



Take up positions to ride Asian recovery, investors told

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INVESTORS should position themselves to ride the recovery in Asia's equity markets as the region will be the first to rebound from the current economic downturn and become the new engine of global growth, an asset manager said.

CIMB-Principal Asset Management Bhd, jointly owned by CIMB Group and the US-based Principal Financial Group, said investors may bet on this theme through three Asian equity funds that it manages, one of which is syariah-compliant.

"Asian economies are well-poised to recovery with China leading the way. We expect investors' risk averseness to moderate and confidence to return significantly," CIMB Bank's head of consumer sales and distribution Sulaiman Mohd Tahir told a media briefing in Kuala Lumpur yesterday. The bank is distributor for the three funds.

"This is also the best time for investors to consider the prospects of shifting into equities," he added.

Both the RM56 million CIMB Islamic Asia Pacific Equity Fund and the RM47 million CIMB-Principal Emerging Asia Fund invest in high-growth markets in this region, except that the syariah-compliant fund cannot invest in certain sectors shunned by the Islamic law, such as banking and financial.

The conventional fund is now 97 per cent invested in stocks that include Samsung Electronics Co Ltd of South Korea, Wintek Corp of Taiwan and Hong Kong's Standard Chartered plc.

Meanwhile, the syariah-compliant fund is 88 per cent invested in stocks, its top five holdings being BHP Billiton Ltd from Australia, Samsung Electronics Co Ltd of South Korea, Hyflux Ltd from Hong Kong, Infosys Technologies Ltd

from India, and Taiwan Semiconductor Manufacture.

The third fund, the Asian Infrastructure Equity Fund, is a feeder fund that ultimately buy shares of companies that are set to benefit from Asia's rising need for new infrastructures like road and phone lines.

All three funds have risen by between 37 per cent and 51 per cent so far this year as global stocks rallied in recent months.

CIMB-Principal chief investment officer Raymond Tang said despite the sharp rise, valuation of shares in this region has not gone back to the level of 2007, prior to the financial crisis.

"We recognise that the road to recovery is not without obstacles, but the risks of a double-dip recession are much lower now compared with a few months ago," Tang said.



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