



# ICAP TO FORMULATE UNIQUE DIVIDEND POLICY TO ADDRESS DISCOUNT BETWEEN SHARE PRICE AND NAV

Other strategies to be introduced over time to enhance interest in ICAP



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**KUALA LUMPUR 18 AUGUST 2023:** After extensive research, icapital.biz Berhad (5108, ICAP) is to introduce, among other strategies, an innovative dividend policy to ensure that the gap between the fund's share price and net asset value (NAV) will consistently be auto-remedied moving forward.

This dividend policy is being introduced despite the share price of ICAP reaching an all-time high of RM2.86 and NAV trading near all-time high at RM3.64 on Aug 16, 2023, with the NAV discount also narrowing to 21.43%.

The positive outcomes of the high NAV and share price thus far are a result of pre-existing efforts of the Board of ICAP and its Designated Person, Tan Teng Boo, which have been undertaken since the 2022 AGM, when a slew of measures were announced specifically for this purpose.

ICAP will provide details of this dividend strategy in due course.

For some background, the discount between ICAP's share price and NAV has been a nagging issue that has persisted since Oct 2008, three years since its listing on Oct 19, 2005.

It is worth noting that even with this discount, both ICAP's share price and NAV continue to outperform the benchmark MSCI Malaysia index since its listing in 2005.

From its inception in October 2005 up to 3 August 2023, the share price and NAV of ICAP have appreciated at an annualised rate of 5.67% and 7.91% respectively, outperforming the MSCI Malaysia index, which gained only 1.77%.

Viewing ICAP through this lens, however, hides the true performance of ICAP.

Over the last two years (4 Aug 2021 to 3 Aug 2023), the MSCI Malaysia has delivered a negative return of (-5.69%). Over that same period, the NAV and share price of ICAP have returned 19.29% and 32.90% respectively.

On a three year basis (4 Aug 2020 to 3 Aug 2023), the MSCI has returned (-14.92%), while its NAV and share price have returned 31.89% and 28.93% respectively.

Furthermore, at ICAP's NAV of RM3.40 as of May 31, 2023, some RM145.72mil of it comprised cash.

This shows that ICAP is in a good place to grow its NAV even further as it still has a huge war chest to invest in more undervalued shares.

The innovative dividend policy will address the needs of various shareowners — those seeking long-term capital appreciation, those needing some regular distribution and those who may have to cash in their holdings.

In a series of nationwide roadshows earlier this year, Tan has also said that the future of ICAP's NAV will substantially benefit from the RM170 million investments that ICAP has made over the last few years.

ICAP's cash holdings of around RM300 million a few years ago, has dropped to RM145.22mil, as it made substantial investments in promising stocks at bargain prices.



Tan Teng Boo, Managing Director of Capital Dynamics

“This innovative dividend strategy of ICAP, when fully implemented, will further boost its future share price and NAV movement. As guided by the dividend policy and the Board, ICAP is on the right track but there is still plenty of work to be done.”

“In time, as the market starts to fully recognise the consistent outperformance of ICAP, it is hoped that its share price will start to trade at a premium, like it used to before certain shareholders came in,” said Tan.