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PNB-INVEST
PNB TO INVEST MORE IN NON-EQUITY PAPERS

KUALA LUMPUR, Oct 15 (Bernama) -- The national fund management trust, Permodalan Nasional Bhd (PNB) will raise the level of its investments in non-equity papers with the introduction of its new unit trust scheme tomorrow, said its group's chief executive Datuk Hamad Kama Piah Che Othman.

At present under the existing schemes, PNB invests 90 percent of the unit trust funds in equity market holdings.

According to Hamad Kama Piah, the non-equity markets that PNB had set its eyes on include the bond market and the money market which provide stable returns. (By common practice, the less risky non-equity papers are called fixed-return investments.)

He was speaking in connection with the observance of PNB's quality day here today.

"Usually, we invest largely on equity assets and when the market goes weak, the arrangement affects the returns," he said.

He said PNB hopes that with the new strategy, it could balance the returns of the equity and non-equity and create a stronger portfolio.

The new scheme which is the eighth in the PNB range of unit trusts will be launched by Prime Minister Datuk Seri Mahathir Mohamad.

He said the scheme is open to any Malaysian citizen aged 18 years and above.

On the possibility that many would question PNB's decision to start the new scheme in a bearish market environment, Hamad Kama Piah said PNB considered the timing to be suitable "as the fund could acquire the (targeted size) at the lower offer prices".

"As a long-term player we strongly believe that this is the right moment for us to introduce the new scheme," he added.

He said the new unit trust was limited in size and it will be offered under the "first come first served" basis.-- BERNAMA

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