

## **Who is behind Bridge Partners, PKR lawmaker asks of firm appointed to manage 1MDB funds**

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**BY EILEEN NG**

A lawmaker has raised questions over 1Malaysia Development Bhd (1MDB) move to appoint a little-known Hong Kong based firm to manage its US\$2.3 billion, or RM7.4 billion, funds.

Rafizi Ramli (PKR - Pandan) said the sovereign fund's move to appoint Bridge Partners raised eyebrows, as very little information is known about the company.

"This is a pertinent matter because RM7.4 billion worth of public money is managed by a company not subjected to our laws.

"We do not know what's the arrangement, and this not only posed a risk to the funds but it goes against the principles of what a sovereign fund is," he said at a press conference at the Parliament lobby today.

English daily The Star reported in May this year that Bridge Partners offered financial services to institutional and corporate clients, including asset management, investment advisory, corporate finance, fund raising, and business consultation among others.

According to the firm's website, its clients include institutions, public-listed companies and private corporates in North America, Europe, Southeast Asia and China.

However, The Star noted that unlike other big financial services firms, Bridge Partners' website lacked key information such as its management, track record and assets under management.

"Although Bridge Partners boasts of superior risk-adjusted returns for over eight years, there are no details on its track records," it said.

In a parliamentary written reply to Rafizi on the role of Bridge Partners, finance minister Datuk Seri Najib Razak only answered in general terms without directly referring to the company.

He said fund managers were appointed based on criteria such as stability, reputation, investment experience, incorporated jurisdiction and accompanying regulations.

Any fees and expenses incurred by 1MDB in engaging fund managers were stated in audited financial statements, said the prime minister, adding that such matters were

to be referred to the company.

Describing the reply as a "non-answer", Rafizi hit out at Putrajaya for refusing to disclose any pertinent information on the company.

The first-term MP said even if Bridge Partners' fees was 1% of the RM7.4 billion, the amount at RM70 million was still astronomical considering that little information was available on the company.

Rafizi added companies that deal with public funds such as Employees Provident Fund (EPF), Khazanah Nasional Bhd and Petronas all have their own standard operating procedures and in-house investment committees instead of appointing other agencies.

1MDB is Malaysia's second sovereign wealth fund after Khazanah Nasional Bhd.

Critics have long questioned the fund's heavy debts, usage of funds and opaque operations.

In September, former prime minister Tun Dr Mahathir Mohamad wrote on his blog that 1MDB had already incurred an RM38 billion debt within just five years of operations and expressed worries that the government, already facing a deficit budget, would not have the ability to help pay the 1MDB debt.

He also noted that a large part of the money raised from the issue of debt paper by 1MDB had been sent to the Cayman Islands, a move which many have questioned. – November 3, 2014.

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