



Malaysia's Maybank AM debuts new fund scheme in retirement suite

Malaysian asset manager's newest offering follows the rollout of its Maybank Global Wealth Moderate-I Fund and Maybank Global Wealth Growth-I Fund last year

By Peter Ortiz | February 15, 2023

Malaysia's **Maybank Asset Management** has launched a decumulation-focused shariah fund that complements two prior offerings and completes a trio of retirement products, according to the firm.

The Maybank Global Wealth Conservative-I Fund will invest a minimum 70% in shariah-compliant bond products, or sukuk, with the remainder allocated to equities and cash.

The fund "aims to deliver higher income payouts while drawing down capital to convert assets to income systematically...[and] to achieve an income distribution of 7% per annum," the firm notes in a release.

Maybank AM's newest retirement suite fund comes as the Covid-19 pandemic and stimulus withdrawals from Malaysia's pension scheme **Employees Provident Fund** has whittled down retirement savings.

The EPF announced at the end of 2021 that it was ending initiatives rolled out since 2020 that enabled members to make withdrawals due to financial hardships.

The EPF had **introduced** three withdrawal schemes and as of October 2021 a total of US\$24 billion was pulled out or the “equivalent to 22% of the total RM530 billion (US\$122 billion) of the government stimulus programme as support for Malaysians as a whole,” the EPF noted in a 2021 release.

The EPF’s gross income **dropped** 18% in the first nine months of 2022.

“An estimated four to six years are now needed to rebuild lost savings for retirement,” the fund manager notes in its release. “With longer life expectancy and higher cost of living due to inflation, market volatility and recession risks looming, Malaysians require a flexible retirement solution to ensure financial stability in their later years”.

On top of the pandemic hardships, Malaysians also have had to contend with rising inflation and cost of living, Maybank AM CEO Ahmed Muzni Mohamed says.

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“The beauty of Maybank’s Flexible Retirement Solution is that we have reframed the traditional age-based approach to retirement planning and made it appealing to a wider audience segment by designing solutions based on understanding and targeting Malaysians’ various life stages, time horizons and financial goals,” he notes.

In February last year, Maybank AM announced the **rollout** of its first shariah-compliant flexible retirement solution in Malaysia that could provide local investors with the option to choose and switch between two funds and share classes.

The Maybank Global Wealth Moderate-I Fund and Maybank Global Wealth Growth-I Fund invests in a diversified portfolio of shariah-compliant global assets.

The two funds aim to generate capital growth over the medium to long term, targeting a return of 6% to 8% annually, the fund firm noted in a statement. The moderate fund was made available in Malaysian ringgit-hedged accumulation and Malaysian ringgit-hedged distribution classes, while the wealth option was offered in a Malaysian ringgit-hedged accumulation class.

Maybank noted at the time that with its new retirement solution, Malaysian investors for the first time could choose and switch between the moderate and wealth schemes and share classes to better match their risk appetite throughout various life stages and plan their retirement better.

As with its newest fund, **Schroder Investment Management** Singapore was tapped as the investment advisor for the moderate and growth funds launched last year.

The U.K.-headquartered fund firm has been partnering with Maybank AM to develop specialised investment solutions since 2018, including the shariah-compliant environmental, social and governance funds in the country.

In 2019, Maybank AM **launched** its first global shariah-compliant multi-asset fund, which is also advised by **Schroders**.

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