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## Mutual fund plan to educate your child

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MOST parents know that special savings must be kept aside for their children's future education; but how much is enough, and how to make the present funds grow to that targeted amount?

"Parents should start saving as early as possible," says Alex Sito, the deputy senior manager of marketing, Kuala Lumpur Mutual Fund Berhad, a unit trust management company.

"Although very few people can afford to save a large sum of money at one time, most people can afford to put aside a small amount every month periodically," he adds.

However, given the myriad choices of financial vehicles available now, a parent would be hard pressed to decide where to invest his money.

According to Sito, KL Mutual is the first company to launch an education planning service specifically to help parents plan their children's college education.

Among the services it provides include an education needs analysis (to identify the needs, the length of time, and affordability of the parents); college cost table (to identify the cost of education of the university of choice and projected cost when the child goes to college); and the college cost calculator (which helps to identify how much is necessary to invest and an assumed interest rate to meet the college costs or objectives).

Sito says a conservative person should not invest his/her money in the stock market, while an aggressive person should not save his money in a conservative savings account.

"Ideally, the financial vehicles should be diversified, with part of the money in a safe investment, and another part in a more aggressive vehicle which over the long term should yield a better return. But what percentage of a person's money should be in each is the question; and this is where we can help."

Using the college cost calculator, KL Mutual would take into consideration the customer's available resources, and assuming a certain interest rate, would show him how much he needs to invest to achieve his objective.

KL Mutual was incorporated on July 21, 1975, and began its operations as a unit trust manager in 1981 with the launch of its first fund, the KL Savings Fund.

A member of the Public Bank Group, KL Mutual is the largest private unit trust manager in Malaysia, managing over RM2 billion in eight unit trust funds for over 300,000 investors. If the public unit trusts are taken into account, KL Mutual Fund is second only to Permodalan Nasional Berhad.

KL Mutual markets its funds mainly to retail investors through a national network of 18 branches and 17 agency offices.

In addition, unit holders of KL Mutual are serviced by the combined branch networks of Public Bank, Maybank and Bank Simpanan Nasional which act as collection centres.

It currently offers a choice of eight unit trust funds - the KL Savings Fund, KL Growth Fund, the KL Index Fund, KL Industry Fund, KL Aggressive Growth Fund, KL Regular Savings Fund, KL Balanced Fund, and the KL Bond Fund.

It will launch a special education savings fund, to be known as the KL Mutual Future-Grads Plan, very shortly.

To promote the education savings plan, KL Mutual is sponsoring the KL

Mutual-NST Future-Grads Contest, which is organised by the New Straits Times.

At a cheque presentation ceremony to launch the competition held last month, Edmond Cheah, chief executive officer (CEO) and executive director of KL Mutual, referred to the launch of a campaign to promote savings by the Prime Minister Datuk Seri Dr Mahathir Mohamad, which aims at achieving a national savings rate of 45 per cent of the Gross National Product (GNP) by next year.

"Riding on the overwhelming success of our EPF Investment Scheme last November, our marketing team has, in line with the Government's plans to promote savings and education amongst younger Malaysians, come up with a campaign to tie these two together," said Cheah.

The KL Mutual-NST Future-Grads Contest carries a first prize of RM15,000 worth of unit trust fund, a second prize of RM10,000, a third prize of RM5,000, and five consolation prizes of RM1,000 of unit trust funds.

In the first part of the contest, which was open to primary school children between the ages of 10 and 12, participants had to answer a series of questions published in the New Straits Times for one week beginning from Jan 20.

From this preliminary round, 25 participants have been selected to take part in the final round of the KL Mutual-NST Future-Grads Contest which is scheduled to be held on March 9 at Subang Parade.

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