

11/12/1998

10.5pc payout for ASB unitholders (HL)

Hamisah Hamid

DESPITE the overall bearish market conditions during the year, Amanah Saham Bumiputera (ASB) unitholders will receive an attractive 10.5 per cent dividend and bonus payment for 1998, just 1 per cent less than last year.

"They represent attractive returns, taking into account the market conditions and those paid by other schemes," Prime Minister Datuk Seri Dr Mahathir Mohamad said in a statement read by Permodalan Nasional Bhd (PNB) chairman Tan Sri Ahmad Sarji Abdul Hamid at a press conference in Kuala Lumpur yesterday.

The ASB scheme allocated RM2.7 billion for the payout this time, compared to RM3.2 billion for a 10.25 per cent dividend and a 1.25 per cent bonus last year.

For 1998's quantum of returns, 8 per cent is bonus and 2.5 per cent dividend. This was arrived at by calculating the average minimum monthly balance for nine years from 1990.

The Prime Minister said the calculation of this year's bonus is ASB scheme manager PNB's way of rewarding its long-term investors.

"PNB feels that the dividend and bonus of 10.5 per cent for the ASB scheme is reasonable for a long-term and low-risk investment," said Dr Mahathir, who is also chairman of Yayasan Pelaburan Bumiputera, the holding company of PNB.

Amanah Saham Nasional Bhd, a subsidiary of PNB, manages the ASB scheme.

Also present at the function was PNB group chief executive Hamad Kama Piah Che Othman.

For the year, the ASB Scheme derived 37.3 per cent of its earnings from dividend income, 60.5 per cent from capital gains and the rest from other sources.

In the previous year, 31.8 per cent of the earnings came from dividend income and 63.4 per cent from capital gains.

Dr Mahathir, who is also First Finance Minister, emphasised that PNB will always safeguard the interest of ASB's Bumiputera investors by managing their investment well as part of efforts to strengthen their equity in the corporate sector.

The number of ASB unitholders rose 3.39 per cent to 4.9 million but total investment fell about 13 per cent to RM25.6 billion.

Ahmad Sarji later told reporters the decline in investment value is attributable to a fall in income suffered by unitholders.

"The important thing is the number of investors has risen," he said.

Federal Territory was the scheme's biggest investor, followed by Johor, Selangor, Sarawak and Perak.

Ahmad Sarji attributed the favourable returns on investment to the prudent management of the scheme, which emphasises spreading of risks.

More than 90 per cent of the ASB fund is invested in equity with a long-term bias.

PNB has interests in more than 300 companies, with 65 companies, mostly blue chips, accounting for the bulk of the group's earnings from the source.

Ahmad Sarji also said with its existing funds, PNB has been able to buy shares of companies with good track records when their prices were unrealistically low.

"My call to investors now is to raise their investments. Under the

present economic situation, PNB has made a lot of investments by buying shares which had fallen in prices.

"It is matter of time the stock prices will rise again and this means we will be able to pay reasonable dividends in the years to come," he said.

Meanwhile, Hamad Kama Piah said the dividend and bonus declared by ASB is still far better than those offered by other funds, or if one were to simply put the money in the bank.

In addition, the average return on investment based on the performance of the Kuala Lumpur Stock Exchange's Composite Index between 1981 and 1998 is only 7 per cent, he said.

Fixed deposit interest rates for the past 17 years averaged only 7.43 per cent, Hamad added. The average return on the low-risk ASB scheme, since its inception in 1990, is 12.75 per cent.

As of April 1998, ASB had 4.9 million unitholders who invested RM25.6 billion, Amanah Saham Nasional (ASN) 1.3 million unitholders and RM1.5 billion, and Amanah Saham Wawasan 832,000 unitholders and RM1.6 billion. All three schemes are managed by PNB.

To facilitate dividend and bonus payment, all transactions on ASB and (ASN) will be suspended from December 16 1998 till January 1 1999.

Investors will receive their bonus and dividend vouchers and fund manager's report in February.

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