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## Hard work pays off

CEO Ahmad Najib Nazlan has played an instrumental role in growing Maybank Asset Management Sdn Bhd. He talks about the firm's strategies, his career milestones and what retail investors can do to weather the current economic landscape. Turn to Page 6 for the story.

# HARD WORK PAYS OFF

BY KUEK SER KWANG ZHE

**A**hmad Najib Nazlan believes that hard work and tenacity are the keys to making it in life. These values have stood him in good stead throughout his career. The CEO of Maybank Asset Management Sdn Bhd (MAM) has played an instrumental role in growing the firm since he joined in April 2018. He played a key part in the fund house's acquisition of Amanah Mutual Bhd (AMB) and Singapore Unit Trust Ltd from Permodalan Nasional Bhd last year. The move has broadened the firm's offerings and enhanced its fund management capability across various asset classes.

"On the global front, we have also partnered international fund houses such as the Bank of New York Mellon, Schroders, Azimut Holding [an Italian asset management firm] and Value Partners to access the European and Chinese markets," says Ahmad Najib.

With the acquisition of AMB, the firm ventured into the retail market for the first time in its history. Previously, it was in the institutional and wholesale fund space.

To grow the retail segment further, Ahmad Najib has brought in veteran fund manager Chen Fan Fai as head of investments (unit trusts). Chen was previously chief investment officer at Eastspring Investments Bhd.

The firm's in-house capability in managing investments in Southeast Asia has reaped positive results. For the first time, the fund house won two awards at the 2019 Lipper Fund Awards from Refinitiv. It won the award for Best Equity Group while its internally managed regional fund — Maybank AsiaPac ex-Japan Equity-i — took home the award for Best Equity Asia-Pacific ex-Japan (Islamic) in the three-year category.

MAM's efforts have made it the seventh largest player in the local asset management industry. Ahmad Najib's next goal is for it to become one of the top five asset management firms in the country in the next three to five years. "That is the mission and we are on track. We are currently growing faster than the overall market and we hope to sustain the momentum," the 43-year-old tells *Personal Wealth*.

He says MAM's assets under management (AUM) grew 34% last year. As at end-July, the fund house's AUM stood at RM25.2 billion.

This compares with the 4.2% decrease in the AUM of the overall asset management industry and the 1.16% decline in the AUM of the unit trust industry during the same period, according to the statistics provided by the Securities Commission Malaysia.

## HUMBLE BEGINNINGS

It has been a long road getting to where Ahmad Najib is today. Growing up in a lower-middle-income family, he had to support the family financially from a young age. This eventually led him to join the financial industry.

Ahmad Najib's father was a government servant who had to continue working after the retirement age to support the family. He recalls his father travelling to work every day by

taking the pink Bas Mini Wilayah. Even then, the family found it tough to make ends meet.

Even after Ahmad Najib secured a scholarship to pursue a Bachelor of Business Administration (finance) at Universiti Teknologi Mara, he had to send home whatever money he could save. In his free time, he started small businesses such as selling jeans to generate income for his daily expenses.

"That was how I grew up. And it always made me think about how I could do better to improve my financial situation," says Ahmad Najib.

After graduating, he joined Hong Leong Bank Bhd as an executive. His job scope included selling credit cards and managing clients' bank accounts.

Two years later, Ahmad Najib saw an advertisement in the newspaper for a junior position at Bank Negara Malaysia. As it was a more prestigious job, he wondered if he would be able to get the position as many were vying for it.

"I knew for a fact that typically, those who interviewed for a job at Bank Negara were either graduates of Ivy League schools or scholars. I was just a local graduate," says Ahmad Najib.

Nevertheless, he applied for the position and was selected to join the central bank. When asked how he managed to stand out from the crowd, he attributes it to his straightforward nature. "I am a very frank person. What you see is what you get. I do not pepper my conversations with things I do not know."

"Later on, I had to work much harder than many of my peers who graduated from Ivy League schools. I had to fight for the opportunity to be involved in projects."

Ahmad Najib worked under Tan Nyat Chuan, who was previously assistant governor at Bank Negara. Tan became one of his mentors.

"He was a very tough boss, but he was a really good one too. He was the one who taught

me the Chinese saying, 'I have eaten more salt than you have eaten rice' [meaning one who has been around longer and has more experience than the other]," says Ahmad Najib.

At the central bank, he learnt about foreign currencies and monetary policy. He was also a member of the team that drafted the blueprint for the Malaysia International Islamic Financial Centre in the early days. The centre, which was launched in 2006, was an initiative by financial market regulators and government agencies dedicated to developing the country's Islamic finance market.

Ahmad Najib undertook part-time studies for a Master of Business Administration in Islamic Finance at the International Islamic University Malaysia while he was still working at the central bank. When most of his colleagues had gone home for the day, he would stay in the office to work and study.

"This is one of the messages I have brought to my team here. Be the hardest working guy in the room. You will not regret it. Even if you are not the most intelligent, if you are willing to learn and work hard, you can be good [at what you do]," he says.

## JOINING THE PRIVATE SECTOR

Ahmad Najib says his experience with Bank Negara was a very rewarding one as it was a good training ground for someone who wanted to know more about the financial markets. He resigned from the central bank after working there for about 4½ years to join the private sector.

Ahmad Najib recalls the financial difficulty he was in after he was involved in a car accident at 3am one day as he was driving home after a long meeting at the central bank treasury. "When I got into the accident, I knew I only had RM50 in my bank account. The insurance covered the car, but what about the cost of the tow truck and other expenses? I stood there thinking, 'How will I pay for all these?'"



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> Ahmad Najib



## Invest in the things you know

Ahmad Najib Nazlan, CEO of Maybank Asset Management Sdn Bhd, has some advice for investors in the current landscape. The most important are not to invest in things you do not understand and do not try to time the market.

He learnt his first lesson on investing when he was still at university. He had saved a portion of his scholarship money, which was meant for his living expenses, to invest in stocks and futures contracts. He made some investments on the recommendation of a remisier, only to lose all of his money later.

"I did not know what I was investing in and we did not have the internet back then [to provide easy access to

information]. On hindsight, the remisier was not intuitive enough to react to the markets and the firm he worked with does not exist anymore," says Ahmad Najib.

The level of financial literacy in general was very low at the time and people did not even know basic things like whether or not the investment they made through an intermediary was legitimate. The same issue continues to exist today, but to a lesser extent, he adds.

Ahmad Najib says investors should not try to time the market, which means making investment decisions by anticipating short-term market movements. "The market is so big and diverse. Timing the market

is like timing your death. It is just impossible."

Instead, investors should identify companies with strong fundamentals and invest in them consistently over the years. "Having a good financial adviser who can help you build a diverse portfolio is also important," he adds.

In the current economic and political environment, Ahmad Najib has a more positive view of bonds compared with equities. He favours investment-grade bonds over high-yield ones in volatile markets. That is because stock markets around the world are being impacted by the ongoing US-China trade war.

For equities, Ahmad Najib favours those in a few Southeast Asian

SUHAIMI YUSUF/THE EDGE



"Serving the interests of the nation was important to me. But I also had to make ends meet because I was supporting my family, especially my siblings. It was then that I decided to go into the private sector."

In the end, he had to call a friend to borrow some money from him.

After leaving the central bank, Ahmad Najib joined Malaysian Rating Corp Bhd as a senior analyst in 2006. He then spent almost two years working at Citibank Bhd and JP Morgan Chase Bank Bhd. Later, he took on the role of senior vice-president and head of treasury at Bank Muamalat Malaysia Bhd. He was also executive director of Muamalat Invest Sdn Bhd, the bank's asset management arm.

In 2012, Ahmad Najib joined Amundi Malaysia Sdn Bhd as executive director and senior portfolio manager. He was then promoted to chief investment officer overseeing the firm's global sukuk and Malaysia fixed-income in-

vestments. Amundi is a French asset management company and one of the world's top 10 investment companies in terms of AUM.

These experiences gave him exposure to the wholesale and retail markets. His time at Muamalat Invest also gave him a view of the local market and how it operates in terms of balance sheet and capital management. At Amundi, he was involved in global operations, especially in the areas of global sukuk and domestic fixed income.

A few years later, Ahmad Najib received a call from Maybank Asset Management Group asking if he was interested in taking on the role of CEO at Maybank Islamic Asset Management (MIAM). Initially, he was not particularly interested in the offer.

However, the group's representatives continued to show interest in hiring him. This eventually led to a meeting about half a year later between Ahmad Najib and Datuk Mo-

haiyani Shamsudin, the then chairman of Maybank Asset Management Group, and Datuk Azian Mohd Noh, the then chairman of MIAM.

"They shared their vision of how they wanted to grow the company and that they needed the right guy to help them develop the Islamic business and manage the investment side of things while establishing relationships with corporate and institutional clients. After giving it some thought, I decided to join the firm, partly because Datuk Azian and Datuk Mohaiyani were very convincing," says Ahmad Najib.

In 2015, he was appointed CEO of MIAM. He took the helm at MAM in April last year.

#### AIMING FOR THE TOP FIVE

Ahmad Najib's journey of about four years with Maybank Asset Management Group has been a challenging but exciting one. The challenging part for him and the board was deciding on the direction of the firm and how to grow the business.

"We were involved in many discussions. From the perspective of our parent company, Malayan Banking Bhd (Maybank), would we become an integral part of its business? And if yes, what would our value proposition be to our parent company and clients?" says Ahmad Najib.

After the discussions, he and the board decided to look for ways to grow the asset management business and determine the value proposition of the firm. "The asset management business is capital-light. Unlike banking, financing or leasing services, you do not need to tap into a massive amount of capital to run the business," says Ahmad Najib.

"An asset management firm manufactures and manages funds that are sourced from its investors. The minimum requirement to start such a business is RM10 million to comply with or meet the existing regulations."

On top of this, the group believed that there was potential for the firm to grow its unit trust business further. That is why Ahmad Najib recruited Chen.

"I brought him in because he is very experienced and has gone through several market cycles. In other words, he has eaten more salt than I have eaten rice when it comes to managing retail funds," he says.

Going forward, the firm will continue to improve its investment process. "We want to hire good and experienced people to add value to the process. We also want to institutionalise the investment process. We feel this is important so that we do not expose ourselves to risks if there is a movement of fund managers," says Ahmad Najib.

The firm aims to improve its product manufacturing capability by co-managing some of its global funds with its international partners, he adds. "Some asset management firms introduce global funds that feed investors' money into another fund fully managed by their international partners. But we do not do that. We negotiate with our partners and co-manage those funds with them.

"The things that the team learns during this process will be fed back into our investment process. We want to be involved in the investment process of these funds as much as possible."

Ahmad Najib wants to ensure that the employees at Maybank's branches who distribute the firm's products are capable of explaining the products and investment solutions to investors efficiently. "We have to simplify the message that we send them. If I were the man in the street, I would most probably not understand what was going on in the market," he says.

"We have to help customers relate to the products and solutions and help them make better investment decisions. I know such a gap exists because I was one of them at one point in time, growing up with the same problems they are facing. I know what their concerns and fears are. So, we want to bridge that gap." ■

countries, for example Indonesia, which is experiencing economic growth while having a large and young population.

"Indonesians have a tremendous purchasing power that is set to grow in the coming years. We like companies in the consumer and healthcare sectors," he says.

While real estate investment trusts (REITs) are a good way to diversify one's portfolio and represent an attractive asset class in volatile times, Ahmad Najib advises investors to take profit where necessary, especially in some REITs in the region whose prices have appreciated a lot.

Gold is more attractive now in the economy's late cycle, he adds. "Some

of our funds have slightly increased their allocation to gold. It is easier and cheaper for investors to access the precious metal through exchange-traded funds, although these are not common in Malaysia yet."

Ahmad Najib believes that peer-to-peer (P2P) financing is a viable and attractive instrument for retail investors. "There is a market in that space because the credit appetite of banks has shrunk in the economy's late cycle. As a result, certain parts of the economy are not being serviced by the banks. P2P platform operators can play a big role here if they have a proper system to assess and monitor companies' performances and have in place a proper recovery process when

defaults happen," he says.

"This market segment, consisting of small and medium enterprises, has been gaining ground in [regions such as] the EU, where there are more funds coming out to invest directly in private businesses. In Indonesia, P2P financing is gaining traction as well because there are a lot of mom-and-pop shops in the country that do not have access to funding. There are good businesses among them, representing good investment opportunities.

"You should not put all of your money in P2P financing. But you should not dismiss it completely either. It is a good instrument for portfolio diversification."