C-SUITE INTERVIEW

Gunning for the top

Late to the game, but Maybank Asset Management has big plans

By Goh Thean Eu

Ahmed Muzni Mohamed

Maybank Asset Management may be a relatively new player in Malaysia's retail investment space but that isn't stopping Chief Executive Officer Ahmed Muzni Mohamed from setting ambitious goals.

Formed over three decades ago, the company, a unit of the country's largest lender Malayan Banking, spent almost that entire time developing investment products and solutions solely for institutional investors. The narrative changed in 2018 when the firm acquired rival Amanah Mutual and its Singapore unit Singapore Unit Trust Ltd for 34.88 million ringgit (US$7.78 million) from state-owned Permodalan Nasional, also a shareholder in Malayan Banking.

Now Maybank Asset Management has over 30 funds for retail investors and more than 30 billion ringgit of assets under management. Around 55% of the assets come from the retail segment.

"Essentially, the acquisition gives us the opportunity to bring a fresh approach to retail investing clients," Ahmed Muzni says in an interview with *Asia Asset Management*. "For the long term, our aim is to be one of the top three players in the country."

In order to do that, he plans to grow business in all areas, including products and solutions and distribution. The company currently distributes funds via parent Malayan Banking and other local and foreign lenders, including AHAM Capital, HSBC and OCBC. The relationship managers or wealth managers at those banks then sell the funds to clients.

Maybank Asset Management is now considering the agency route to distribute funds as is done by some rivals including Public Mutual, the largest private unit trust company in Malaysia with more than 30,000 unit trust consultants. But being late to the game means it's probably not a good idea to compete head on with larger and more established peers.

"You have to be smart in going through that [agency] channel. I cannot tell you the strategy yet. But watch this space. It is an area we are heading," Ahmed Muzni says.

He sees expansion into the agency business as a "no brainer", pointing out that this segment grew at a compound annual rate of 24% in the past five years versus just 5% for fund management firms selling direct to clients without agents.

Retirement market

The journey to growing the retail business wasn't easy, requiring changes in the way products are developed. Ahmed Muzni notes that institutional investors typically have a longer-term investment horizon and are savvier about markets, investment products and the kinds of risk they can afford to take. Retail investors, on the other hand, are generally more sensitive to short-term volatility.

"It is a very different mindset. So, we have to offer products that are suited for the retail space," he says.

To speed up the process and time to market, most fund management companies often ride on other asset managers' expertise by offering feeder funds. But Maybank Asset Management opted for a different approach. It teamed up with global asset managers including the UK's Schroders and BNY Mellon from the US to co-develop, co-manage and co-distribute funds.

"By forming these strategic alliances, our fund managers are able to learn from the global asset managers," Ahmed Muzni says.

This February, the company launched a decumulation fund called Maybank Global Wealth Conservative-I Fund, the first by a wholly Malaysian-owned firm. It's part of the Maybank Flexible Retirement Solutions (MFRS) suite of offerings, which also includes the Maybank Global Wealth Moderate-I Fund and Maybank Global Wealth Growth I-Fund. All are *shariah* compliant.

The new fund aims to achieve an income distribution of 7% per annum of the net asset value, with the balance remaining invested, giving investors the opportunity to build their retirement nest egg further.

According to Ahmed Muzni, the MFRS suite provides investors across different life stages who have distinct lifestyles and post-work needs with flexibility and access to investment solutions to supplement and diversify their retirement planning.

He notes that most retirement-related solutions around the world focus on an investor's age. This means younger ones have higher risk in their investment portfolios, which become more conservative the closer they are to retirement. But he argues that an investor's life journey may not go according to plan all the time. With the MFRS scheme, a young investor who is in between jobs can shift from a growth to a conservative fund to keep earning some income.

"The investor can switch it back to the growth or moderate fund when he gets back into employment. It is very flexible and you can switch anytime as there are no switching fees," Ahmed Muzni says.

He expects the conservative fund to attract 200 million ringgit of assets under management this year, and one billion ringgit for the overall MFRS scheme.

Investment veteran

Ahmed Muzni began his career as an investment analyst at SMBC Nikko Securities in Tokyo in 1991. In 1995, he joined Smith New Court/ Merrill Lynch in Jakarta as senior investment analyst, and then went on to become chief analyst at Nikko Advisory Services in Malaysia.

He joined the Malayan Banking group as CEO of Maybank Islamic Asset Management in June 2019, and was appointed CEO of Maybank Asset Management in April 2022.

He has also worked in the Middle East for more than ten years, including stints in Saudi Arabia as CEO of Anfaal Capital and executive vice president for Islamic finance at private equity firm Siraj Capital. The experience puts him in good stead to help Maybank Asset Management grow its business in the region.

According to Ahmad Muzni, the key to success in the Middle East is patience and to "always be present".

Lured by oil wealth, Asian banks entered the region in the early 2000s when oil prices were high. "However, most of the wealthy people still prefer the American and European banks. This is because these banks have been in the region for a long, long time. ING has been in the Middle East since the 1920s. Citibank was there in the '50s, while HSBC was there in the '60s," he explains. "So, if you want a piece of the pie, you need to be there through the good times and bad times. You need to be very patient."

He describes himself as "truly a morning person". Back when he was an analyst, he would start work before 7 am. "These days, I come to the office before 8 am, it is not as early as before, but it's still early. I am a morning person, I can get a lot of things done in the morning," he says.