

Fund Focus: Maybank Global Wealth Conservative-I Fund

Maybank Asset Management has launched a Shariah compliant multi-asset Maybank Global Wealth Conservative-I Fund, joining the Maybank Global Wealth Moderate-I Fund and Maybank Global Wealth Growth-I Fund in the suite of Maybank Flexible Retirement Solution (MFRS) offerings first launched in 2022. EMIR ZAINUL speaks to Maybank Islamic Asset Management CEO Mohamed Belqaizi Taufik to get more details about the fund.

Launched on the 13th February 2023, the new decumulation share class fund aims to deliver higher income payouts while drawing down capital to convert assets to income systematically, with an annual income distribution target of 7%.

According to the prospectus, the fund invests in global fixed and floating rate Sukuk, global Shariah compliant equities, global Shariah compliant equity-related securities, Islamic money market instruments and Islamic deposits.

The fund may also invest in Islamic collective investment schemes, including but not limited to, Islamic REITs and Islamic exchange-traded funds, which may be based on commodities such as gold.

As the name suggests, Mohamed Belqaizi told IFN that the Maybank Global Wealth Conservative-I Fund has an asset allocation range that is relatively more conservative as compared with the other two funds under MFRS – Maybank Global Wealth Moderate-I Fund and Maybank Global Wealth Growth-I Fund.

“The conservative fund is positioned more into Sukuk, which acts as a stabilizer and consistent income producer as compared to equities. However, there are allocation on equities, albeit lower, to provide a pick-up in terms of capital appreciation to the portfolio,” Mohamed Belqaizi explained.

The Maybank Global Wealth Conservative-I Fund aims to raise RM200 million (US\$44.63 million) in assets under management (AuM), following the welcoming AuM being raised from the two other funds under MFRS, which gathered around RM300 million (US\$66.94 million) in 2022 despite such challenging market conditions.

“In terms of returns, the conservative fund has a target return of 5% per annum. However, it aims to pay out distribution at the rate of 7% per annum. Therefore, the additional 2% payout will be derived from the capital itself. This is the first unit trust fund that has been introduced by Maybank Asset Management that pays out distribution from capital,” Mohamed Belqaizi said.

Mohamed Belqaizi said the sole motivation to launch the fund was to provide a complete solution for Malaysians who are planning for their retirement years. “The three funds aim to complement each other and provide a full solution for investors to save and invest for their retirement,” he said.

Highlighting the importance of saving and investing for retirement, Mohamed Belqaizi pointed out that many

Malaysians have withdrawn a rather significant portion of their retirement savings from their Employees Provident Fund (EPF) account during the pandemic period of 2020 to 2021.

“According to the EPF, 73% of its members had less than RM240,000 (US\$53,553.6) in their accounts in 2021, up from 64% the year before. The amount is the basic savings amount for retirement as defined by the EPF. Even so, RM240,000 might not be sufficient to sustain Malaysians throughout their retirement life due to inflation and a longer lifespan on average,” Mohamed Belqaizi shared.

Given its global exposure and non-sector-specific focus, Mohamed Belqaizi said that investing in the fund can provide greater diversification benefits than investing in a single asset class or geographic region, which he added can reduce portfolio risk and potentially enhance returns.

However, its downside risks include market volatility, geopolitical risks and interest rate risk.

Amanie Advisors acts as the Shariah advisor for the fund, while Schroder Investment Management (Singapore) is the solution’s investment advisor. ⁽²⁾

The opinions and viewpoints expressed in the Fund Focus do not constitute as a recommendation for any funds highlighted. The information presented is not investment advice and should not be treated as such.

Fund fact sheet	
Name of the fund	Maybank Global Wealth Conservative-I Fund
Launch date	13 th February 2023
Fund manager	Maybank Asset Management
Fund category	Mixed assets
Fund domicile	Malaysia
Targeted AUM	RM200 million (US\$44.63 million)
Investment objective	The fund aims to provide income and possible capital growth over the medium to long term.
Asset allocation	Sukuk: 20% – 70% Equity: 10% – 60% Gold: 0% – 20% Cash: 0% – 20%
Geographical exposure	Global
Targeted yield	5% per year
Investor type	Retirees and Malaysians in between employment who require high income payout to supplement living expenses
Base currency	Malaysian ringgit
Benchmark	Maybank 12-month RM Islamic fixed deposit rate + 2%