



AmInvestment Bank

ETF Report

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FBM KLCI ETF

(FBM30 MK EQUITY, FBMT.KL)

09 July 2025

Bursa ETF Watch: Turned bullish on AI and DC

HOLD

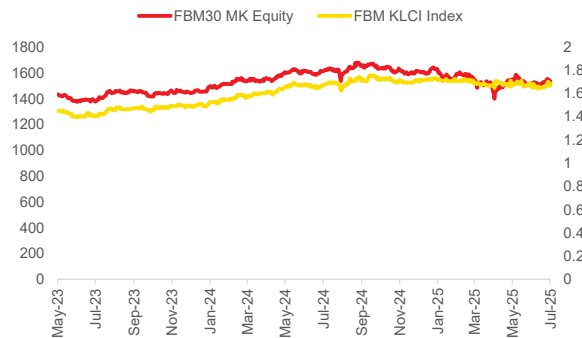
(Maintained)

Rationale for report: ETF update

Price RM1.67
 Target Price RM1.82
 52-week High/Low RM1.78/RM1.63

Key Changes

Fair value



Source: Bloomberg

Stock and Financial Data

Shares Outstanding (million)	3.344
Market Cap (RM mil)	5.53
NAV (RM/share)	1.67
P/NAV (x)	1.01
Premium/Discount (%)	0.88
MER (%)	0.59
Major Shareholders	n.a.
Free Float (%)	100

What is an ETF?

Exchange Traded Funds (ETFs), are open-end index tracking funds or trusts that are listed and traded real time on a stock exchange. An ETF is a security that tracks an index, a commodity or a basket of assets like an open-end investment fund, but trades on an exchange like a stock. Since ETFs are bought and sold on an exchange like shares, ETFs are priced and traded throughout the day. Essentially, ETFs combine the characteristics of an open-end fund and a stock.

What are the advantages of ETFs?

ETFs combine the benefits of stocks, unit trusts and index funds because they share common characteristics:

1. Easy access to diversification - own a basket of securities e.g. an entire market, country or region with a single trade.
2. Flexibility - buy and sell during trading hours just like a stock.
3. Low cost - low management fee and no upfront fee.
4. Transparency - you know what you are buying as the underlying securities are disclosed. Prices are available real-time throughout the trading day.
5. Liquidity - Investor can redeem units easily and obtain cash by the 2nd market day after trade date (T+2).
6. Affordability - For a small sum of money, you can invest in your desired securities investment.

Fund description and objective: FTSE Bursa Malaysia KLCI exchange-traded fund (FBM KLCI ETF) is a passively managed index fund aiming to achieve a price and yield performance, before fees, expenses and tax, that should be generally similar to that of the FTSE Bursa Malaysia Large 30 Index, balanced with the need to facilitate liquidity provision. The fund invests all of its assets in the constituents of the benchmark index of Malaysia.

Investment Highlights

- We maintain HOLD on FTSE Bursa Malaysia KLCI ETF with a higher TP of RM1.82 (previously RM1.80) based on Am's TPs (for stocks under coverage) and consensus TPs (for stocks not under coverage/restricted).
- This translates to an implied upside of 9%, largely driven by banking sector resiliency, which forms 40% of total NAV. While we expect moderating loans growth and ROE expansion, asset quality remains stable.
- Our higher TP is supported by Am's recent upgrades on Tenaga Nasional and Gamuda, which makes up 15% of total NAV. We recently turned bullish on the AI (artificial intelligence) and DC (data centre) theme, following the rescission of the AI diffusion rule and reaffirmation of hyperscaler capex commitments. This offsets a lower TP for YTL Power. We also update our model, to incorporate the semi-annual FBM KLCI review, where Hong Leong Financial Group was replaced by AMMB Holdings.
- **Tenaga Nasional.** We upgraded TNB to a HOLD (from UNDERWEIGHT) with a higher TP of RM14.18 (previously RM12.60) supported by favourable RP4 parameters and stabilizing coal prices and anticipations of stronger electricity demand amid rapid rollouts of domestic AI data centres.
- **Gamuda.** We upgrade Gamuda to BUY (from HOLD) with a TP of RM5.50. This TP implies a premium CY26 PE ratio of 21.5x, backed by strong pipeline of contract wins particularly in domestic data centres, public infrastructure and overseas project wins in both Australia and Taiwan.
- **YTL Power.** We have slashed YTLP's TP to RM4.37 (from RM 4.85) due to lower tariffs, weaker demand, and rising competition in YTLP's Seraya. However, we remain optimistic on YTLP for its Wessex Water earnings turnaround and upside potential from data centre operations, with more data centre off-takers secured.

EXHIBIT 1: FUND INFO

Date of inception	19-Jul-07
Shariah compliance	No
ISIN	MYL0820EA000
Stock code	0820EA
Short name	FBMKLCI-EA
BB ticker	FBM30 MK Equity
Benchmark index	FTSE Bursa Malaysia KLCI
Min tradable lot	100
Min creation/redemption value (mil)	1.398
Website	https://www.aminvest.com/fbmklici

Source: AmInvestment Bank, FBMKLCI - EA (as at 09-July-2025)

EXHIBIT 2: MANAGEMENT

Fund manager	AmFunds Management Berhad
Investment manager	AmInvestment Management Sdn Bhd
Trustee	HSBC (Malaysia) Trustee Berhad
Shariah Adviser	n.a.
	"Maybank Investment Bank Berhad
Participating dealer	AmInvestment Bank Berhad
	CGS-CIMB Securities Sdn Bhd
Market Maker	AmInvestment Bank Berhad
	Malacca Securities Sdn Bhd

Source: AmInvestment Bank, FBMKLCI - EA (as at 09-July-2025)

EXHIBIT 3: DIVIDEND YIELD

Year	Dividend (sen)	Yield (%)
2025 - YTD	1.4	0.85
2024	2.8	1.60
2023	3.04	1.99
2022	3.70	2.39
2021	5.2	3.27
2020	2.3	1.35

Source: AmInvestment Bank, FBMKLCI - EA (as at 09-July-2025)

EXHIBIT 4: MANAGER PERFORMANCE

Year	Tracking error (%)
1M	0.54
1Y	2.41
3Y	0.33
5Y	0.33

Source: AmInvestment Bank, Bloomberg

EXHIBIT 5: TOTAL RETURN

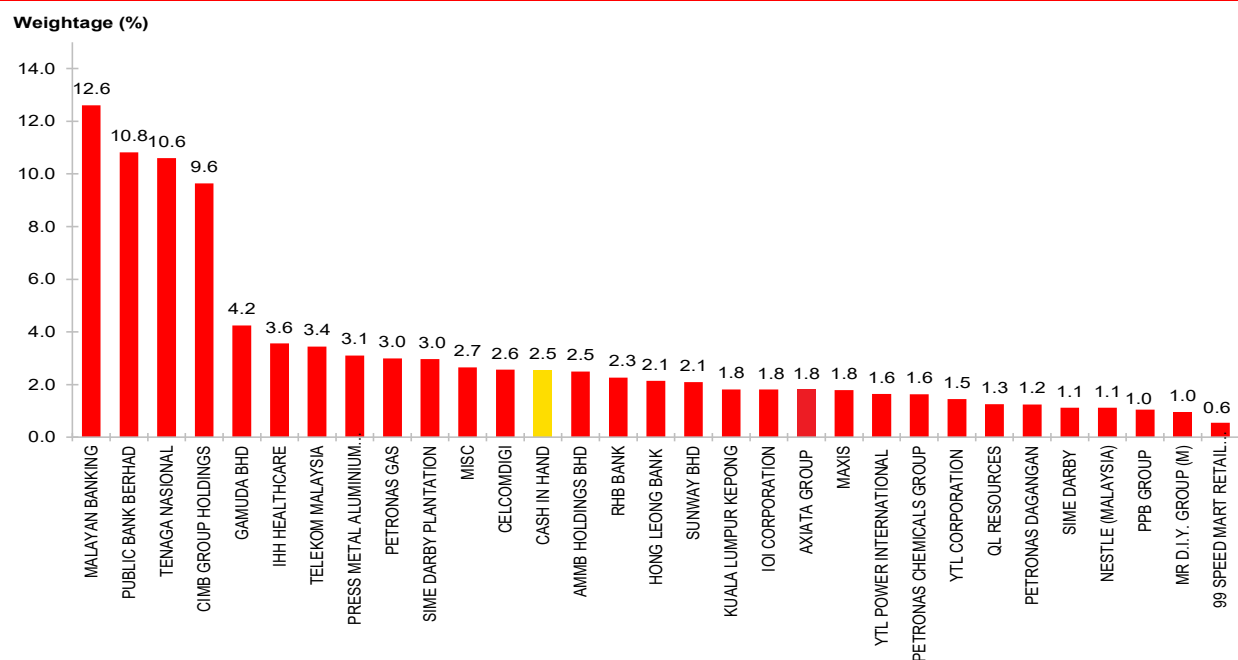
Year	Fund total return (%)	Benchmark performance (%)
2025 - YTD	-3.15	-6.97
2024	15.94	12.79
2023	-0.05	-2.74
2022	-1.37	-0.66
2021	-0.97	0.33
2020	4.09	5.69

Source: AmInvestment Bank, FBMKLCI - EA (as at 09-July-2025)

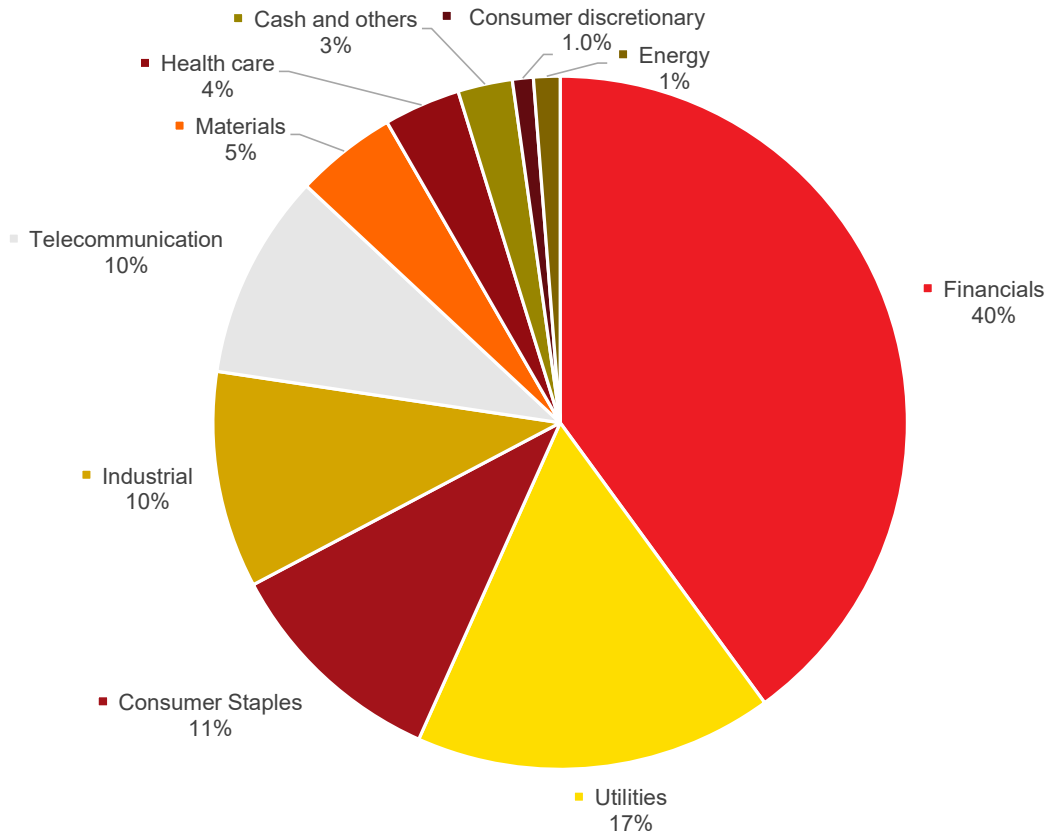
EXHIBIT 6: FBM KLCI ETF– NAV AND FV

Stock	No. of shares	Share Price (RM)	Market Value (RM)	TP (RM)	Source	Target Value (RM)
PRESS METAL ALUMINIUM HOLDINGS	32,400	5.29	171,396	6.18	Consensus	200,232
PPB GROUP	5,600	10.34	57,904	16.65	AmBank	93,240
RHB BANK	19,600	6.38	125,048	7.58	AmBank	148,568
CIMB GROUP HOLDINGS	78,800	6.75	531,900	8.11	AmBank	639,068
HONG LEONG BANK	6,000	19.72	118,320	26.40	AmBank	158,400
MALAYAN BANKING	71,600	9.72	695,952	9.30	AmBank	665,880
PUBLIC BANK	138,000	4.33	597,540	5.20	AmBank	717,600
PETRONAS CHEMICALS GROUP	26,400	3.40	89,760	4.70	AmBank	124,080
PETRONAS GAS	9,200	17.98	165,416	18.60	AmBank	171,120
CELCOMDIGI	36,400	3.88	141,232	3.85	AmBank	140,140
IOI CORPORATION	26,400	3.78	99,792	4.05	AmBank	106,920
KUALA LUMPUR KEPONG	4,800	20.94	100,512	21.71	AmBank	104,208
AXIATA GROUP	42,400	2.34	99,216	1.95	AmBank	82,680
IHH HEALTHCARE	29,200	6.72	196,224	8.60	AmBank	251,120
MAXIS	27,200	3.62	98,464	4.20	AmBank	114,240
MISC	19,200	7.62	146,304	8.50	AmBank	163,200
PETRONAS DAGANGAN	3,200	21.42	68,544	20.37	Consensus	65,184
SIME DARBY	37,600	1.65	62,040	2.03	Consensus	76,328
TELEKOM MALAYSIA	28,000	6.80	190,400	6.60	AmBank	184,800
TENAGA NASIONAL	42,400	13.80	585,120	14.18	AmBank	601,232
SD GUTHRIE	34,400	4.77	164,088	4.89	AmBank	168,216
NESTLE (M)	800	77.10	61,680	73.00	AmBank	58,400
MR D.I.Y. GROUP (M)	31,200	1.70	53,040	1.90	AmBank	59,280
QL RESOURCES	15,200	4.57	69,464	4.79	Consensus	72,808
YTL CORPORATION	33,200	2.42	80,344	2.72	Consensus	90,304
YTL POWER INTERNATIONAL	23,200	3.91	90,712	4.37	AmBank	101,384
SUNWAY	23,600	4.89	115,404	5.19	Consensus	122,484
GAMUDA	47,200	4.96	234,112	5.50	AmBank	259,600
99 SPEED MART RETAIL HOLDING	13,600	2.25	30,600	2.60	AmBank	35,360
AMMB HOLDINGS	26,400	5.23	138,072	5.99	Consensus	158,136
Cash In Hand			140,672			140,672
NAV			5,519,272			6,074,884
NAV/unit			1.65			1.82

Source: Bloomberg, AmInvestment Bank, FBMKLCI- EA (as at 09-July-2025)

EXHIBIT 7: FBM KLCI ETF– NAV AND FV


Source: Bloomberg, AmInvestment Bank, FBMKLCI- EA (as at 09-July-2025)

EXHIBIT 8: FBMKLCI-EA - SECTORAL WEIGHTING (%)

Source: FBMKLCI-EA, AmlInvestment Bank (as at 09-July-2025)

EXHIBIT 9: PERFORMANCE

Total return (%)	1M	3M	6M	1Y	3Y	5Y
Price	-0.60	-0.60	-4.87	-1.48	9.93	1.84
NAV	0.41	0.22	-6.78	-3.88	9.29	3.68
Benchmark	0.73	5.83	-5.39	-5.18	6.14	2.13

Source: Bloomberg (as at 09-July-2025)

EXHIBIT 10: GLOSSARY

Creation Application	An application to create new Units
Redemption Application	An application to redeem existing Units
Creation Unit Block	The quantity of Units which will be issued upon a successful Creation Application in respect of one whole In-Kind Creation Basket. This quantity of Units may change from time to time as determined by the Manager, approved by the Trustee and notified to the Participating Dealers.
Redemption Unit Block	The quantity of Units which are required to be delivered to the Trustee in exchange for one whole In-Kind Redemption Basket in a Redemption Application. This quantity of Units may change from time to time as determined by the Manager, approved by the Trustee and notified to the Participating Dealers.
Creation Securities	The Permitted Investments which, together with the Cash Component (if any), comprise an In-Kind Creation Basket or multiples thereof, are required to be deposited with the Trustee (but which shall not form part of the Fund Assets until such time as the Creation Application is successfully completed) by or for the account of a Participating Dealer pursuant to an approved and successful Creation Application submitted by that Participating Dealer.
Redemption Securities	The Permitted Investments which, together with the Cash Component (if any), comprise an In-Kind Redemption Basket or multiples thereof, are to be distributed from the Fund to or for the account of a Participating Dealer pursuant to an approved and successful Redemption Application submitted by that Participating Dealer in accordance with the provisions of the Deed.
Tracking error	The volatility from the average of excess returns versus the benchmark of defined granularity over the timeframe specified. Tracking error is used as a measure of quality of benchmark tracking.

For more info on the definition of ETF and benefits of investing in it, kindly refer to <http://www.bursamarketplace.com/mkt/themarket/etf>.

For more info about the ETF, kindly refer to the fund's website, Bursa's website or its prospectus.

EXHIBIT 11: PERFORMANCE

BUY	Minimum expected total return (capital gains + dividend yield) of 15% over a period of 12 months.
HOLD	Expected total return (capital gains + dividend yield) of between <+15% and >-15% over a period of 12 months).
UNDERWEIGHT	Minimum expected negative total return (capital gains + dividend yield) of 15%–20% over a period of 12 months.
SELL	Minimum expected negative total return (capital gains + dividend yield) of >20% over a period of 12 months.
UNRATED	Stock not within AmBank Research regular coverage; AmBank Research does not have a view on its fair value and valuation.
ACCEPT OFFER	Shareholders are recommended to accept the offer of share acquisition after an evaluation by the analyst that shows the offer is "fair and reasonable", providing an exit opportunity to the shareholders to realise their investment in cash at the offer price.

Source: AmInvestment Bank

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