

16/10/2001

PNB to launch eighth unit trust fund today

Kamarul Yunus

PERMODALAN Nasional Bhd (PNB) is launching its eighth investment fund today, taking advantage of the current low level in prices of shares on the Kuala Lumpur Stock Exchange (KLSE).

Its chief executive officer, Datuk Hamad Kama Piah Che Othman, said investors under the new fund would be provided with a balanced investment in equities and fixed income from other monetary instruments such as bonds.

"The new unit trust scheme will provide investors the balance in equities investments and fixed income instruments," he said after closing the PNB's Quality Day celebration in Kuala Lumpur yesterday.

The celebrations began last Thursday.

Explaining the reason PNB chose to launch the new scheme when there was still uncertainty in the stock market, Hamad Kama Piah said for long-term investors, now was the right time to buy the shares when the prices were at low levels.

"Investors and PNB, in particular, will have no problem in buying the shares of selected companies and hold on to them to get good returns when the market stabilises.

"It is inappropriate to buy shares when the stock prices are too high because it will not be competitive when the shares are sold," he said.

However, Hamad Kama Piah said the new fund would see PNB increase its focus on fixed income instruments to reduce risk in returns.

"We will invest in companies that have strong fundamentals and have potential for providing good returns in future. We will invest in stocks, but our focus will be on the fixed income instruments," he said.

Hamad Kama Piah said, currently, the ratio of its investment in equities and other fixed income instruments was at 90:10 or 80:20.

"The new scheme will see a more flexible ratio, with the fixed income instrument to be given more emphasis," he said.

The new trust fund, to be launched by Prime Minister Datuk Seri Dr Mahathir Mohamad, is open to all Malaysians, aged 18 and above.

However, Hamad Kama Piah declined to identify the name and size of the fund, merely saying that the new scheme was a follow-up to PNB's successful previous funds; namely, Amanah Saham Wawasan 2020 (ASW) and Amanah Saham Malaysia (ASM), which are also open to all Malaysians.

Besides ASW and ASM, PNB handles the Amanah Saham Bumiputera, Amanah Saham Nasional (ASN) and ASN2, Amanah Harta Tanah and Amanah Saham Didik.

Hamad Kama Piah said PNB has received an overwhelming response to its ASW and ASM with the two funds now almost fully subscribed.

Business Times carried a report last Monday saying that PNB will launch its eighth investment and first balanced fund under its Amanah Saham Nasional series today.

The fund is called Amanah Saham Nasional 3 Imbang (ASN3 Imbang).

This may also be the first fund to use stock index futures as part of its investment strategy. The size of the new fund is expected to be 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.

ASN3 Imbang, however, is not expected to have a set limit to the equity and bond portions of its portfolio.

Last year PNB invested RM1.3 billion in 72 listed and four private companies.

In the previous year, it invested RM877.9 million in 54 companies including three unlisted units.

The PNB group posted a 19.8 per cent growth in pre-tax profit to RM1.03 billion for the year ended December 31 2000 from RM856.9 million for the corresponding period earlier.

Group turnover surged 90 per cent to RM2.04 billion from RM1.07 billion the year before; the gains were mainly made from the sale of investments which totalled RM1.1. billion.

It also permanently wrote down RM986.7 million in the value of its investments last year.

(END)