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Clearing the air over trust funds

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KUDOS to Wanita Barisan National chief Datuk Dr Siti Zaharah Sulaiman for establishing the country's first ever fund for women - the Tabung Ehsan Wanita. The fund, set up with Pergerakan Wanita Umno and Barisan National's 14 component parties, is one women can finally call their own.

The fund was launched by Prime Minister Datuk Seri Dr Mahathir Mohamad on Sunday and will be a vehicle to encourage women to save, while helping the Government to overcome the economic problem.

Thirty booths were set up at the Putra World Trade Centre in Kuala Lumpur from 10am to 4.45pm that day to handle the fund. Cash collected totalled RM275,690 while another RM265,000 were in pledges. The minimum amount required to open an account is RM100.

In addition, Siti Zaharah said women leaders of all the BN component parties had each pledged to contribute RM250,000 over an unspecified period.

"These are all serious pledges. As for the individuals, arrangements have been made so that they can honour their pledges, maybe through monthly collections or by other methods of payment and agreements," she said after the launch.

However, some things need to be ironed out, as the public, media, and even ministers are still unclear about several things.

For one, when this fund was renamed from Pelaburan Ehsan Wanita to Tabung Ehsan Wanita, not many were aware of the change until the launch itself. Even then this correction was not announced.

What's in a name you might ask. "Pelaburan" was changed to "Tabung" as the Securities Commission had yet to give its approval. Thus, the word "Pelaburan" cannot be used until then.

Concurrent with the setting up of the fund were plans for a unit trust. It was initially planned that "Pelaburan" be used for both the fund and unit trust, until the issue of the SC's approval arose.

In the meantime, barely two weeks after Siti Zaharah made her announcement, Wanita Umno Supreme Council member Datuk Seri Rafidah Aziz proposed that a new unit trust scheme exclusively for women - Amanah Saham Wanita - be set up and managed by Permodalan Nasional Bhd.

"The women's unit trust can be easily set up by PNB, which already has the capability and mechanism to do so as it manages Amanah Saham Bumiputera, Amanah Saham Nasional and Amanah Saham Wawasan," she said.

Later, Rafidah added that PNB had the needed funds of hundreds of millions of ringgit that could help move the share market and strengthen the economy.

To further complicate matters, Siti Zaharah has now started talking about Amanah Saham Wanita, which she says has yet to get the approval from the SC.

By now, many are wondering if "Zaharah's Amanah Saham Wanita" and "Rafidah's Amanah Saham Wanita" are one and the same.

With the announcement of one fund coming so soon after another, everyone from reporters to ministers was confused. In their reports on the development of Amanah Saham Wanita, daily newspapers showed that they were confused. Even Deputy Prime Minister Datuk Seri Anwar Ibrahim seemed unsure of which unit trust reporters were talking about.

One Malay daily quoted Anwar as saying that Amanah Saham Wanita would have initial funds of RM500 million or RM1 billion, to be managed by

Permodalan Nasional Bhd (Remember Rafidah's suggestion of PNB?). He said the fund would be called Pelaburan Ehsan Wanita (Zaharah's project).

When we met up with Rafidah, she said: "Let me clarify things for you. The scheme that I have proposed with PNB is different from what Zaharah is proposing.

"The one with PNB does not need the approval of the Securities Commission. It is pending the Government's approval. We've already discussed this at cabinet level.

"As for the statement that Anwar made about the substantial Amanah Saham Wanita Fund amounting to hundreds of millions, I'm sure he was talking about the proposal I made," Rafidah told the New Straits Times at her office at the Ministry of Trade on Monday.

More confusion ensued on the day of the launch of the Tabung. An English and a Malay daily reported that Dr Mahathir was launching the Amanah Saham Wanita instead of the Tabung, when in fact both the Amanah Saham Wanita proposals were still pending - Zaharah's proposal is awaiting an answer from the SC and Rafidah's, as mentioned, will be decided by the Government.

Siti Zaharah said: "I'm not allowed to talk about the Amanah Saham Wanita as it has not received the okay from the Securities Commission, but I'm confident that the Amanah Saham Wanita will be approved without any problems, maybe in two or three months."

She added that when Amanah Saham Wanita is established, investors can choose to either maintain their account in the Tabung or transfer it to the Unit Trust.

Until today, some newspapers still call it Pelaburan instead of Tabung. But can they be blamed for doing this since the term "Pelaburan" was used all along until the day of the launch?

One wonders if these problems could have been avoided had there been closer cooperation between the two Wanita leaders. Do we detect a problem between them?

"There's nothing political here. I'm just doing my bit to help women. I thought of this idea and had even discussed it with some Bakti members (wives of ministers) much earlier," said Rafidah, who subtly changed Amanah Saham Wanita to Amanah Saham Bakti Wanita.

She said this was not a one-time thing, and it would benefit all women.

"This Unit Trust is forever, not only for these troubled times. One only needs a minimum of RM10 to invest in it. Then they can slowly increase this investment by monthly salary deductions, if they so wish," she said.

Siti Zaharah, while saying that it was fine to have a number of other unit trusts, as all would work towards a common goal - to strengthen the country's economy - promoted her fund more.

"The Tabung is not only about saving and investing but it also brings women of all races together," she said, in the same train of thought as Rafidah.

Monies collected from the Tabung Ehsan Wanita will be managed by fund managers, in this case Metrowangsa Asset Management, headed by economist Dr Ghazali Atan, who was formerly with the Prime Minister's Department Economic Planning Unit as principal assistant director (Macro Section) Something that also needs to be clarified is that all this while, the benefits of the Tabung have been vague: insurance, business and education loans, tabung khairat mati (death benefits) had been cited in the past with no reference to the sum of returns.

Ghazali later explained that the said benefits have nothing to do with the Tabung. "We'll deal with that with Asnita or Amanah Saham Wanita. For now, the money in the Tabung will be used as investments in Green Bills and the share market."

When asked whether the minimum requirement of RM100 to open an account was too steep, Ghazali said that even a cheap share could cost thousands of ringgit, so RM100 was a fair amount to ask.

And while Siti Zaharah "guaranteed safe returns", Ghazali was more cautious, preferring to say, "We don't promise anything but we'll use conservative portfolio management principles rather than be aggressive, to safeguard our investors' interests."

Ghazali said that an account holder can withdraw her deposit after one month, However, Siti Zaharah encouraged women to keep their funds in the Tabung long term.

"Rather than take this Tabung and look at it just from an investment point of view, think of it in terms of a mechanism that would motivate more women to save and contribute to the speedy recovery of our economy," Zaharah said.

Meanwhile, there could be more good things coming in Zaharah's "second phase" of the proposed Amanah Saham Wanita. This would include her suggestion on how women could capitalise on their excess jewellery.

As for Rafidah's proposal of the Amanah Saham Bakti Wanita, she said that at RM10, besides being more affordable to everyone, PNB can move the market with its financial strength.

"All you need to do is make use of the mechanism and infrastructure," she said.

Indeed, there is much wisdom in what Rafidah has said. It would take millions of ringgit to move just one blue chip counter that may cost, for example, RM10 a share.

And for the share market to move across the board, it could take billions. So maybe both unit trusts have their own strengths and people could actually have both. Then again, one wonders if people actually have so much funds to go around.

For it is only natural that people would want to invest their monies where they would be assured of the best returns. Perhaps it would have been better if Wanita members had worked together to come up with one consolidated fund.

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