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Tabung Haji to raise investment in real estate

KUALA LUMPUR: The Pilgrims Fund Board (Lembaga Tabung Haji) will increase its investments in the real estate sector this year in view of the good returns in 2012, said group MD and CEO Datuk Ismee Ismail.

He said the board's real estate investments in Malaysia and abroad have yielded good returns, and this strategy should be maintained to ensure the best returns for depositors.

"We expect to further increase our investments in the sector, and going by the allocation, we should invest up to 20% of our funds in

real estate.

"As at now, it's only 13%, so we have room to further expand Tabung Haji's investment in this sector," Ismee told reporters after the announcement of a Golden Jubilee bonus yesterday.

For the year ended Dec 31, 2012, there were 8.2 million Tabung Haji depositors with a cumulative fund of RM35.8 billion, up from seven million depositors and RM31.7 billion in 2011.

Ismee said the real estate sector is expected to yield an average return of 5.5% to 6%, and Tabung Haji will invest to raise the rate of

return.

Asked if Tabung Haji is looking to invest all the allocation in the property sector this year, he said: "We don't want to rush as Tabung Haji has a unique investment mandate.

"We can only invest in syariah-compliant investments so therefore our challenge is always to find syariah-compliant assets in real estate."

Tabung Haji is building a Haj complex in KLIA, Sepang and in Alor Setar, Kedah, Ismee said.

The existing investment strategies will continue, including investing in equities, he added. — *Bernama*