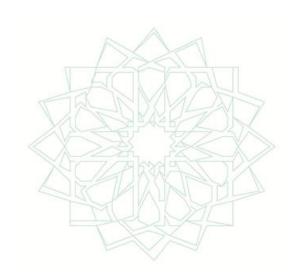


# Islamic Fund and Wealth Management Blueprint (IFWM Blueprint)

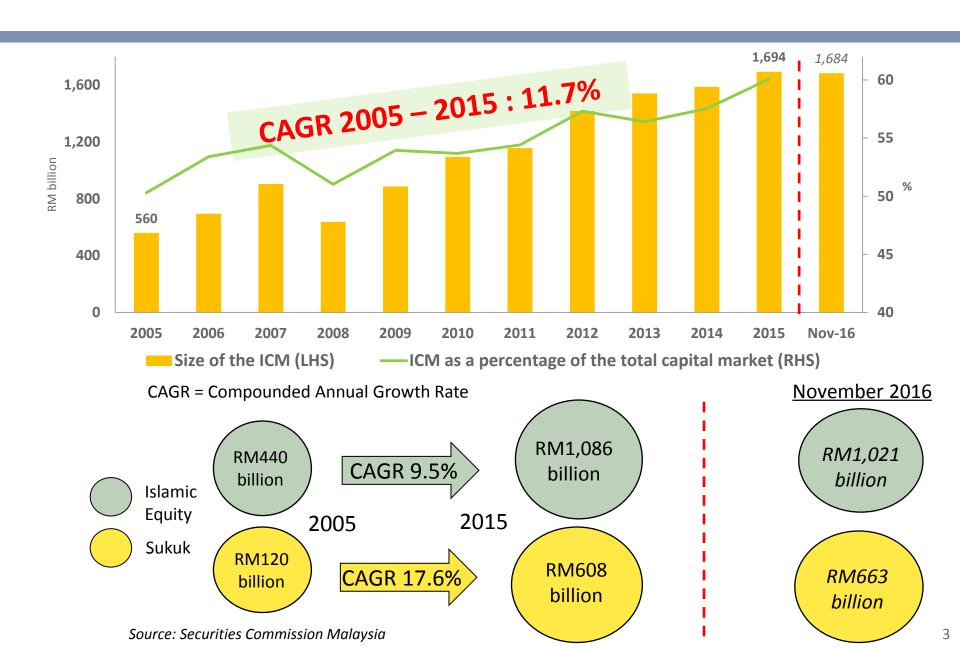
12 January 2017



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#### Malaysia's Islamic Capital Market: Key Achievements

#### Malaysia's ICM has grown to RM1.7 trillion



#### Malaysia continues to lead the global sukuk market...

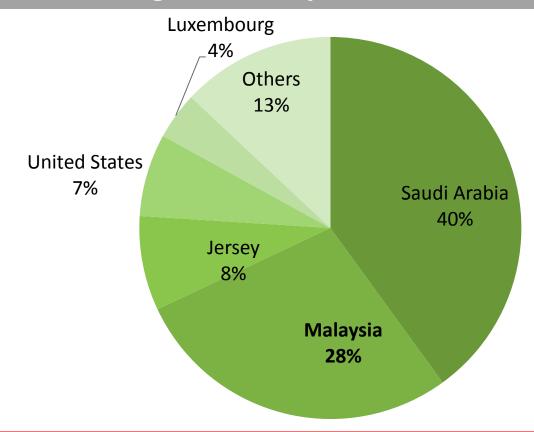
#### Share of sukuk outstanding stood at 54.3% as at end 2015



Source: Zawya

### ...and accounts for significant share of the global Islamic funds market

#### Second largest AUM by domicile at 28% in 2015



Number of Islamic funds grew at 14% CAGR from 285 in 2004 to 1,220 in 2015

#### Domestic Islamic funds industry outpaces global growth

10 foreign

8 local

2 JVs

20 Full-fledged IFMCs

27 FMCs offering Islamic windows (Nov 2016: 31)

Islamic AUM 2015: RM132 bil (Nov 2016: RM150 bil)

CAGR 2009 - 2015: 23.3%

Note: Islamic AUM = Islamic collective investment schemes (CIS) and Islamic private mandates

No. of Islamic funds 2015: 314 (Nov 2016: 332)

Islamic funds' AUM 2015: RM100.6 bil

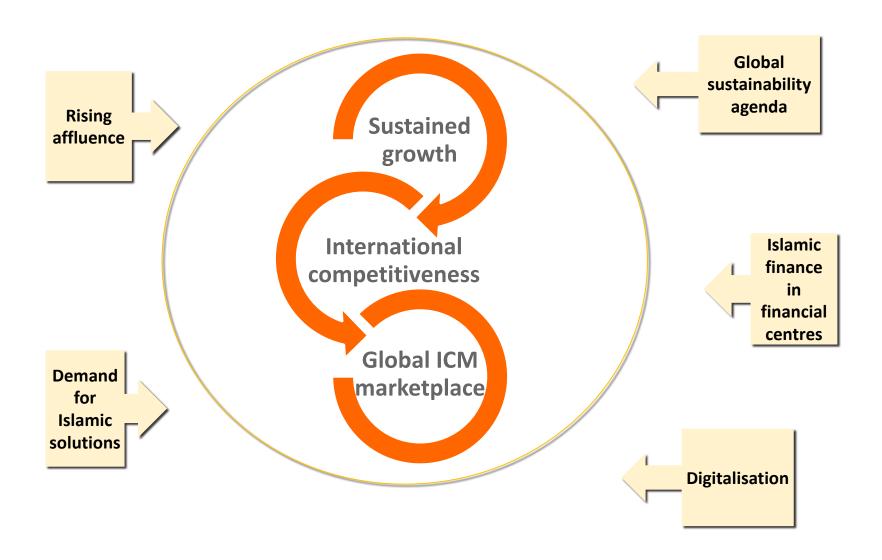
(Nov 2016: RM116.1 bil) CAGR 2009 – 2015 : 24%

Outperformed global Islamic funds' AUM CAGR of 4.0%

Note: Islamic funds refer to Islamic CIS which include unit trust funds, wholesale funds, private retirement schemes, exchange traded funds and real estate investment trusts

Sources: Securities Commission Malaysia, Islamic Financial Services Board

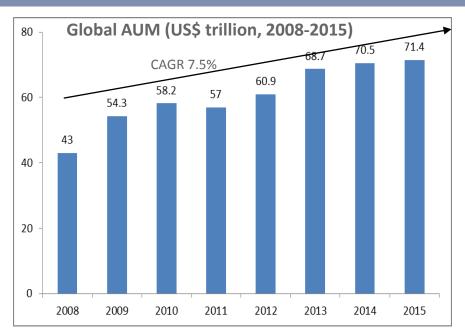
## Moving Malaysia's ICM forward - navigating through changing global landscape

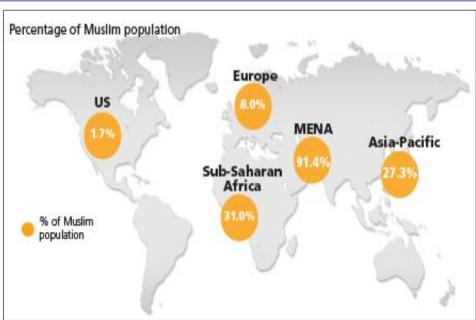


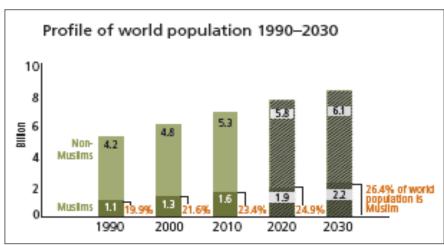
#### The next growth driver for ICM...

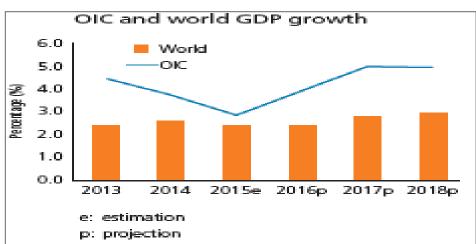
2 Islamic Fund and Wealth Management

#### Supported by global trends...





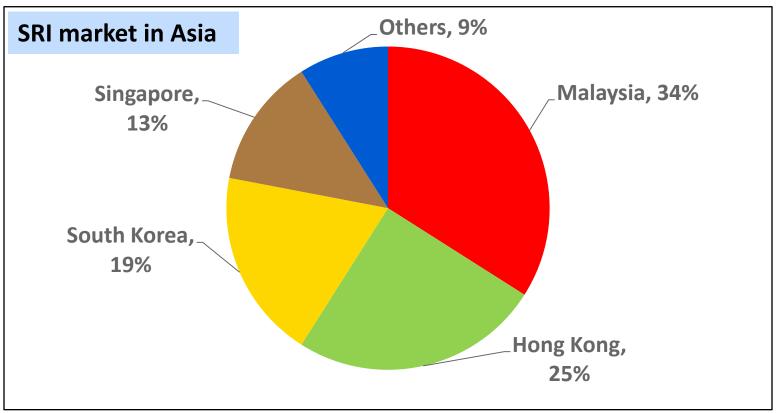




#### ... and growth in sustainable investment

The global sustainable investment market rose by 61% from US\$13.3 trillion at the start of 2012 to US\$21.4 trillion at the start of 2014

Source: Global Sustainable Investment Alliance 2014

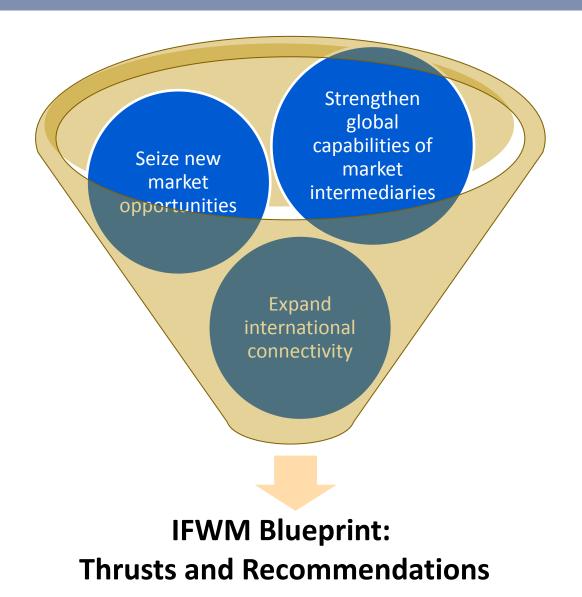


iource: Asia Sustainable Investment Review 2014

#### The Blueprint's Vision



#### The guiding principles



#### Three strategic thrusts







Strengthen
Malaysia's
positioning as a
global hub for
Islamic funds

Establish
Malaysia as a
regional centre
for Shariahcompliant
Sustainable
and
Responsible
Investment

Develop
Malaysia as an
international
provider of
Islamic wealth
management
services

#### **IFWM Blueprint: Thrust 1**



Strengthen
Malaysia's
positioning
as a global
hub for
Islamic funds

- Leverage on existing strength in Islamic funds
- Widen the international base of the industry to develop critical mass by scaling-up operations and offerings
- Enhance supply and diversity of Islamic investment instruments

#### **IFWM Blueprint: Thrust 2**



Establish
Malaysia as a
regional centre
for Shariahcompliant
Sustainable and
Responsible
Investment

- Build upon Malaysia's position as Asia's largest SRI market for its Islamic funds
- Leverage commonalities in the underlying principles between Islamic investing and SRI
- Enhance and strengthen the SRI ecosystem and its entire value chain
- Align with the national agenda on sustainability

#### **IFWM Blueprint: Thrust 3**



Develop
Malaysia as an
international
provider of
Islamic wealth
management
services

- Capitalise on Malaysia's comprehensive Islamic finance ecosystem to drive development and growth
- Develop supporting infrastructure and create a more conducive and enabling environment
- Strengthen intermediation capability across the value chain of Islamic wealth management cycle

#### **IFWM Blueprint: Recommendations**

Provide enabling Develop vibrant Enhance market access frameworks to support ecosystem to accelerate and international innovation in Islamic growth of Shariahconnectivity markets compliant SRI Facilitate new digital Advance Malaysia's business models, Promote the growth of positioning as a hub for products and services private equity investment support for Islamic fund and services wealth management Strengthen Develop facilitative Spur institutional intermediation market infrastructure participation in Islamic capabilities to support for Islamic wealth funds greater management internationalisation 10 11 Provide targeted Fortify talent pipeline incentives to strengthen for Islamic wealth international management competitiveness

### THANK YOU