



CIMB-Principal expects uptrend

Fund manager sees fund value reaching RM30b by year-end

KUALA LUMPUR: CIMB-Principal Asset Management Bhd expects the total asset value of its fund to reach RM30bil by year-end from RM22.1bil last year, boosted by the improved market sentiment, says chief executive officer Campbell Tupling.

"Apart from that, demand from institutional and retail investors is continuing to rise and based on that, we are confident of achieving the target," he told reporters yesterday after launching the CIMB-Principal Australian Equity Fund.

The fund aims to achieve medium- to long-term capital appreciation through investment in a portfolio of predominantly Australian securities.

Tupling added that CIMB-Principal planned to launch a few more funds this year but the type of funds and timing would depend on market demand and be based on investors' needs.

On the new fund, Tupling said the Australian market presented exciting opportunities as it was the only major economy that had avoided a technical recession in 2009.

"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 programme in infrastructure and industry), and its sound governance and effective financial policies that ensured Australia's political stability," he said.

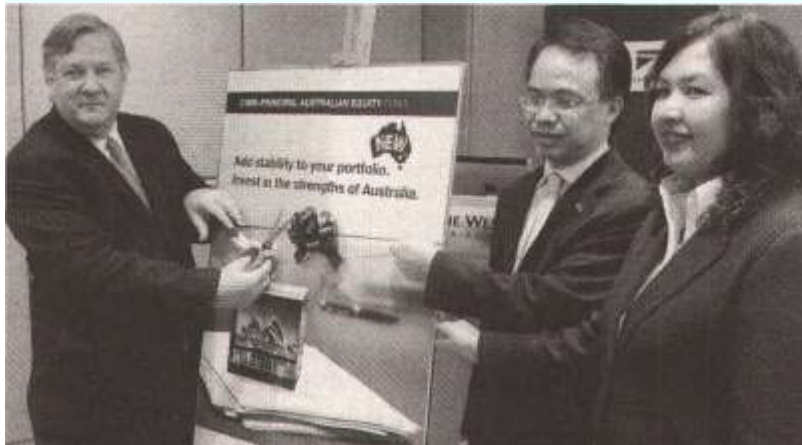
Chief investment officer Raymond Tang said the new fund would feed into the Schroder Australian Equity Fund, an Australia-domiciled fund, which would strive to outperform the S&P/ASX 200 Accumulation Index over the medium- to long-term.

"The fund will invest at least 95%

of its net asset value (NAV) in Schroder Australian Equity Fund, emphasising on investment in companies with sustainable competitive advantage in the long term, while maintaining up to a maximum of 5% of its NAV in liquid assets," he said, adding that CIMB-Principal expected the fund to generate an annual return of between 10% and 15%.

CIMB-Principal Australian Equity Fund, the third fund to be launched by CIMB-Principal this year, has an approved fund size of 600 million units with an initial offer price of 25 sen per unit.

The minimum initial investment is RM1,000 and the fund is being distributed by CIMB Bank, CIMB Private banking, CIMB Investment Bank, CWA (formerly known as CIMB Wealth Advisors), Citibank and Standard Chartered Bank.



Campbell Tupling(left), Raymond Tang and deputy CEO Munirah Khairuddin at the launch of CIMB-Principal Australian Equity Fund in Kuala Lumpur yesterday.