

# Ekuiinas exceeds expectations for FY15

> Equity fund manager maintains 12% internal rate of return despite softer economy, volatile market

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**KUALA LUMPUR:** Government-linked private equity fund management company Ekuiti Nasional Bhd (Ekuiinas), which anticipated a softer

economic landscape and high volatility in the equity market in 2015, achieved its target of a minimum internal rate of return (IRR) of 12% per annum last year.

Ekuiinas has been posting an IRR of 12% a year since 2010.

"Despite market conditions, Ekuiinas Direct (Tranche I) Fund achieved a gross portfolio return of RM591.3 million, which translates into an annual gross internal rate of return (IRR) of 14.8% and a net IRR of 10.9%," its chairman Raja Tan Sri Arshad Raja Tun Uda said at Ekuiinas' financial year ended Dec 31, 2015 (FY15) results

announcement yesterday.

"The second fund, Ekuiinas Direct (Tranche II) Fund, posted a gross portfolio return of RM133.3 million at a gross annualised IRR of 13% and a net annualised IRR of 5.7%," he noted.

Through its investment activities during the period, Raja Arshad said, Ekuiinas increased the total bumiputra equity value in its portfolio companies by RM3.7 billion, or 1.6 times the total invested capital, and total shareholders' value of RM4.7 billion, or 2.1 times the capital invested.

Ekuiinas CEO Syed Yasir Arafat Syed Abd Kadir said this reflects positively on the company's model in facilitating not only enhancement in bumiputra equity but also for all Malaysians.

He added that, due to the volatility of the market last year, capital was deployed in a prudent manner, which saw the company undertaking nine

## Ekuiinas sets sights on retail company

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direct and outsourced investments with a total committed capital of RM338.7 million.

To date, it has 45 investments under its portfolio with a total committed investment of about RM2.8 billion and facilitated a total economic capital deployment of RM3.4 billion.

In terms of achieving its social objectives, he said Ekuiinas' portfolio companies employ 485 managers and 15,177 employees as at end of FY15, of which 31.1% and 51.6% are bumiputras.

"This represents an increase of 12.7% bumiputra managers and 31.5% bumiputra

employees since Ekuiinas' entry," he added.

Going forward, Syed Yasir Arafat said Ekuiinas intends to identify and develop new industries and to leverage on its existing sectors.

He said Ekuiinas currently has its eyes on a local retail-driven company and hopes to conclude the deal within the next three months. Although he did not reveal the details of the retail company, he said the company is one of the market leaders in the country.

To date, Ekuiinas has undertaken investments in six sectors - fast-moving consumer goods, oil and gas, logistics, education, retail and healthcare.



Raja Arshad (left) and Syed Yasir Arafat at Ekuiinas' FY15 results announcement yesterday.

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