about RMB1.08 billion for Mainland funds and about RMB15.11 billion for Hong Kong funds as at 30 June.



ETF Connect: Average daily turnover in June 2023

▲ 20 times from July 2022

and contributed

18.4%

of eligible Hong Kong ETFs' turnover

During the quarter, Mainland funds recorded a net subscription of about RMB14.98 million, down from RMB42.69 million in the previous quarter. Hong Kong funds recorded a net subscription of about RMB443.59 million this quarter, down from RMB3.12 billion in the last quarter.

## ESG funds

As at 30 June, there were 195 SFC-authorized ESG<sup>3</sup> funds with total AUM of US\$156.5 billion (representing quarter-on-quarter increases of 3.7% and 3.2% respectively).

## New regulated activity 13 for depositaries of SFC-authorized collective investment schemes (RA 13)

After we released the further consultation conclusions on the RA 13 regime, the amended rules were gazetted and tabled at the Legislative Council. The legislative process was completed on 17 May and the new regime will take effect on 2 October 2024 after a transition period.

To help the depositary industry transition towards this regime, we provided detailed guidance on the key requirements and licensing process at a seminar in June hosted by the Hong Kong Trustees' Association. Representatives of the Hong Kong Monetary Authority also joined the event.

<sup>1</sup> All of the 21 OFCs are private OFCs.

<sup>2</sup> Exchange-traded funds.

<sup>3</sup> Environmental, social and governance.

## Products

### Authorised collective investment schemes

	As at 30.6.2023	As at 31.3.2023	Change (%)	As at 30.6.2022	YoY change (%)
Unit trusts and mutual funds – Hong Kong-domiciled	908 <sup>a</sup>	913	-0.5	868	4.6
Unit trusts and mutual funds – non-Hong Kong-domiciled	1,420	1,417	0.2	1,382	2.7
ILAS	315	305	3.3	300	5.0
Pooled retirement funds	32	32	0.0	32	0.0
MPF schemes	26	26	0.0	26	0.0
MPF pooled investment funds	191	221	-13.6	219	-12.8
Others	25 <sup>b</sup>	25	0.0	25	0.0
Total	2,917	2,939	-0.7	2,852	2.3

a This figure includes 111 approved pooled investment funds (retail APIFs) which MPFs may invest in 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 30.6.2023	As at 31.3.2023	Change (%)	As at 30.6.2022	YoY change (%)
OFCs	152 <sup>^</sup>	131	16.0	78	94.9

<sup>^</sup> This figure includes 131 private OFCs.

### Authorised unlisted structured investment products

	As at 30.6.2023	As at 31.3.2023	Change (%)	As at 30.6.2022	YoY change (%)
Unlisted structured investment products <sup>^</sup>	273	231	18.2	228	19.7

<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 30.6.2023
<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	58
Unlisted funds (non-RMB denominated) with RMB share classes	391
Paper gold schemes denominated in RMB	1
Recognised Mainland funds under Mainland-Hong Kong MRF arrangement	44
Unlisted structured investment products issued in RMB <sup>b</sup>	272
ILAS with policy currency in RMB	6
<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 and/or RMB share classes	16
RMB leveraged and inverse products	3
RMB gold ETFs <sup>c</sup>	1
RMB REITs	1

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

b The number is on a "one product per key facts statement" basis.

c Only includes gold ETFs denominated in RMB.