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## Pacific Mutual starts Islamic unit trust

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PACIFIC Mutual Fund Bhd expects its newly launched Islamic unit trust, Pacific Dana Aman, to raise a total of RM50 million within six months of its launch.

This was revealed yesterday by Pacific Mutual's chief executive officer Judy Yap Soh Li after Deputy Minister of Finance Datuk Affifuddin Omar launched the fund in Kuala Lumpur.

Yap said the RM50 million projection is based on the current market condition.

With an approved fund size of 200 million units, the fund is the first Islamic unit fund in the country that is offered at an initial price of 50 sen per unit instead of the usual initial price of RM1 per unit during a 21 day offer period.

The minimum amount for investors to invest is RM1,000.

In addition, investors purchasing units from April 16 to May 6 this year will be entitled to three Dana Special units for every 1,000 units purchased on the anniversary of their investments every year for five years.

Investors of the fund aged below 60 years will enjoy free takaful coverage underwritten by MNI Takaful.

The coverage will be up to 200 per cent of the market value of the unit trust investment for total and permanent disability and 20 per cent upon death, subject to a maximum coverage of RM300,000.

On the fund's expected returns, she said over a period of five years the fund's yearly returns will be between 10 per cent and 17 per cent.

Yap added if the fund is fully subscribed, Pacific Mutual might in future be asked to increase the approved size of the fund.

Meanwhile, Affifudin said that the unit trust industry in Malaysia is expected to grow further in the next couple of years from currently 12 per cent to 20 per cent.

On the present economic situation, Affifuddin said that he sees a trend that the economy is heading towards recovery, adding that he believes that the economy will recover in the near future.

Affifudin said he agrees with the recent statement by Prime Minister Datuk Seri Datuk Mahathir Mohamad that interest rates are coming down while the credit situation has improved.

According to him, bank and finance company mergers will increase the country's financial institutions efficiency which will help to reduce interest rates.

Affifudin said the Government will continue its role to coach financial institutions on mergers, adding the trend for mergers of both the finance companies and the banks in Malaysia as encouraging.

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