



CIMB-Principal eyes opportunities in Australia

KUALA LUMPUR: CIMB-Principal Asset Management Berhad ("CIMB-Principal") yesterday launched the CIMB-Principal Australian Equity Fund ("the Fund"), a fund that aims to achieve medium-to-long term capital appreciation through investment in a portfolio of predominantly Australian securities.

At the launch, Campbell Tupling, Chief Executive Officer of CIMB-Principal said, "The Australian market presents exciting opportunities as it is the only major economy that has avoided a technical recession in 2009, recording only one quarter of contraction in gross domestic product (GDP). The Fund, which feeds into the Schroder Australian Equity Fund ("the Target Fund"), an Australian-domiciled fund, strives to outperform the S&P/ASX 200 Accumulation Index over the medium-to-long term and is an effective avenue to participate in the upside potential of the Australian markets."

Historically, Australia's economy expanded in the last 17 years and offers attractive stocks that benefited from the expansion, such as the mining, banking and con-

sumer staples stocks, among others. The success story of Australia's economy derives from the fact that its banks emerged from the financial crisis relatively unscathed as the government took important steps to strengthen the country's financial system, including guaranteeing the deposits and wholesale funding of Australia's financial institutions. Australia's stock market is also the largest in Asia Pacific ex Japan, offering attractive liquid stocks for investors.

"Australia's positive economic outlook has made its dollar the best performer among the most-traded currencies in the past year. Its success is fuelled by continued strong demand for its resources (sparked by China's massive investment program in infrastructure and industry), and its sound governance and effective financial policies that ensured Australia's political stability," explained Tupling.

The Fund will invest at least 95% of its net asset value (NAV) in the Target Fund, with an emphasis on investments in companies with sustainable competitive advantage in the

long term, while maintaining up to a maximum of 5% of its NAV in liquid assets.

"This Fund will not only complement our product offerings but it is also an efficient way of providing better opportunities and effective diversification for investors' portfolios. With a minimum investment of only RM1,000, investors can have exposure to renowned Australian companies such as BHP Billiton Limited, National Australia Bank, Telstra Corporation Limited, and Commonwealth Bank, just to name a few," Tupling added.

The CIMB-Principal Australian Equity Fund, the third equity fund launched by CIMB-Principal this year, has an approved fund size of 600 million units and an initial offer price of RM0.25 per unit. It is distributed by CIMB Bank, CIMB Private Banking, CIMB Investment Bank, CWA (formerly known as CIMB Wealth Advisors), Citibank and Standard Chartered Bank.

As at 31 December 2009, the total net asset value of funds managed by CIMB-Principal was RM22.1 billion.