

Headline	Tabung Haji disposes of RM2.6b equities since 2Q		
MediaTitle	The Malaysian Reserve		
Date	27 Sep 2019	Color	Black/white
Section	News	Circulation	12,000
Page No	1,4	Readership	36,000
Language	English	ArticleSize	321 cm <sup>2</sup>
Journalist	DASHVEENJITKAUR	AdValue	RM 2,256
Frequency	Daily	PR Value	RM 6,768



## Tabung Haji disposes of RM2.6b equities since 2Q

by DASHVEENJIT KAUR

THE Pilgrims Fund Board or Lembaga Tabung Haji (TH) has disposed of equities worth RM2.6 billion over the last three months as it continues to trim its exposure to the volatile equity market.

The fund last year sold equities and assets for almost RM20 billion to a government-back special-purpose vehicle (SPV). The move was a kitchen sink exercise to balance its books. More than a hundred counters were sold to Urusharta Jamaah Sdn Bhd.

The new management of the fund led by outgoing MD and CEO Datuk Seri Zukri Samat had promised to reduce the fund's exposure to equity market, the reason behind TH's financial fallout.

A compilation by *The Malaysian Reserve* on Wednesday shows that since the end of June 2019, TH has disposed of its entire shareholding in nine listed companies including FGV Holdings Bhd, Tenaga Nasional Bhd (TNB) and Yinson Holdings Bhd.

The company had sold its stake in Brahim's Holdings Bhd, Lion Industries Corp Bhd, Shin Yang Shipping Corp Bhd, T7 Global Bhd, Notion VTec Bhd, Cheetah Holdings Bhd and NCK Corp Bhd.

Previously, TH transferred equity stakes or derivatives in 106 listed companies worth RM8.9 billion to the Ministry of Finance's SPV in first quarter of this year (1Q19).

SEE P4 COL1

Headline	Tabung Haji disposes of RM2.6b equities since 2Q		
MediaTitle	The Malaysian Reserve		
Date	27 Sep 2019	Color	Black/white
Section	News	Circulation	12,000
Page No	1,4	Readership	36,000
Language	English	ArticleSize	321 cm <sup>2</sup>
Journalist	DASHVEENJITKAUR	AdValue	RM 2,256
Frequency	Daily	PR Value	RM 6,768

## Tabung Haji disposes of RM2.6b equities since 2Q

FROM P1

A check on *Bloomberg* shows that the fund has interests in 38 companies to date with shares valued at US\$1.7 billion (RM7.13 billion), almost three times lower from its initial investment at the start of this year.

The market values for each of the shareholding disposals were worth RM1.8 billion (TNB), RM338.1 million (Yinson), RM324.3 million (FGV), RM23.5 million (Lion Industries), RM10.1 million (Notion VTec), RM9.6 million (T7 Global), RM7.9 million (Shin Yang Shipping), RM4.2 million (Brahim's) and RM2.7 million (Cheetah) as of 2Q19.

The fund's largest exposures are in the financials (59.6%) and communications (11.2%) sectors. TH's largest five-year increase is in the material sector whereas its largest five-year decrease is in the consumer staple sector.

Fifty-nine percent of the institu-

tional fund's portfolio is invested in the financial sector, covering eight securities, with a market value of US\$1 billion, a drop of US\$344 million since the previous quarter.

TH's second-largest sectoral investment is in the communications and industrials, accounting for 11.2% and 11.1% of its total portfolio with a total investment value of US\$379.8 million.

TH's smallest exposure is in the technology sector, with 0.5% of the fund's portfolio held in two securities. The market value in this sector slumped by US\$18.6 million quarter-on-quarter (QoQ) to US\$8.6 million currently.

Zukri had previously said the fund's exposure to the equity market was "a bit too high".

In 2016, 55% of TH's assets were in equities but the figure dropped to 50% in 2018.

TH is looking to rearrange its investment portfolio and aims between 60%

and 70% to be fixed income.

"We are not fund managers, our role is basically to administer the haj, so the focus of investment should change. I think the focus now will be on fixed income, rather than equity," he said in January this year.

Investigations by independent auditor PriceWaterhouseCoopers unearthed that TH had total assets of RM70.3 billion against RM74.4 billion in liabilities at the end of 2017, a hole of RM4.1 billion.

The state-owned fund has about nine million depositors and manages thousands of Malaysian Muslims to perform the haj every year.

As at June 30, 2019, its total assets exceed total liabilities by RM1.8 billion, with total assets of RM74 billion while total liabilities were RM72.2 billion.

Meanwhile, the amount of deposits has remained high at RM71 billion as at June 30, 2019.