

26/11/2001

`Potential in infrastructure, construction and property'

Azlan Abu Bakar

HLB Unit Trust Management Bhd has identified construction, infrastructure and property sectors as its picks when it comes to long-term investment.

Its chief executive officer Tai Terk Lin said these sectors are set to benefit the most from the Government's pump-priming initiatives.

"Our sector picks are the construction, infrastructure and property that will benefit from the pump-priming initiative," he said in reply to queries from Business Times about the country's unit trust industry.

Tai also said the company sees the consumer products sector as a good pick too because it is defensive in nature and offers good dividend yields to shareholders.

The Government has initiated in March this year a pump-priming measure to stimulate the economy and break the spell of the US economic slowdown.

Under the initiative, the Government allocated RM3 billion for infrastructural development with the hope that the spillover effect will stimulate growth in the economy.

However, the September 11 terrorist attacks in the US have somewhat sidetracked the impact of the earlier pump-priming measures as the US economic recovery went deeper into the unknown.

To cushion this bearish impact, another RM4.3b was allocated to the pump-priming initiative to help propel economic growth.

Prime Minister Datuk Seri Dr Mahathir Mohamad had said on November 16 that the total allocated amount of RM7.3 billion is expected to be exhausted by year-end.

Tai also said HLB Unit Trust Management Bhd is constantly developing new products to cater to different groups of investors. The company plans to put together two new funds in the first half of next year.

The company's biggest fund, the HLB Growth Fund, has shown good performance. "The high rankings obtained by the fund are largely attributed to its disciplined investment approach," Eric Tan said.

HLB Growth Fund and HLB Penny Stock Fund have investments that are medium to long term.

"We seek out undervalued equities that have good medium-to-long-term potential for capital gains," Tan added.

The fund focuses on smaller-capitalised stocks, or those that are trading close to or below their book values. So far, the HLB Consumer Products Sector Fund has been the best performer due to its defensive nature.

(END)