



Press Release

15<sup>th</sup> July 2011

***MIRAE ASSET AGREES TO ACQUIRE MAJORITY STAKE IN BETAPRO, A LEADING CANADIAN ASSET MANAGER SPECIALIZING IN INNOVATIVE ETFs***

Hong Kong (July 15 • 2011) – Mirae Asset Financial Group (“Mirae Asset”) today announced that it has agreed to acquire 85% of BetaPro Management Inc. (“BetaPro”) for C\$127.5 million (US\$131.5 million). BetaPro together with its subsidiary, AlphaPro Management Inc (“AlphaPro”), manage the Horizons family of Exchange Traded Funds, the largest ETF family in Canada with more than 70 ETFs listed on the Toronto Stock Exchange and C\$3 billion (US\$3.1 billion) in Assets under Management<sup>1</sup>. BetaPro is a pioneer in the ETF market, having launched a number of the first leveraged and inverse commodity ETFs in the world.

Under the agreement, Mirae Asset and the minority shareholders in BetaPro (current management) will also own stakes of 80% in AlphaPro Management Inc. (“AlphaPro”) and 40% in BetaShares Holdings Pty. Ltd. (“BetaShares”). AlphaPro is an innovative financial services company specializing in actively managed ETFs, and currently offers the largest suite of actively managed ETFs in the world. BetaShares is a rising ETF company based in Australia.

Upon completion, Mirae Asset gains a foothold in the Canadian and Australian markets. Using potential synergies between Mirae Asset’s global network and BetaPro’s expertise, Mirae Asset will expand its ETF business in the global markets.

Mirae Asset’s TIGER ETF, which is listed on the KRX (Korea Exchange) and HKEX (the Stock Exchange of Hong Kong Limited), had assets of approximately US\$1.1bn as of June 30, 2011. Mirae Asset’s global ETF assets under management will be approximately US\$4.2bn when BetaPro and its affiliates are acquired.

Assets in ETFs globally are expected to increase 20-30% annually over the next few years. Industry experts expect global ETF AUM to reach approximately US\$2 trillion by early 2012 from just US\$74 billion in 2000<sup>2</sup>. In particular, the Australian ETF market, which BetaPro has considerable exposure to through its Australia-based ETF firm BetaShares, is believed to be

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<sup>1</sup> BetaPro, June 30, 2011.

<sup>2</sup> Blackrock ETF Landscape, Industry Highlights, end-H1, 2011

on an aggressive growth path. Although the Australian ETF market is still in its infancy, its rich natural resources and economic growth potential can create a positive atmosphere for the development of its ETF market through robust economic growth.

According to **Adam Felesky, CEO of BetaPro**: “When combining Mirae Asset’s accumulated expertise in emerging market investing with BetaPro’s differentiated ETF products, focusing considerably on developed Canadian and Australian markets, a far greater level of synergy can be achieved.”

**Hyeon-Joo Park, Chairman and Founder of Mirae Asset**, says: “Mirae Asset respects the current management skills of BetaPro and sees them as an integral part of the future of Mirae Asset.” He adds: “Mirae Asset is traditionally very strong in actively managed products and through this transaction we expect to offer our clients a more diversified product line-up with a varied and high quality suite of ETF products. Mirae Asset is planning to increase its overseas investment over the next several years, based on a combination of robust growth in the domestic and overseas markets.”

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#### **About Mirae Asset:**

Mirae Asset Financial Group is a leading independent financial services group in Asia, headquartered in Seoul, South Korea. While the group’s core business is asset management, it also provides comprehensive financial services in the areas of wealth management and life insurance.

Mirae Asset Global Investments Group is the asset management arm of Mirae Asset Financial Group. It is one of the largest investors in emerging market equities<sup>3</sup>. With around 550 employees, including more than 190 dedicated investment professionals (as of 30 June 2011), Mirae Asset Global Investments Group has a presence in Hong Kong, China, Korea, India, Vietnam, Taiwan, Brazil, the United Kingdom and the United States. Mirae Asset Global Investments Group manages over US\$53 billion in assets globally (as of 30 June 2011).

[www.miraeasset.com](http://www.miraeasset.com)

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<sup>3</sup> One of the largest investors in emerging market equities amongst 54 asset management firms surveyed – Investing in Emerging Market Equities Survey, Investment & Pensions Europe (IPE), Jan., 2011

**For further enquiries:**

Jasmine Yap, Citigate Dewe Rogerson  
[jasmine.yap@citigate.com.hk](mailto:jasmine.yap@citigate.com.hk)

+852 - 3103 0108

Jason Tse, Citigate Dewe Rogerson  
[jason.tse@citigate.com.hk](mailto:jason.tse@citigate.com.hk)

+852 - 3103 0106

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