

PERSONAL WEALTH FROM THE EDGE

*Refinitiv Lipper Fund Awards 2020*

## Maybank Asset Management Sdn Bhd - TWO FUND AWARDS

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Maybank Asset Management Sdn Bhd continued to be a winner at the Refinitiv Lipper Fund Awards 2020. This year, it picked up two fund awards.

Maybank Malaysia SmallCap (MMSCF) won the award for Best Equity Malaysia Small and Mid-Cap (Provident) in the 3-year category (returns of 20.91%) while Maybank Malaysia Income (MMIF) took home the award for Best Bond MYR (Provident) in the 10-year category (returns of 134.27%).

CEO Ahmad Najib Nazlan says MMSCF captured relatively smaller-cap companies that mostly had gone under the radar of investors and analysts. “The key [when investing in companies like these] is to have a high conviction and to look beyond quarterly figures, focusing on the value that these companies will offer over a longer-term horizon.”

To this end, the fund managers are well supported by the organisation’s analysts, who are always on the ground seeking out and testing new ideas. “This has allowed us to implement a bottom-up approach in our investment process. In return, this enabled us to pursue undervalued gems in the small to mid-cap space,” says Ahmad Najib.

As for MMIF, the portfolio was constructed with long-term sustainability in mind. In this regard, the fund was highly selective, avoiding counters that had unfavourable credit events, he says. “We remained as dynamic and flexible as we could. This enabled us to capitalise on changes in market conditions.”

The Covid-19 pandemic has dramatically altered the economic outlook for the year, says

Ahmad Najib. “The pandemic has crushed market sentiment across all asset classes globally. No one expected this.

“The situation was further compounded when Saudi Arabia and Russia [initially] failed to reach an agreement on oil production cuts, but decided to pursue a maximum production strategy, causing oil prices to collapse.

“For Malaysia, particularly, it was a triple whammy as domestic political uncertainties further weighed down markets, causing a sell-off in both fixed-income and equity markets.”

Nonetheless, Maybank Asset Management’s investment team will continue to remain calm, taking the view that the current crises present opportunities for savvy investors. It is crucial that investors focus on the long-term objectives of their investments, says Ahmad Najib.

“We have turned defensive with our funds since the Covid-19 outbreak and are currently focused on positioning them for a recovery. Valuations are attractive in both the fixed-income and equity markets now and investors should continue to opportunistically participate in the markets as we believe this crisis, if managed efficiently, could provide higher value to investment portfolios in the long term.”

Under the circumstances, the fund house is of the view that Malaysia is well positioned to face volatility, thanks to ample market liquidity that is underpinned by large pension funds, life insurance companies and other institutional investors, says Ahmad Najib.

When asked about strategy, he says the firm is holding a certain amount of cash in its small-cap fund, which will allow it to capitalise on emerging opportunities. “In addition, we will continue to hold stocks with sound fundamentals and future prospects to generate value for the fund.”

As for the firm’s fixed-income strategy, Ahmad Najib and his team will continue to be selective according to credit rating as there will be a number of negative credit events due to the pandemic. “Value is emerging in this space and we will actively position our portfolio for a recovery. We have a comfortable level of cash, which will be deployed opportunistically.”