



CIMB-Principal: Oz stocks provide good diversification

by **JASON NG**

CIMB-PRINCIPAL Asset Management Bhd sees Australian stocks, against the backdrop of a "recession-proof" economy, as an "effective diversification" for investors' portfolios.

Australia is the only major economy which had managed to stave off a technical recession in 2009 with economic expansion in the last 17 years which has benefited stocks in the mining, banking and consumer staples sectors, according to CIMB-Principal's CEO Campbell Tupling.

"Australia is a stable, devel-

Australia is a stable, developed market and it was the only major economy to avoid recession last year

oped market that is connected to the emerging market story," he said at a press conference after launching the Australian Equity Fund in Kuala Lumpur yesterday.

The S&P/ASX 200 Index, Australia's benchmark gauge, gaining more than 30% in 2009, after the government guaranteed deposits and wholesale funding of its banks resulting in the econo-

my suffering from only a single quarter of gross domestic product contraction.

Australia's positive economic outlook is fuelled by "continued strong demand for its resources, sparked by China's massive investment program in infrastructure and industry," said Tupling, whose CIMB-Principal manages funds of more than RM22.1 billion.

CIMB-Principal's latest fund will feed at least 95% of its net asset value into the Schroder Australian Equity Fund which invests in BHP Billiton Ltd, National Australia Bank, Telstra Corp Ltd and Commonwealth Bank

amongst others.

The Australian Equity Fund, which has an approved fund size of 600 million units, will be made available at an initial offer price of 25 sen per unit.

This is the third equity fund launched this year by CIMB-Principal, a joint venture between CIMB Group Holdings Bhd and Principal Financial Group (USA).

"We are looking at a large broad-base investment in equities," Tupling said, adding that Australia's stock market, the largest in Asia Pacific excluding Japan, offers "attractive liquid stocks" for investors.



INVESTING DOWN UNDER: (From left) CIMB-Principal Asset Management Berhad CEO Campbell Tupling, chief investment officer Raymond Tang and director/deputy CEO Munirah Khairuddin at the launch of the company's Australian Equity Fund in Kuala Lumpur yesterday. CIMB-Principal is touting Australian equities for investor diversification. SEE P4