MAYBANK ASSET MANAGEMENT SDN BHD

INVESTING THE WAY IT SHOULD BE

Ahmad Najib Nazlan, CEO of Maybank Asset Management Sdn Bhd

Award Category	Winning Fund
• Core Equity – Asia ex-Japan (Islamic)	**Maybank AsiaPac ex-Japan Equity-I Fund**
• Fixed Income – Malaysia	**Maybank Income Trust Fund**
• Fixed Income – Malaysia (Islamic)	**Maybank Dana Arif**

Maybank Asset Management Sdn Bhd is recognised as one of the pioneers in the Malaysian asset management industry. Its portfolio management services cater to all types of investors including corporate and institutions, high net-worth individuals and mass retail.

The company's strategic partnerships with reputable global asset managers enables it to provide clients access to over 300 investment strategies across a multitude of asset classes.

Maybank Asset Management CEO Ahmad Najib Nazlan provides an insight on how its business philosophy has evolved and had led to its continued success over the past three decades.

Smart Investor: How has Maybank Asset Management's business philosophy and strategy enabled it to be at the forefront of the unit trust industry?

Ahmad Najib Nazlan: Maybank Asset Management's commitment to excellence is based on our business philosophy of making "investing the way it should be" which embodies a culture of upholding the highest level of integrity, compassion and sustainability.

Integrity
We take pride in doing things right and acting in good faith at all times by putting integrity above all of our decisions to better achieve our clients' investment goals.

Compassion
We seek to improve lives by investing in high-quality long-term investments that are able to positively impact our clients, people and society.

Sustainability
We are passionate about performance and we strive to develop the confidence and clarity to deliver performance in a sustainable manner.

In order for us to be at the forefront of the unit trust industry, we feel that simplicity wins every time. We believe that investments should be explained in a plain simple language, without the exorbitant fees and is not time-consuming. We understand that investing can be challenging, hence our relationship managers, as well as investment managers, are ready to guide our clients to move forward, make better-informed decisions, and achieve sustainable performance all in a consistent and sustainable way.

Also, as one of the pioneers in the Malaysian asset management industry, with over 30 years of experience, we offer our clients a diverse range of investment solutions that matches their needs; our strategic partnerships with reputable global asset managers gives us the ability to provide our clients access to over 300 investment strategies across a multitude of asset classes.

Kindly elaborate on the expertise of your management team in charting the desired growth trajectory for your funds.

To achieve the desired growth for our funds, we've created a centralised purpose-built ecosystem to deliver better, more consistent returns. Our centralised investment platform combines the diversified strategies and views from our investment teams across the region that gravitates on our investment philosophy.

Our investment philosophy is founded on four key tenets: a long-term focus, active management, structure and discipline, and risk management. By following this philosophy, we strive to generate positive and consistent returns by adopting a long-term view through active management that is structured and disciplined, based on a rigorous risk framework.

Furthermore, our diverse specialist investment teams have an average of 20 years industry experience and are equipped with in-depth knowledge of their craft through multiple investment cycles, supported by a team of researchers and analysts. Our teams' experience and insights have continued to produce desirable results and growth throughout the years.

How do your fund managers control portfolio risk and time their investments to maximise returns?

Our fund management team possess a wealth of experience having navigated through multiple business cycles from the lows of the Asian Financial Crisis in 1998 to the highs of the Tech bubble in 2000 and, subsequently, the challenges during the Global Financial Crisis in 2008.

These experiences have helped us develop a framework that would anticipate the coming macro events that will affect both the fixed income and equity markets. This framework has continued to assist us in generating sustainable returns within tolerable risk budgets.

What are your key strategies to maximise returns for your fixed income funds?

The extreme low rates on US Treasuries recently have supported a rising demand for high yielding and high-quality investments. However, we are mindful of higher risk that comes with higher yields. This conducive environment for the fixed income market provides an opportunity for us to trade and enhance overall returns while cushioning the portfolio with good running yields.

Currently, we have a higher level of cash than usual for opportunistic participation during this intermittent profit taking period to maximise returns for our fixed income portfolios.

What are key obstacles facing fund managers in emerging markets and how can your fund managers overcome these challenges?

Emerging markets tend to be more volatile as compared to developed markets. These markets are more sensitive to the global macro environment as investment flows that affect emerging market currencies, fixed income and equities are often dependent on macro-economic considerations. Fund managers need to have a good understanding of the macro factors that can impact the investment flows into emerging markets.

What advice can you give investors seeking value amidst the volatility and uncertainty in the equity markets?

When investing in equity markets, investors need to be aware of the risks involved. Hence, the first advice we can give is that each investor must determine their own risk appetite and have an appropriate asset allocation. This will help the investor to ride out the volatility and uncertainty of the markets. For instance, an investor who has a low-risk appetite should then invest a smaller proportion of their portfolio in equity markets because though equities offer higher potential returns as compared to fixed income, it does pose a higher risk.

Secondly, in times of uncertainties such as today, investors should take a longer-term view on their investments as periods of deep value usually coincide with periods of extreme volatility and uncertainty in order to attain value. For example, the best value was found during the most extreme volatility during the Global Financial Crisis in 2008.

Thus, to weather the uncertainties surrounding the equity markets this year, our fund managers favour Real Estate Investment Trusts (REITs) and defensive high dividend yield stocks in the short to medium term while constantly looking out for value through active management. SI