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KUALA LUMPUR, Aug 15 (Bernama) -- The three billion units ASW 2020 unit trust funds will offer an opportunity for a "risk-free investment", said the fund manager, Permodalan Nasional Bhd (PNB) group chief executive, Datuk Mohd Hilmey Mohd Taib.

The ASW 2020 scheme is a zero-risk investment similar to other funds managed by PNB, like Amanah Saham Bumiputera (ASB) where PNB underwrites the scheme to buy it back at RM1 per unit.

As a dividend bearing investment, unitholders can be assured of competitive returns, better than other zero-risk instruments like fixed deposits, he told a press conference recently.

To be launched by Prime Minister Datuk Seri Dr. Mahathir Mohamad on Aug 28, the computations of the dividends would be based on the minimum monthly balance of a 12-month holding.

"If one puts in an investment for only six months and withdraw before the year end, then they will get half of the total dividend," he explained.

However, one should not compare ASW 2020's dividend with that of ASB, he said.

"Doing so will be like comparing two apples, since ASW 2020 is meant for long term investment and its portfolio mixed is slightly different from ASB," Hilmey said.

He said though ASW 2020 would not provide capital gains since it would not be traded at fund managers' price like in PNB's Amanah Saham Nasional, investors would benefit from bonus units like in ASB.

However, unlike ASB, the bonus units would not be on a year to year basis.

He said the bonus to be distributed would be competitive and that it would be at PNB's discretion.

"It will be as and when we see it worthwhile... maybe after one to three years," he said, adding that bonus distribution will be based on the period of holding "averaged out", to encourage long term investment. --

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