



ICAPITAL.BIZ BERHAD (ICAP) SHARES OUTPERFORMS MSCI MALAYSIA, S&P500 AND NASDAQ OVER ONE- AND THREE-YEAR PERIOD IN US DOLLAR TERMS

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If KLCI hits 3,000 points over next 3–5 years, ICAP shares will more than double

KUALA LUMPUR, 2 MAY 2024: The share price of **icapital.biz Berhad (ICAP, 5108)**, Malaysia's only listed closed-end fund, has flat out outperformed the MSCI Malaysia Index, the S&P500 and Nasdaq index over a one-year period in US Dollar terms from April 1, 2023, to March 29, 2024.

Over that one-year period, ICAP's share price returned 47.75%, while MSCI Malaysia returned (-0.98%) and the S&P500 and Nasdaq returned 27.86% and 34.02% respectively.

Meanwhile on a three-year period, ICAP still outperformed the other three indexes, returning 49.34%. The MSCI Malaysia index, S&P500 and Nasdaq returned (-17.58%), 32.26% and 23.65% over that three-year period.

As of March 29, 2024, ICAP's total net asset value (NAV) stood at RM536 million or RM3.82 per share, based on its 140 million shares outstanding.



Capital Dynamics CEO and icapital.biz Berhad's designated person, Tan Teng Boo

Tan Teng Boo, the Designated Person of ICAP, said: “Who says Malaysia is not a good investing destination? It’s even better than investing in Nasdaq. It’s about choosing the right Malaysian asset. If you invest in ICAP shares, there is no need to worry about the Ringgit,” he said.

Tan, who was also recently named Adjunct Professor of University of Technology Sydney (UTS) in Australia, turned bullish on the Malaysian market during Investor Day on 5 November 2023, as he feels it is in a sweet spot of sorts.

He says that the Kuala Lumpur Composite Index (KLCI) is poised for a prolonged bull market over the next three- to five-year period, fuelled by macro tailwinds.

Tan is forecasting the KLCI index to hit 2,500 to 3,000 points over the next three to five years.

Should that happen, how would ICAP's shares fare, especially since it has performed so well in the last three years?

Tan has two scenarios for ICAP's share price should the KLCI hit 3,000 points.

Firstly, Tan foresees the NAV of ICAP doubling to RM7.86.

If ICAP's share price equals the NAV of RM7.86, then this will be a rise of RM4.81 or a 158% rise from RM3.05.

In the second scenario, Tan says that historically, the NAV of ICAP has outperformed the KLCI by 6% per annum.

“Thus, if the KLCI doubles in five years, the NAV of ICAP will be RM10.19 by then.

“Assuming its share price trades at a 10% premium to NAV, its share price will trade at RM11.21, which is a rise of RM8.16 or 267% from RM3.05,”

Tan adds that the performance scenarios mentioned do not include the contributions from ICAP's innovative dividend policy.

Taking this into account will see even higher returns for share owners.

ICAP's innovative dividend policy was announced on September 29, 2023, with the goal of proactively narrowing the discount between ICAP's share price and its NAV per share.

It is formulated as follows: a Base Rate of 1% of ICAP's NAV per share, plus 8% of the difference between ICAP's share price and NAV. This additional 8% is referred to as the Top-up Rate. In summary, this innovative dividend policy consists of the aggregate of the 1% Base Rate and the 8% Top-up Rate.
