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Maybank Asset Management debuts US-denominated global Sukuk fund

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Last week Maybank Asset Management (Maybank AM) announced the launch of the Maybank Global Sukuk Fund, the firm's debut US-denominated global Sukuk fund. Currently only available in Malaysia, the fund is aimed at investors with a moderate risk appetite and seeking regular income. REBECCA SIMMONDS takes a closer look at what the new fund has to offer.

Maybank AM anticipates that the new fund will complement and diversify investors' existing investment exposures in ringgit-denominated **Sukuk** funds and equity funds. According to Dealogic data, ringgit-denominated **Sukuk** leads the board with US\$19 billion of **Sukuk** issued in the past year. US dollar-denominated **Sukuk** are not far behind however, with a share of US\$17.9 billion of the market over the last 12 months and recent issuers such as Goldman Sachs, Hong Kong and South Africa choosing to utilize the currency for their issuances. These issuers are among the newcomers welcomed to the market in 2014, contributing to the total of new global **Sukuk** issuance for the year, which is expected to top US\$100 billion in volume by December.

Nor' Azamin Salleh, CEO of Maybank Asset Management Group, elaborates: "Increased demands and a burgeoning supply of global **Sukuk** funds are clear indications that global investors today understand Islamic instruments better and are seeking alternatives to other conservative options. With Malaysia in the limelight as an exemplary model to other jurisdictions, the launch of the fund is timely for us to ride on the wave of the growing momentum of increasing Islamic instruments acceptance. Despite offering the fund to Malaysia for now, we are in talks with our overseas counterparts to distribute the fund in other markets."

The open-ended product offers investment in a portfolio of **Sukuk** and Islamic liquid instruments with a medium to long-term investment horizon. Opened this week, the fund has an initial offer period of 21 days, which ends on the 17th November and a minimum investment amount of US\$1,000. As a global fund, the Maybank Global **Sukuk** Fund provides access to GCC economies and is also open to non-Muslim investors.