

Mahathir: It's the right time to invest in unit trusts

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Prospects are bright following the recovery of share markets worldwide, says the Prime Minister

DATUK Seri Dr Mahathir Mohamad, who launched the Amanah Saham Nasional (ASN) 3 Imbang yesterday, said prospects for unit trust investors are bright following the recovery of stock exchanges worldwide.

The Prime Minister said this is a good time to invest in unit trusts and the local stock market, as analysts expect the global economy to recover by next year.

"So, this is the time to invest, but it should be for the long term," he said at the launching of ASN 3 Imbang, Permodalan Nasional Bhd's (PNB) eighth unit trust scheme, in Kuala Lumpur yesterday.

Dr Mahathir reiterated that the time is right as Malaysian stocks have appreciated with the market barometer, the KLSE Composite Index, now above the 600-point level.

The index ended marginally easier yesterday by 2.05 points to 616.85 after opening higher by 1.28 points at 620.18.

"World stocks have recovered slightly, while the Dow Jones Industrial Average has performed better than expect-

ed," Dr Mahathir said.

On suggestions by some quarters that this is the wrong time to invest due to the current bearish sentiment on the stock exchange, Dr Mahathir said: "It is wrong to say that because the climate is as good as the shares have appreciated."

As to whether the Malaysian economy can recover in a shorter time frame, he said Malaysia can try to insulate its economy from external pressures as well as prevent it from slipping into recession.

Dr Mahathir said the Government views with serious concern incidents of breach of trust whereby people's savings have been misappropriated.

"This will mar the image and

affect the confidence of the people and foreign investors in the banking and investment institutions in this country.

"Lately we have been hearing of incidents where people's savings have been misappropriated and there has been a breach of trust," he said.

Dr Mahathir said day-to-day security measures and business proceedings should be reviewed and updated regularly so that professionalism and credibility will not be questioned.

"At the same time, investors' confidence can be retained and enhanced," he said.

He said the Government is studying procedures to ensure the security of people's funds

and to prevent them from being misappropriated.

Managers, particularly those involved in investing, or professionals in this field, should do so based on the advice of people with knowledge about investments, the Prime Minister said.

On ASN 3 Imbang, Dr Mahathir said this is the first ASN to be offered to non-Bumiputeras. It is also the first unit trust scheme offered to Malaysian of all races at variable prices. The other unit trusts offered to all Malaysians — the Amanah Saham Wawasan 2020 and Amanah Saham Malaysia — are offered at fixed prices.

Other unit trusts handled by

PNB are ASN, ASN2, Amanah Harta Tanah and Amanah Saham Didik.

Open to all Malaysians aged 18 and above, the ASN 3 Imbang is offered at RM1 per unit until November 5.

After that, the price will vary, based on stock exchange movements.

ASN 3 Imbang will invest in stocks and fixed-income instruments such as bonds.

It may also be the first fund to use stock and futures indices as part of its investment strategy. The size of the new fund is RM1 billion.

Balanced funds usually comprise a mix of investments in equities and fixed income securities aimed at offering capital

growth as well as steady income for investors.

ASN 3 Imbang, however, is not expected to have a set limit to the equity and bond portions of its portfolio.

Earlier, PNB chairman Tan Sri Ahmad Sarji Abdul Hamid said between 1981 and 2000, PNB distributed RM31 billion as dividends to unit shareholders who comprise lower rank workers, labourer, farmers, fishermen, land settlers, and police and army personnel.

"PNB will continue to be careful in managing its investments to ensure that every investment fulfils its potentials and provides competitive returns to investors in the long term," he said.