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Firm looks to stimulus plan for boost

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PERMODALAN BSN Bhd is hoping that the economic stimulus package announced by the Prime Minister Datuk Seri Dr Mahathir Mohamad will spark consumer interest in unit trusts.

Permodalan BSN chairman Datuk Abd Azim Mohd Zabidi said the stimulus package aims to encourage spending among local consumers to create domestic demand.

"Since the Government has decided to reduce employees' contributions to the Employees' Provident Fund, we hope that they will use the extra income to invest in unit trusts," Azim said.

He said when people invest in unit trusts, the unit trust company will then invest in the stocks which hopefully, will create some form of impetus for the stock market to improve.

"I think now is the best time to invest in unit trusts, because as a unit trust manager, we will invest in companies with strong fundamentals and not based on hearsay and rumours, which some retail investors tend to believe and rely upon," Azim said.

Azim was speaking to reporters after attending the signing ceremony of a memorandum of understanding between Permodalan BSN and Malaysian Assurance Alliance Bhd (MAA).

The MOU is for a group term life assurance plan for Permodalan BSN's unit trust holders.

At the ceremony, Permodalan BSN was represented by Azim while MAA was represented by its chief executive officer Razman Hafidz Abu Zarim. Also present at the ceremony were MAA chairman Tunku Ya'acob Tunku Abdullah and Permodalan BSN's chief executive officer Ahmad Shkri Ramli.

Under the MOU, 117,339 policy holders of BSN Unit Trust will now be protected under the group term assurance policy which includes benefit upon death. The premium for the assurance policy will be paid entirely by Permodalan BSN.

"This is one of our valued added service to our unit trust holders. Hopefully, with the value added services offered by the company, like the insurance coverage, more people will invest in BSN unit trusts," Azim said.

Azim said all current and future unit trust holders with a minimum investment of RM100 is eligible for the insurance policy.

"We first introduced the group term assurance policy in 1995 and as at December 2000, over 555 cases were claimed and settled with a total cost amounting to over RM2 million," Azim said.

He said Permodalan BSN decided to choose MAA to manage the assurance policy as the premium offered by MAA is more competitive.

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