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MAHATHIR-UNIT TRUST

MAHATHIR: NO GUARANTEE OF PROFIT IN UNIT TRUST INVESTMENTS

KUALA LUMPUR, Feb 11 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today reminded unit trust investors to accept the fact that their investments do not always guarantee them profits.

"They have invested with the belief that their investments will always bring them profits. There are instances when investments don't bring in profits. We have to accept this fact," he told reporters after officiating the launch of Kuala Lumpur Convention Centre here.

The prime minister was replying to questions posed by reporters on the performance of state-run unit trust funds where the majority of them suffered as a result of the 1997/1998 regional financial crisis. State-run unit trust funds which had relatively poor performances include Amanah Saham Selangor Bhd (ASAS), Amanah Saham Sabah Bhd, Amanah Saham Johor (ASJ), Dana Johor, Amanah Saham Kedah Bhd and Amanah Saham Darul Iman (ASDI).

Up till Sept 30, 2002, the net asset value of these unit trust of RM1 each was between 15 sen and 48 sen a unit.

Dr Mahathir said the government had yet to decide on the form of assistance to revitalise these unit trust funds.

He said the government had since early this year been studying ways to reduce their losses.

However, he stressed that the government would not bail them out as this required a lot of money.

Dr Mahathir said some investors who had been used to good returns over many years had questioned as to how their investors could have suffered losses.

"When investing, there will be gains, there will be losses," he said, adding that there is no guarantee that profits will come in all the time.

Dr Mahathir said if investors wanted certainty in returns, then they should deposit their money in banks and earn interest instead. -- BERNAMA

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