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## Maybank Asset to grow AUM to over RM20b in 2015

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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 asset under management (AUM) to over RM20 billion by year-end from RM15.2 billion as at end-March 2015.

Speaking to 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 of strategies to grow AUM.

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

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

The fund, which is targeting returns between 7% and 12% annually on a three-year rolling basis, will also 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 equities markets, while 2-35% will be invested in Islamic liquid assets including Islamic money market instruments as well as placement in Islamic 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 pointed out 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 has been managing the 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 that Asean could regain momentum if Indonesia and Thailand ramp up infrastructure spending and there is rebound in global 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 potential rate hike in the US in June, he said that it won't lead to a huge sell-off in the Malaysian stock market as it has already been factored in by the investors.

"People already expecting it, that's why the ringgit has weakened," he added.