

MAYBANK ASSET MANAGEMENT

Building a foothold in Asia

By Sherilyn Goh

Maybank Asset Management (Maybank AM) is leveraging on global partnerships and innovation within its product space. In an increasingly competitive fund management landscape, the Malaysian firm is now looking beyond its home turf in ASEAN to building its foothold within Asia. Thanks to the expertise of its local country teams, Maybank AM is now catering to a fund size which has grown to 19.2 billion ringgit from a previous 17.9 billion ringgit as at 31 December 2015. This shows a remarkable 11% growth in a short two months into the year.

On winning *Asia Asset Management's* Best of the Best Award 2015 for Rising Star of Malaysia, Maybank AM Malaysia chief executive officer Badrul Hisyam says: "Our focus is to be a regional player in delivering top investment performance for our clients and also to build a wider distribution network in Asia via strategic alliances with leading and established foreign partners. We are also taking the lead in offering innovative products to sophisticated investors today such as absolute return and alternative investment funds. While we continuously work to meet the evolving needs of corporate and institutional investors, we are also developing more diverse investment solutions for retail investors.

In March 2015, the fund manager partnered with its sister company, Maybank Islamic Asset Management (MIAM), also the designated fund investment manager, to launch the Maybank Boseru Greater China Equity-I Fund – the first Islamic equity fund under the ASEAN passport framework, which offers investors an opportunity to tap into Greater China and ASEAN equities. As of January 31, 2016, the fund has 55.91 million ringgit under management.

Maybank AM is also collaborating with Australia's Hastings Management Pte Ltd – a global specialist infrastructure fund manager – in launching an unprecedented infrastructure pooled fund. Currently in the project pipeline, the fund aims to tap into Asia's growing infrastructure sector, particularly in emerging ASEAN economies, as well as India and China.

In addition, according to Mr. Badrul, Maybank AM is establishing partnerships in Japan, Australia, the Middle East and Europe in leveraging on local expertise in their respective region and to replicate the best practices in other countries. This is to maximise investment return on investment from these opportunities."



Badrul Hisyam

Mr. Badrul explains: "These collaborations place Maybank AM in a strategic position to capitalise on economies of scale, achieve efficient collective work processes, and to further expand Maybank's reach across the region.

Innovating within the alternative space

While focused on building its core expertise across fixed income and equities, Maybank AM also does not overlook the opportunities present in alternative asset classes. Maybank AM's Amanah Hartanah Bumiputera (AHB) fund was recognised by *AAM* for Best Islamic Product.

Launched in October 2010, AHB is the country's first *shariah*-compliant real estate-backed assets fund that invests primarily in commercial properties in prime locations within Malaysia.

As such, the fund, with a total of RM1.7 billion (\$420 million) under management, seeks to offer unit holders with a regular and consistent income stream. Since its launch, AHB has maintained an annualised yield of 6.5% which increased to 6.6% in 2014.

Mr. Badrul foresees 2016 to be a challenging year for investors. However there are investment opportunities especially in real estate funds as it is competitive compared to other asset classes. He remains upbeat that demand for real estate funds will continue to be strong in a climate of volatility which he expects to persist for at least the next two years.

He illustrates his point: "Real estate funds are primarily less volatile than other assets classes mainly due to the stable income provided by rental yields from underlying real estates. Further, over the long term, there is potential upside on the revaluation of assets that can provide optimum returns for the funds. Hence, investing in this kind of funds require more patience and strong holding power to ride through the upside in the longer term, compared to being just satisfied with slightly lower returns in the short term."

When asked about MAM's strategies for 2016, Mr. Badrul reveals that the fund manager is looking at innovating within both the traditional and alternative space. He cites *shariah* equities funds, sukuku, or a combination of either with a global flavour as some of the potential products that MAM is looking at, particularly as Islamic funds are becoming increasingly well-received by investors both domestically and globally. He adds that this will further strengthen both Maybank AM and MIAM's position as an upcoming global leader in the asset management industry. ■