

CIMB-Principal Aims To Raise RM300 Million From Newly-Launched Fund By Year-End
Bernama
20 March, 2014

KUALA LUMPUR, March 20 (Bernama) -- CIMB-Principal Asset Management Bhd aims to raise RM300 million from its newly-launched CIMB-Principal Global Multi Asset Income Fund by year-end.

The fund is targeted at high net worth and sophisticated investors who are keen to invest in global mixed assets.

Chief Executive Officer Munirah Khairuddin said the fund seeks to offer a higher potential yield of five per cent payable on a quarterly basis by investing primarily in high-yielding dividend stocks, investment-grade credits and high-grade credits, globally.

"The new asset income fund today is timely in this low interest rate environment where Malaysian fixed deposits offer yields of between 3.0 to 3.5 per cent," Munirah told reporters after the launch of CIMB-Principal Global Multi Asset Income Fund on Thursday.

CIMB-Principal will invest 95 per cent of its newly-launched fund asset into Schroder International Selection Fund Global Multi-Asset Income domiciled in Luxembourg, which currently has a net asset value of US\$4.3 billion.

The fund is expected to maintain five per cent of its net asset value in liquid assets.

Its Chief Investment Officer Arnold Lim Boon Lay said returns from conservative funds have stayed flat for the past 10 years due to slower growth of the global economy.

"It's a low volatility return, however we see positive momentum in US high-yield and European investment-grade bonds," he said.

Lim also said the European Central Bank is expected to continue to be accommodative for a longer period of time, and this augurs well for investment-grade bonds, while US high-yield bonds will benefit from the country's ongoing recovery.

The fund will be available starting March 20, 2014, with a minimum subscription of RM10,000 priced at RM1.00 per unit.

CIMB-Principal group's total assets under management stood at RM48 billion as at Feb 28, 2014.

"We are targeting to reach about RM51 billion to RM52 billion by the end of this year," Munirah added.

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Source: <http://www.bernama.com/bernama/v7/newsindex.php?id=1023332>