

Taiwan sees increased mutual fund launches

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Taiwan's mutual fund market saw 89 new listings between January and November 2017, up 21.9% from the 73 launched in all of 2016, according to Taipei-based fund advisory firm Keystone Intelligence Inc.

Taiwanese asset managers have become more active in launching products with high dividend yield and stable returns in order to retain clients, Donna Chen, founder and president of Keystone Intelligence, says in a report on January 15.

The 89 funds, which were launched by 31 asset management firms, included 33 exchange-traded funds (ETFs), 16 overseas fixed income funds, and eight overseas equities funds. The balance comprised domestic and alternative products.

The funds raised a total of NT\$204.8 billion (US\$6.93 billion) and have recorded positive net inflow since their launch. According to Ms. Chen, this was unlike the "significant redemptions" faced by new funds over the previous few years.

"We've seen more new products have a provision to prevent investors to redeem the funds within a certain period of time after the launch," she says.

Net capital flow into the new products between January and November totaled NT\$23.2 billion, she adds.

Data from the Securities Investment Trust and Consulting Association (SITCA) show that four new funds raised more than NT\$10 billion, led by PineBridge Preferred Securities Income Fund, which recorded a net subscription of NT\$30 billion.

The majority of the top ten highest subscribed new products last year were income funds and high yield bond funds, SITCA says.