



Taiwan Stock Exchange

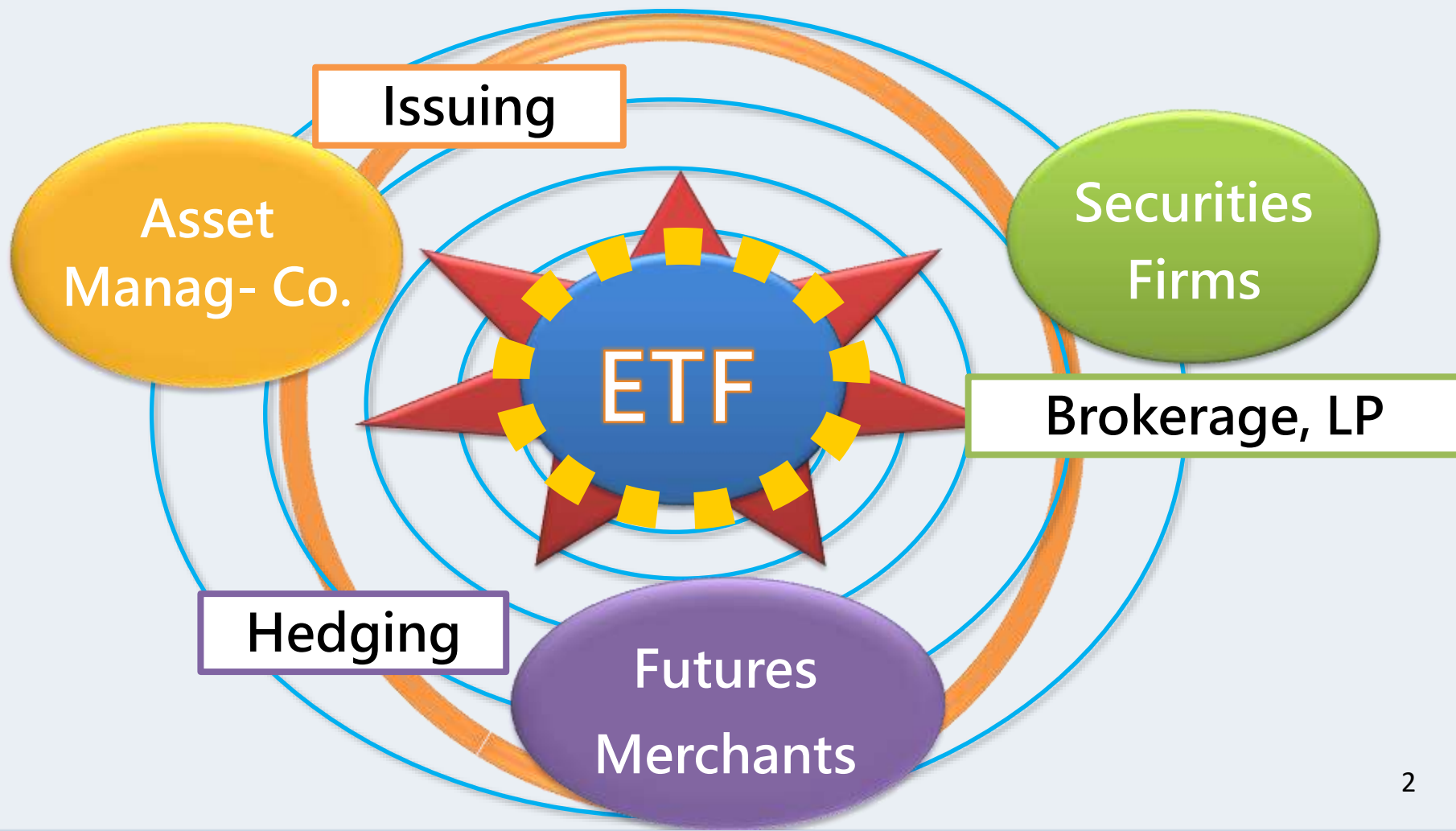
The 15th Annual Japan ETF Conference

Taiwan's ETP Market Landscape and Latest Developments

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Vice President
Taiwan Stock Exchange

ETF Ecosystem

Global ETF AUM declined 10%, Taiwan ETF AUM grow 10% in 2022.



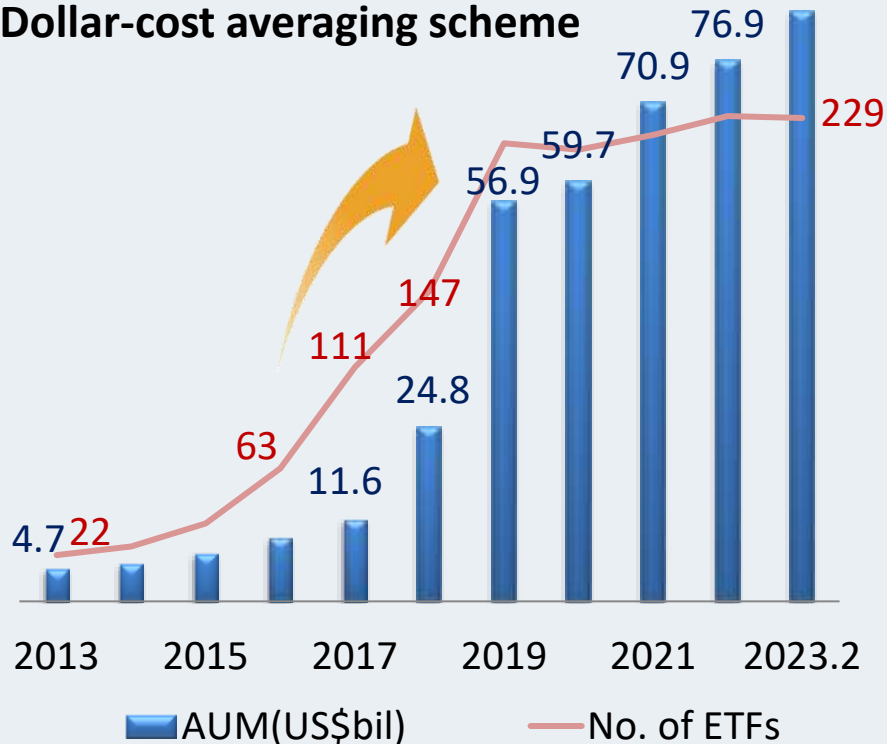
Robust Growth in ETF AUM and Listings

- ETF AUM reached 83.8 billion USD, 229 listed ETF.
- ETF vs. Mutual Fund has equally AUM.

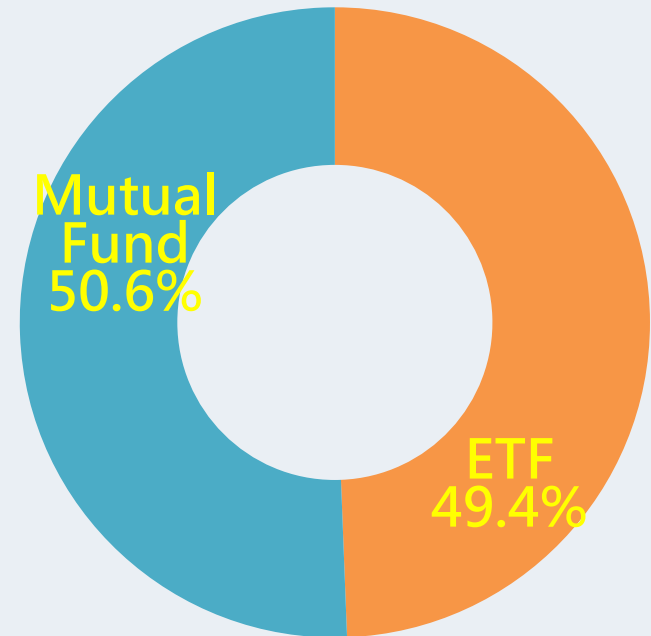
AUM & Listings

2017

- Bond ETF transaction tax exemption **83.8**
- Dollar-cost averaging scheme



ETF vs Mutual Fund

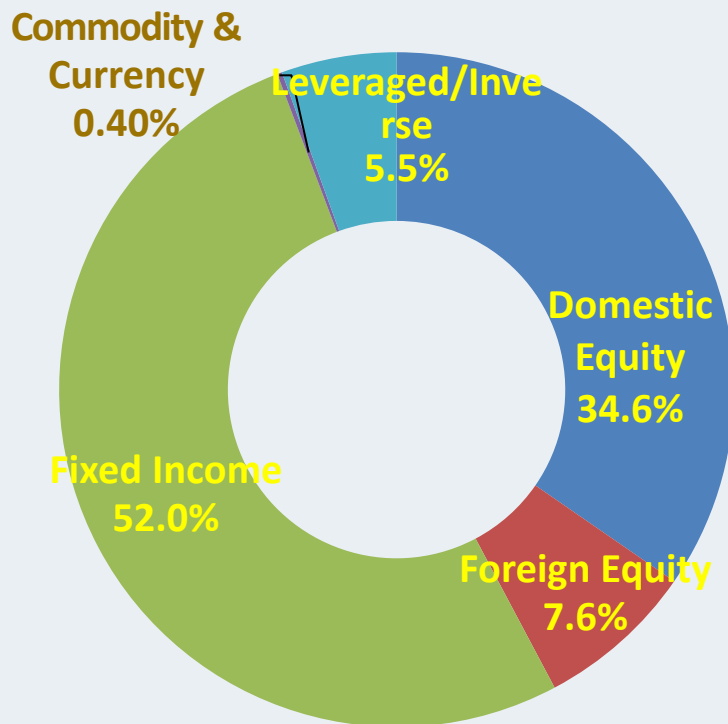


* As of Feb. 2023

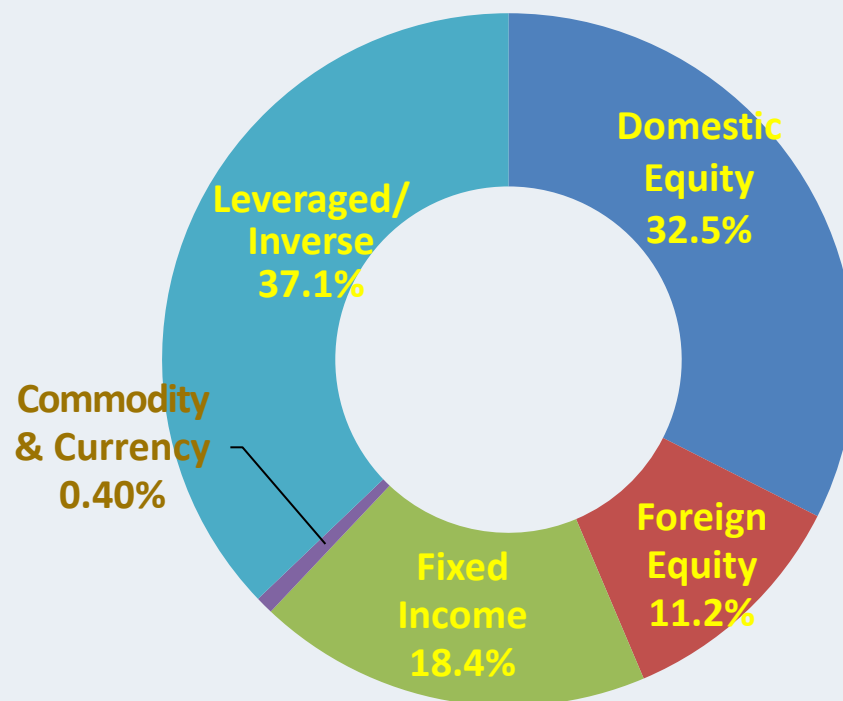
ETF AUM & ADTV by Product Type

- Domestic ETF AUM shrinks the gap with Bond ETF
 - Bond ETF 70% (2020) -> 52% (2023.2); Domestic ETF 15% -> 35%
- Average Daily Trading Value is around 480 million USD, leverage ETF and domestic ETF take around 70%. Day trades boost liquidity.

AUM Breakdown



ADTV Breakdown

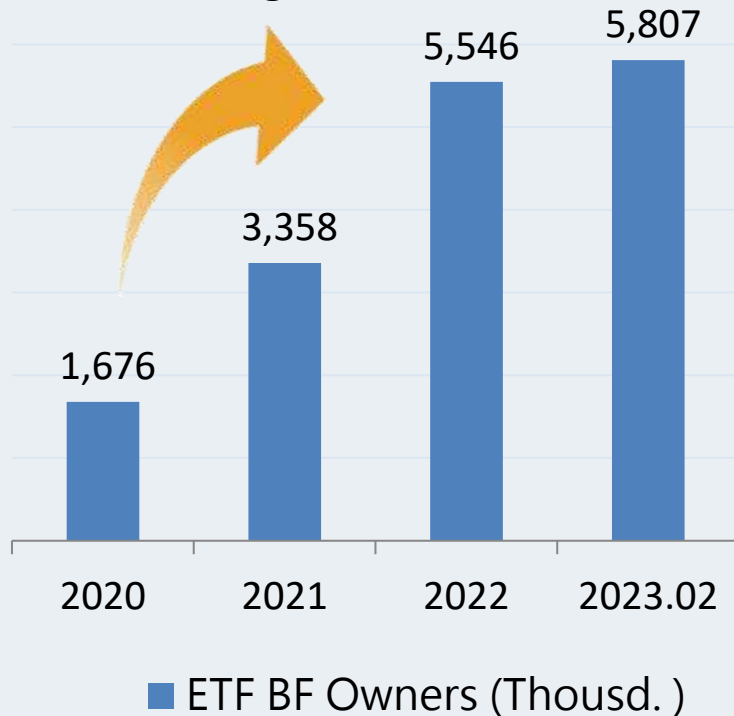


Strong Increase in Investor Participation

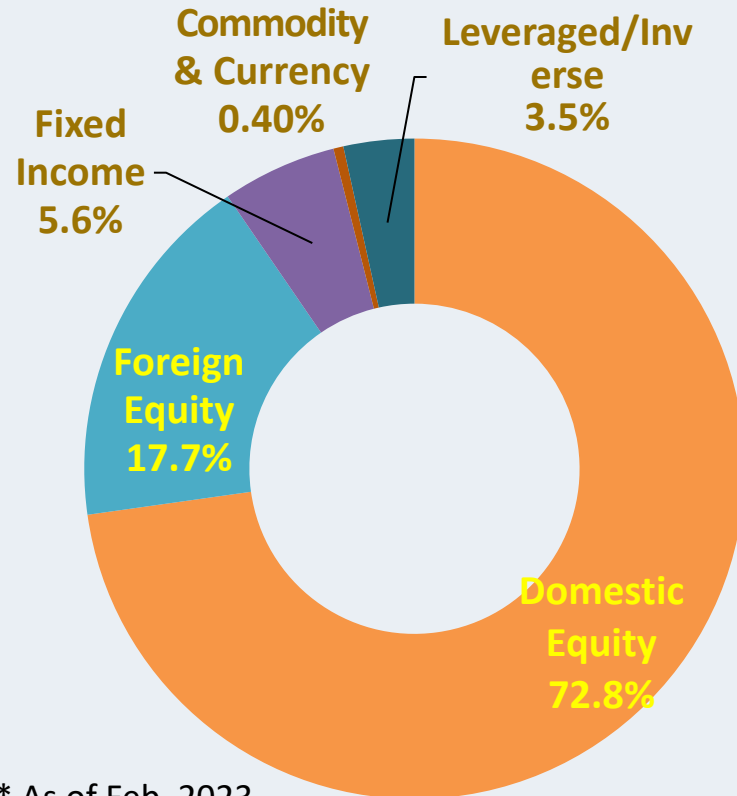
- ETF Beneficial owners has tripled than in 2020.
- Bond ETF mostly hold by insurance co.
- Domestic ETF has around 4.2 million BF owners.

2020

- Odd lot trading



ETF BF Owners distribution



* As of Feb. 2023

ETF Liquidity Provider

Market Making

- Every ETF must provide at least 1 LP by rule.
- There are over 2 LPs for every ETF and average LP is around 6 (LPs/ETFs).

Obligation

- TWSE monitors order book closely. ASM will get verbal warning on the first time for its designated LPs fail to provide required quotation and will get written fine penalty for the second time.

Incentives

- Commission rebate rate is around 52.9%.
- Tick size is around 25 bps.

Thematic ETFs Focusing on ESG and Dividends

New Listing ESG ETF	Listing date	Beneficiaries as of 2023/3/17	% change in Beneficiaries since listing
Fubon Global ESG Green Energy ETF (ICE)	2022/10/20	1,609	+41%
Capital TIP Customized Taiwan ESG Low Carbon 50 ETF	2023/3/8	33,213	+30%

New Listing high dividends ETF	Listing date	Beneficiaries as of 3/17 2023	% change in Beneficiaries since listing
Fubon Global Dividend REITs and Infrastructure ETF (S&P)	2022/5/20	5,564	+86%
SinoPac Taiwan Superior Dividend Highlight Stocks ETF	2022/5/24	19,105	+137%
KGI Taiwan Premium Selection High Dividend 30 ETF	2022/8/9	11,083	+24%
Capital TIP Customized Taiwan Select High Dividend ETF	2022/10/20	22,310	+78%
United Taiwan High Dividend Recovery 30 ETF	2022/11/24	3,035	+342%

Ongoing Endeavors



- **Expand product line**
 - Active ETF, multi-asset ETF
 - **Introduced ETN in 2019**; now lists 30 ETNs with a value of US\$1billion; launched a covered call ETN in 2022.
- **Deepen global partnership**
- **Market promotion and education**
 - Competitions, incentive schemes;
 - Lottery drawing to encourage online and offline learning.



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Thank You

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