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# Lembaga Tabung Haji targets RM50b fund size

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**KUALA LUMPUR:** Lembaga Tabung Haji (LTH) aims to increase its fund size to RM50 billion by year end from RM43 billion as at end-2013, said the managing director and chief executive officer of the pilgrims' fund Datuk Ismee Ismail.

"I won't be surprised if by the end of this year we reach RM50 billion," Ismee said, citing the public's confidence in the pilgrims' fund that will contribute to this 16% growth.

LTH's fund size, or its depositors' savings, had grown from RM20.6 billion at end-2008 to RM43 billion at end-2013, growing at an average of 16% for the past five years. After it announced its annual bonus of 6% two weeks ago, the fund size increased to RM45.6 billion.

On Securities Commission Malaysia's tighter screening of syariah-compliant stocks which had seen it revise its syariah-compliant list, released on Nov 29 last year, Ismee said he has been informed by his chief investment officer that the implication at this point is not huge.

"We have a few [non-syariah-compliant stocks], but you must understand some of the companies are given a time frame to return to syariah status ... We are studying this at the moment," he said.

Once the next updated list is made available in May, LTH will seek to take action and dispose of stocks that do not make it into the list.

In LTH's current asset portfolio, 40% is allocated for equities, 30% for fixed income and 20% for properties.

Though primarily the concentration of allocation and source of income is still derived from equities, Ismee is particularly upbeat about the property sector.

"I'm very upbeat and positive about the property sector as a whole. I'm looking from a long-term perspective, for a business model that can create recurring income, to ensure that we can continue paying out dividends," he said.

Ismee added that LTH is mainly looking at commercial properties and development opportunities through its property development company.

"At the moment, the fund has not fully utilised its property asset allocation of 20%," he said.

Geographically, Ismee said, the focus will still be in Kuala Lumpur though it is open to opportunities outside of KL and abroad, citing even Iskandar Malaysia, Johor as a possible investment opportunity.

LTH currently has three prop-

erties in the UK, which are fully tenanted, and thus will be deriving rental income.

However, with the weakening ringgit, that the fund is cautious and will have to weigh its options properly, said Ismee.

With regards to landbank, Ismee said he is more interested in increasing its plantation estate if the opportunity arises.

LTH's revenue increased to RM3.7 billion last year from RM2.8 billion in 2012, with net profit after zakat rising in tandem to RM2.6 billion from RM2.1 billion.

It has declared a 6% annual bonus amounting to a total payout of RM2.4 billion, and an additional 2% haj bonus.

Ismee was speaking to the press after the opening ceremony of LTH's workshop on corruption and risk management plan (CRM), which seeks to increase integrity and manage efficiency in minimising corruption risk.

With this CRM, LTH has strengthened policies relating to the prevention of corruption, which includes whistle-blowing policy and anti-money laundering and terrorism policy. In a nutshell, it will now be looking at risk from a corruption point of view, instead of just from a business point of view.

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