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National Unit Trust Fund to be launched on Apr 20

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THE National Unit Trust Fund, proposed under the Third Outline Perspective Plan (OPP3) that will run from 2001 to 2010, will be launched on April 20, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"The unit trust fund is open to all races. The mechanism of the trust fund will be revealed during the launching," he told reporters after meeting staff and officers of the Information Ministry in Kuala Lumpur yesterday.

Dr Mahathir was asked to elaborate on the proposed unit trust fund as outlined under the OPP3 and National Vision Policy, which he tabled in Parliament on Tuesday.

After tabling the OPP3 report, Dr Mahathir told reporters that the fund may be modelled after the unit trust funds launched by Permodalan Nasional Bhd (PNB).

A PNB official, when contacted by Business Times, dismissed the possibility that it will be asked to manage the proposed fund.

"No, I have not heard about it (the possibility that PNB will lead the new unit trust entity)," the official said.

Dr Mahathir is scheduled to officiate the launch of PNB's five-day Malaysian Unit Trust Scheme Week 2001 in Kota Baru on April 20, the same day that the National Unit Trust Fund is scheduled to be launched.

The official said a new unit trust scheme will be unveiled at the launch of PNB's unit trust scheme week.

However, he could not disclose the nature of the scheme and whether non-Bumiputeras can subscribe to the fund.

PNB currently manages over RM58 billion of funds, of which RM34 billion come from seven million depositors in five schemes handled by the group: Amanah Saham Bumiputera, Amanah Saham Nasional (ASN), ASN2, Amanah Saham Wawasan 2020 (ASW2020) and Amanah Saham Malaysia (ASM).

Both ASW2020 and ASM, the unit trust schemes open to non-Bumiputeras, have long been fully subscribed.

It was also reported in February that the Johor State Government had proposed to pool state government-backed unit trust funds and have them managed either by PNB or another entity set up specifically for the purpose.

It is understood that Johor Menteri Besar Datuk Abdul Ghani Othman had submitted a paper on the matter to Dr Mahathir, the chairman of the Bumiputera Investment Foundation, for consideration.

Some 300,000 unitholders, the majority of whom are Bumiputeras, are expected to benefit from the move. The state unit trusts have performed below expectations since the economic crisis in 1997-98.

Sources had said the menteris besar and chief ministers, who chair the respective state unit trust funds, had been briefed by the fund managers and were receptive to the idea.

The state funds involved are Amanah Saham Kedah, Amanah Saham Sarawak, Amanah Saham Selangor, PJB Amanah Saham Johor, PJB Dana Johor, PKB Tabung Kumipa, Saham Amanah Sabah and Amanah Saham Terengganu.

According to the OPP3 report, efforts will be stepped up to increase the savings and investment of Bumiputeras and other disadvantaged groups to ensure their meaningful participation and to achieve the qualitative and quantitative targets of corporate equity ownership.

Towards this end, the National Unit Trust Fund will be established to

ensure a more widespread distribution of equity ownership among Bumiputeras and other disadvantaged groups.

Meanwhile, an official from the Economic Planning Unit in the Prime Minister's Department said a special committee will be formed to oversee the setting up of the National Unit Trust Fund and to streamline it with the future development of Malaysia's capital and financial markets.

The official said the proposed National Unit Trust Fund is still in the conceptual stages.

The official also said the committee will have economy experts working with the EPU to establish a set-up that adapts to new systems, in line with both the Financial Market Masterplan and Capital Market Masterplan released earlier this year.

"The fund's set-up will not be competing with PNB, but will give more venues for Bumiputeras to make investments.

"We want to have a few more entities such as PNB but with a slightly different function," the official said.

Other proposals include the better management of state unit trust schemes and developing potential resources, such as Malay reserve land, Baitulmal and Wakaf assets.

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