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# Maybank Asset expects RM20b AUM by year-end

> Intends to expand retail business and introduce more Islamic funds, forge partnerships, collaborations

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**KUALA LUMPUR:** Maybank Asset Management (MAM), which yesterday launched its first Islamic equity fund under the Asean passport framework, expects to grow its assets under management (AUM) to over RM20 billion by year-end from RM15.2 billion as at end-March 2015.

Speaking to the reporters after the fund launch, MAM CEO Nor' Azamin Salleh said the group aims to grow its AUM by 21% this year, matching the growth it saw last year.

"We grow the retail business and introduce Islamic funds (as well as through) partnerships and collaborations," MAM regional head of sales and marketing Christopher Geh said when asked about the strategies to grow its AUM.

For syariah-compliant assets, it expects to reach RM9 billion by year-end versus RM6 billion as at March 31, 2015.

The newly-launched Maybank Bosera Greater China Asean Equity-i Fund is aimed at tapping the huge potential in the equity markets within Greater China and Asean.

The fund, which is targeting returns between 7% and 12% annually on a three-year rolling basis, will be made available to investors in Thailand, Singapore, Hong Kong and China. The minimum initial investment for retail investors is RM1,000 or US\$1,000.

"We're looking to offer the fund to Chinese investors beginning next year," Nor' Azamin said.

Geh is hoping the fund raises RM70 million to RM100 million in Malaysia within a year.

The fund will invest a minimum of 35% of its net asset value each in Greater China and Asean equity markets, while 2-35% will be invested in Islamic liquid assets, including Islamic money market instruments, as well as placement in Islamic



From left: Maybank Islamic Asset Management chairman Datuk Azian Mohd Noh, Cheng, head of group global banking Amirul Faisal and Nor' Azamin at the launch of Maybank Bosera Greater China Asean Equity-i Fund in Kuala Lumpur yesterday.

deposits for liquidity purposes.

Bosera Asset Management (International) Co Ltd deputy CEO and chief portfolio strategist Conrad Cheng said consumer and infrastructure-related sectors are in favour of Greater China.

He said China's growth drivers are the country's structural reform, easing monetary cycle and infrastructure spending dubbed "one belt, one road".

Cheng said in the short term, there are concerns over China, especially the stretched valuations seen in some IT stocks.

"Over the long term, China would still be a bull market. China is very policy-driven, the whole country is going into tipping point where throughout different stages, the Chinese leaders have successfully put on different reforms and initiatives," he explained.

Bosera's AUM stands at about US\$44 billion and the company has been managing sovereign wealth funds and government

pension funds.

Meanwhile, MAM regional head of equities Robin Yeoh said the Asean stock market is likely to consolidate in the next three to six months due to slower economic growth and lower corporate earnings.

However, he said Asean could regain momentum if Indonesia and Thailand ramp up infrastructure spending and there is a rebound in global crude oil prices.

Yeoh said although Asean is not as attractively valued as China and Hong Kong, but it is not expensive, with a price-to-earnings ratio of 14 to 15 times.

He noted that Asean's long-term growth will be driven by the region's dynamic growth, growing population and favourable demographics.

On a potential interest rate increase in the US in June, Yeoh said that it will not lead to a big sell-off in the Malaysian stock market as it has already been factored in by investors. "People are already expecting it, that's why the ringgit has weakened," he added.