

Interview with Smart Investor

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Interviewee

Datin Maznah Mahbob, CEO, AmInvest

1. What are the significant developments for AmInvest this year in terms of investment funds launches and what we can expect from AmInvest moving forward?

- We are seeing a focus back into global funds along with the recovery of developed markets. Amidst the market volatility these couple of years, funds focusing on income distribution is making a comeback and we foresee that to stay. In line with that, AmInvest's fund launches this year have been leaning towards globally exposed funds focusing on income. We have launched 3 funds with global exposure:
 - US-Canada Income and Growth, a mixed-asset feeder fund that seeks to provide income and to a lesser extent long term capital appreciation by investing in its target fund which its investments comprises equities, debt and convertibles.
 - Europe Equity Growth is an equity growth feeder fund which seeks to provide long term capital growth by investing in its target fund which invests primarily in European equity markets.
 - Global Multi-Asset Income provides an alternative to investors who are looking for answers to volatile markets, low yields and uncertain investment returns by focusing on diversification of investments and adopting a tactical approach to asset allocation.
- Investors can expect our upcoming fund launches to have the following themes:
 - Investments into multi-assets internationally
 - Funds focused on income distribution

2. Do you foresee further consolidation of the Asset Management industry, or will there be more players entering the markets instead? Are the targets set this year for AmInvest in retail and retirement funds achievable?

- With the recent liberalisation of the local unit trust industry, we foresee foreign fund houses entering the local markets to get a slice of the pie.
- Accordingly, in anticipation of the foreign players, we have also seen consolidation of the Asset Management Industry amongst the local players with the likes of mergers of Affin Fund Management & Hwang Investment Management, Kenanga & ECM Libra and RHB-OSK merger.
- AmInvest, being the top 3 fund management houses in the country with a fund size of close to RM40 billion (of which RM2.5 billion is in unit trust as at 31 August 2014) and more than 30-year track record, we have a headstart and also a firm footing in the



industry. We have the most diverse range of investment funds in terms of asset classes, strategies and geographical exposure accessible through the most number of distributors in Malaysia.

- For this year, we are looking at a double digit increase of our AUM for our range of unit trust and PRS funds. We believe this is achievable via our launch of new funds while leveraging on existing funds and our expanding network of distributors.

3. How do you rate the performance of AmInvest's PRS so far? Can we expect more incentives to encourage the growth of this industry in the coming budget and what will be the catalysts for PRS?

- AmInvest received the approval from Securities Commission Malaysia ('SC') to launch our funds in April 2013. That made us the 6th PRS provider to receive approval, behind other PRS Providers who rolled out their offerings in November 2012. Compared to the earlier PRS Providers who had about a 5-month head start, we would say that our fund performance is comparable with the rest.
- Our 1st PRS launch in April 2013 saw us rolling out the 3 core funds, namely, AmPRS – Growth Fund, AmPRS – Moderate Fund and AmPRS – Conservative Fund. In November 2013, we introduced 5 PRS non-core funds - AmPRS – Islamic Equity Fund, AmPRS – Islamic Balanced Fund, AmPRS - Islamic Fixed Income Fund, AmPRS – Tactical Bond and AmPRS – Dynamic Sukuk. We are expecting to see another PRS non-core fund to roll out early next year.
- These non-core funds are customized to offer Malaysians a full spectrum of PRS investment solutions in terms of risk and return and to suit all investors' risk appetites, investment goals and objectives, as well as their preferences towards either a conventional or Shariah-compliant funds.
- In the 2012 Budget, we saw a 10-year tax relief of up to RM3,000 per year offered to PRS contributors. In the 2013 Budget, the government launched the PRS Youth Incentive 500 to encourage youth to start saving early. There seems to be a trend for the government to encourage growth of this industry on a yearly basis. Should we warrant a guess, if there are any more incentives to come for PRS, it might be to incentivize employers to invest into PRS on behalf of their employees' to encourage further growth of the industry.

4. Malaysia's market has been rather quiet lately, while expectation of interest rate adjustments in the US and slowdown in China have also dampened sentiment elsewhere. Under these scenarios, what is the outlook for the Asset Management industry for 2015? Will these affect any future planned fund launches or AUM targets?

- With AmInvest's tagline being, 'Growing your investments in a changing world', we have funds across a broad spectrum of asset classes to cater to investor's needs and at the same time capitalise on market movements and opportunities it presents. Being the Best Mixed Asset Fund Group in The Edge-Lipper Malaysia Fund Awards 2014, AmInvest offers a diverse range of products for various investor needs. While we plan



our line-up of new fund launches, our stable of current funds provide investment opportunities too.

- For example, our flagship fund, AmIktikal has the flexibility to take on defensive position with Islamic Money Market Instruments during market uncertainty. Not forgetting our, AmAsia Pacific REITs is Malaysia's only pure REITs fund which has been consistently declaring income distribution twice a year. We launched AmAsia Pacific ex Japan Total Return which is a target return fund. This fund would bode well especially in times such as this as the fund caters to investors looking for steady returns regardless of market conditions. AmAsia Pacific ex Japan Total Return seeks to produce positive returns in both bull and bear markets at low volatility and mitigated market risk. We also launched AmDynamic Allocator in April of 2012 to cater to investors who were looking for a simple, no frills investment opportunity. AmDynamic Allocator is a fund for all market conditions which benefits investors via its exposure to various asset classes locally and globally through collective investment schemes.
- Yes, while the expectation of interest rate adjustments in the US and slowdown in China can dampen the sentiment, AmInvest has both local and foreign funds such as AmIktikal, AmAsia Pacific REITs and Global Multi-Asset Income which provides an alternative to investors looking for answers to volatile markets, low yields and uncertain investment returns by focusing on diversification of investments and adopting a tactical approach to asset allocation.
- We view the interest rates hike as positive for equities performance. In that aspect, we will focus on delivering positive fund performance too.

5. How is AmInvest positioning itself in the global Shariah-compliant investment space?

- We always try to ensure that our Islamic investment solutions are competitive with the best conventional offerings in the marketplace in terms of risk and return. Our aim is to ensure a compelling value proposition from the investment perspective not merely limited to comparison with the Shariah-compliant universe and peers.
- AmInvest is positioning itself as a complete Shariah-compliant solutions provider which has a full range of fund offerings that cuts through asset classes, strategies, currencies and geographical exposure.
- We want to provide for the Shariah-compliant investor the same choices (funds across asset classes, strategies, currencies and geographical exposure) as conventional investors have enjoyed. We also want to provide the same choices of funds in terms of building blocks for the Shariah wealth planners.

6. How do you see AmInvest growing in the coming years?

- We would like to strengthen our focus on delivering superior investment performance and product development. Additionally, we want to leverage on the traction that we have achieved so far in terms of our investment expertise and product menu. Through these efforts, we hope to have a higher profile and extend our reach to institutional investors and distribution partners globally.

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