



News Release

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SGX welcomes the world's largest Chinese pure government bond ETF issued by CSOP Asset Management

- ICBC CSOP FTSE Chinese Government Bond Index ETF will start trading on 21 September, 9:00 am
- CSOP Asset Management's inaugural ETF on SGX will kick off with US\$676 million (RMB 4.6 billion) in assets under management

Singapore Exchange (SGX) today announced the listing of the world's largest Chinese pure government bond exchange-traded fund (ETF) that will meet the growing demand from investors to access opportunities in China's onshore bond markets, in an easy and efficient manner.

Managed by CSOP Asset Management Limited (CSOP AM), the institutional-grade ETF was developed in partnership with ICBC Wealth Management and ICBC Asset Management (Global) as its investment advisors. The fund replicates the performance of fixed-rate government bonds issued in mainland China as measured by the FTSE Chinese Government Bond Index (CGBI).

The ETF is CSOP Asset Management's first listing on SGX. Notably, the product is also the first ETF to utilise the new Variable Capital Companies (VCC) framework launched by the Monetary Authority of Singapore (MAS) and Accounting and Corporate Regulatory Authority (ACRA) this year.

The fund garnered resounding investor interest with an initial assets under management (AUM) of US\$676 million (RMB 4.6 billion) at the end of the subscription period, demonstrating robust demand for efficient access to China's bond markets – the second largest bond market in the world at US\$15 trillion.

Mr Loh Boon Chye, Chief Executive Officer of SGX, said, "We are honoured that CSOP Asset Management, a well-known ETF leader in Asia, has picked SGX to be the listing venue of choice for their landmark ETF. SGX provides a multi-asset platform that supports the internationalisation of China and investor access to Asia's largest economy. Global fixed income investors have been turning to Chinese sovereign bonds for added diversification and yields, and this product is a strong addition to our platform. SGX will continue to work with issuers and business partners to develop a multi-asset ETF product shelf that meets the demands of the investment community."

Ms Ding Chen, CEO of CSOP Asset Management, commented, "We are very glad to bring our first SGX-listed ETF product to global investors. ICBC CSOP FTSE Chinese Government Bond Index ETF is designed to help capture the investment opportunities brought by the booming China onshore bond market and its continuous inclusion into the world's major global indices. We believe this China-themed fixed income ETF with relatively low cost, easy access and diversified bond holdings will suit the local investors' demand of seeking for a relatively stable yield."

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Ms Jacqueline Loh, Deputy Managing Director for Markets and Development, MAS, said: “The listing of the first China bond ETF in Singapore is most timely. It offers a low-cost and liquid avenue for global investors to gain access to Chinese assets through Singapore, at a time when China’s bond market is increasingly opening up to greater foreign investor participation. The debut of this product class marks a new milestone for Singapore’s financial sector, as we continue to connect global investors to Asia’s promising market opportunities.”

Mr Gu Jian’gang, Chairman of ICBC Wealth Management, said, “We are glad to cooperate with leading business partners like CSOP to continuously provide high-quality services to global investors. I hope ICBC CSOP FTSE Chinese Government Bond Index ETF listed on SGX will contribute to the internationalisation of RMB and the development of Singapore’s offshore RMB market. China’s financial market is continuously opening and it welcomes global investors. We look forward to a win-win cooperation with all parties.”

Over the past few years, SGX’s ETF market has grown considerably, with total market turnover value of SGX-listed ETFs reaching S\$4.1 billion in FY2020, a 70% increase from the preceding year. As at end June 2020, total AUM for all SGX-listed ETFs amounted to S\$5.8 billion. The strong growth in SGX’s ETF market reflects the growing adoption of ETF investing. In recent years, there has been growing investor interest towards yield-focused products, such as fixed income and REIT ETFs, which today make up 40% of the ETF assets held on SGX.

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About Singapore Exchange

Singapore Exchange is Asia’s leading and trusted market infrastructure, operating equity, fixed income, commodities and FX markets to the highest regulatory standards. As Asia’s most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and over 80% of listed bonds originating outside of Singapore.

SGX is the world’s most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit www.sgx.com.

About CSOP Asset Management

CSOP Asset Management Limited (CSOP AML) was founded in 2008 as the first offshore asset manager set up by a regulated asset management company in China. With a dedicated focus in China investing, CSOP AML manages public and private funds, as well as providing investment advisory services to Asian and global investors. In addition, CSOP AML is best known as an ETF leader in Asia. CSOP Asset Management Pte. Ltd. (CSOP SG) was established as wholly-owned subsidiary of CSOP AML in 2019, with a view of having Singapore as the regional base to facilitate and offer clients in the Region with investment opportunities in China’s capital market. As of 31 July 2020, CSOP had US\$8.2 billion in assets under management.

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