



MyETF-DJIM25

attracting new markets

MyETF DOW JONES ISLAMIC

Market Malaysia Titans 25 (MyETF-DJIM25), the first Shariah exchange traded fund (ETF) in Asia, sees the need to expand the fund's retail investor base from less than 10% currently to further enhance its popularity among both institutional and individual investors.

A strong retail participation is envisaged to boost trading activities, which in return makes MyETF-DJIM25 – the largest Shariah ETF in the world to date (net asset value of RM667 million as at July 31, 2010) – 'noticeable' to potential investors.

One way to achieve this objective is to entice the younger generation who are relatively new entrants into the stock market and those

looking for potentially less risky equity instruments, according to Zainal Izlan Zainal Abidin, the Chief Executive Officer/Director of i-VCAP Management Sdn Bhd (i-VCAP), which manages MyETF-DJIM25.

'The level of awareness towards ETFs in Malaysia has improved but the utilisation rate is still low,' Zainal Izlan tells *Malaysian Business*. 'MyETF-DJIM25 can be an excellent investment tool for people who are starting out in the job market or newly-weds who are keen to invest for the future of their families.'

Currently, MyETF-DJIM25's biggest pool of investors is made up of institutions comprising government agencies, conventional insurers and takaful companies, unit trust firms and universities.

'To create more awareness among retail investors, i-VCAP is working with Bursa Malaysia in its annual Market Chat Roadshows, participating in conferences and seminars, and reaching out to the media,' Zainal Izlan points out.

One of the five ETFs and the only Shariah ETF listed on Bursa Malaysia, MyETF-DJIM25 tracks the DJIM25 Index; a benchmark index consisting of 25 leading Shariah-compliant securities listed on Bursa Malaysia and weighted by free-float-adjusted market capitalisation.

The fund provides investors, in a single transaction, a cost-efficient and convenient way to gain expo-

sure to the basket of securities represented in the index. Unlike most unit trust funds, ETFs are listed and traded on a stock exchange and are bought and sold during trading hours just like shares.

'As such, investors buy and sell ETF units through their stockbrokers rather than through unit trust agents or financial planners, which helps to reduce cost to these investors' explains Zainal Izlan.

He adds: 'Over a three-year period, which is a recommended average holding period for portfolio investment, investors of MyETF-DJIM25 can expect a 'cost saving' of 6% to 7% of their capital amount as they benefit from no sales charge and lower management fee, when compared to investing in a typical unlisted unit trust.'

i-VCAP is a wholly owned subsidiary of Valuecap Sdn Bhd, which in turn is equally owned by Khazanah Nasional Bhd, Kumpulan Wang Persaraan (Diperbadankan) and Permodalan Nasional Bhd.

Incorporated on Oct 25, 2007, i-VCAP holds a Capital Markets Services Licence for Islamic Fund Management, in line with its principal business activity of providing solely Shariah-compliant investment management services.

'Aside from retail investors, we plan to increase our marketing efforts on MyETF-DJIM25 to attract foreign investors that are keen to gain exposure to the Malaysian equity market via a fund structure,' adds Zainal Izlan. **mb**



Zainal Izlan:
Attracting more
retail participation