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Najib said the introduction of ASN and other unit trust schemes through PNB had changed the people's paradigm on investing in unit trusts to an unexpected level.

"Before ASN was introduced, Malaysians, especially bumiputras, were very alien to the investment world," he said.

The prime minister said the unit trust industry became synonym with the people through PNB's continuous aggressive efforts until now besides efficient implementation of investment educational programmes.

"In fact, it is not too much if I say the PNB unit trusts have succeeded in developing an own brand in the country's unit trust industry by galvanising solid support from bumiputras and non-bumiputras," he added. - Bernama

Najib, accompanied by wife Datin Seri Rosmah Mansor, checks out the services at a counter after launching the Unit Trust Week at Plaza Angsana in Johor Baru.

CIMB-Principal launches China recovery fund

by **Kristene Silva Marie**
newsdesk@thesundaily.com

KUALA LUMPUR: CIMB-Principal Asset Management Berhad yesterday launched the CIMB-Principal China Recovery Structured Fund which rides on China's economic recovery to provide investors with regular income over its tenure.

The company expects the fund to provide higher returns than the current fixed deposit rate.

CIMB-Principal chief executive officer J. Campbell Tupling said the sentiments in China are slowly improving with its US\$585 billion (RM2.106 trillion) stimulus plan.

"Positive developments are visible in major sectors covering infrastructure, housing, innovation, health and education that will enable China to charter high growth potential," he said.

The fund will invest at least 95% of the its net asset value (NAV) in China's recovery structured products, with the rest to be invested in liquid assets for liquidity purposes.

CIMB-Principal Asset Management

chief investment officer Raymond Ta said the fund has picked China for ample opportunities.

"In terms of domestic market recovery, China, which fell 70% last year is strongest this year with about 25% recovery," he said, adding that it is the best performing stock market this year.

The fund offers capital protection held to maturity.

It would also reduce investor's dilemma in terms of entry to the Chinese market as the fund would automatically select and lock in investments at low entry level to enhance potential gain after a six-month observation.

Tupling said investors can expect better outlook for China this year as the overall view is that China will be one of the first economies to recover.

The fund has an approved fund size of 300 million units, and an initial offer price of RM0.50 per unit. It is distributed by CIMB Bank, CIMB Private Banking, CIMB Investment Bank, and CIMB Wealth Advisers.

The CIMB-Principal China Recovery Structured Fund is open for investment for 45 days and closes on June 3.

Tupling (left) with CIMB Bank head of retail banking Peter England and Tang at the launch of the fund yesterday.



'M'sia needs bond insurance market'

KUALA LUMPUR: Malaysia needs to establish a bond insurance market to lift investor confidence and spur the bond industry, said Edward I. Altman, finance professor of New York University.

He said the country's corporate bond had dried up to the point where no issuance is taking place, except at the AAA and AA ratings level.

"There should be some sort of confidence building mechanism for the market," he told reporters at a seminar on current conditions,

outlook and managing credit risk in a global crisis organised by RAM Holdings Bhd, here.

Altman said the market requires solvent insurance or government insurance so that in the event it fails, investors would be repaid.

"The government should play a leading role in realising this," he added.

He pointed out that the proposal to establish a government guarantee fund or insurance in the country would bring a positive effect to the market only if the premium to be paid by the company is reasonable. - Bernama

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