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CIMB-Principal Islamic targets US\$1.7 b assets

KUALA LUMPUR: CIMB-Principal Islamic Asset Management Sdn Bhd aims to grow its assets under management to US\$1.7 billion by year-end given the high potential market for Islamic-based instruments globally, chief executive Datuk Noripah Kamso said yesterday.

The company, which is an offshoot of CIMB Principal Asset Management Bhd, has about US\$1.3 billion in assets under management as at June 30, 2009.

“Being as an independent company now, we are looking at an additional US\$400 million for this year,” Noripah told reporters after a media briefing on research study “Future of Investment: The Next Move?” conducted by Principal Global Investors.

“We aspire to be the most valued global Islamic asset management house managing institutional mandates,” she said.

Noripah said CIMB-Principal Islamic was currently working with its partners to develop products that could build a track record with the aim of attracting more foreign institutional investors to put their money in Malaysia.

“This will be a tipping point for us to tap into the global market,” she said.

Noripah said demand for Islamic investment products was increasing with a vast range of investment alternatives, including sukuk (Islamic bond), commodity funds and hedge funds currently available in the world market.

She said the global sukuk market is estimated to be around US\$12 billion this year, of which US\$8 billion had already been issued, and the market is expected to grow more than US\$12 billion in 2010.

“An Islamic-based investment products is very unique because it is fixed for a long-term period and we believe that it can perform better than conventional investment instruments,” she added.

Noripah said Islamic asset management is grounded on Syariah finance principles which expressed an intention to meet the financial needs of participants with integrity and in a manner that is just, fair, trustworthy and honest, while ensuring a more equitable distribution of wealth. - Bernama