

Money

SALE

4th July - 31st August, 2009

WOOHING

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... works up new recipe for frying the planet p14



LOWER AGAINST US DOLLAR

... posed lower against the US\$ investors stayed on the side- Bank Negara Malaysia's policy meeting, dealers BNM was likely to maintain policy rate (OPR) at the percent for the fourth time. ... interest rates in the coun- trading session, the ringgit n 3.5140 and 3.5180 against ... other major currencies, ... mixed at the close yester- currency rose against the ... lar to 2.4386/4429 from ... terday. It, however, declined ... en to 3.7288/7345 from ... viously. — Bernama

OFFER RATES

Asset managers expect the worst to be over in 2010

by LEE CHERNG WEE

A MAJORITY of asset managers expect the worst of the current crisis will end in 2010, according to a survey commissioned by Principal Global Investors.

The research named "Future of Investment: The Next Move?" reveals that 45% of the respondents expect the worst to be over in the first half of 2010 (1H10), 20% anticipate the worst to end in 2H10, while more than a quarter think it will end in 2H09.

The survey involved 225 asset managers and pension funds from 30 countries managing assets worth US\$18.2 trillion (RM64.17 trillion).

The research shows changes in

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investors' behaviour and strategies by asset managers following the financial crisis. Principal Global Investors (S) Ltd's Asia ex-Japan managing director Kirk West said investors have lost their confidence in long term growth assets and are now looking for assets with quality, simplicity and safety.

"We had two out of the four most severe bear markets in the past ten years. Once the worst of

the current turmoil is over, the old normal will not be the new normal. The new normal will be about 'buy what you understand and understand what you buy', said West in a media briefing yesterday.

West added that the buy-and-hold strategy and diversification strategies did not work in the past ten years.

On changes in business models, West said asset managers are

moving towards a variable cost model to meet the anticipated volatile income.

The research shows that the business model of segmentation is gaining traction, with clients divided into retail, high net worth and institutions.

"Asset managers will focus more in managing portfolios and outsource the back office and distribution functions," said Principal Global Investors' chief operations officer Barbara McKenzie.

Following the subprime crisis, asset McKenzie expects increased regulation against asset managers that are handling hedge fund and counter derivatives.