PNB MAKES SMART INVESTMENT STRATEGIES

PROVEN TRACK RECORD: Malaysia's biggest fund management company delivers stable, higher returns from capital appreciation and dividend incomes

MIDF Amanah Investment Bank Bhd research division head ***Zulkifli Hamzah*** *says* ***PNB is in a better position to make more informed investment decisions.***

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INVESTING in stock markets requires effective strategies to make profits.

However, it comes with the risk of losing out on initial capital outlay generated from savings or debts.

Why the trouble when there is a smarter and easier option of putting money or savings in safer hands such as in Permodalan Nasional Bhd (PNB), Malaysia's biggest fund management company.

Amanah Saham Nasional Bhd (ASNB), a wholly-owned subsidiary of PNB, currently manages a number of unit trust schemes such as Amanah Saham 1Malaysia, Amanah Saham Bumiputera and Amanah Saham Wawasan.

MIDF Amanah Investment Bank Bhd research division head Zulkifli Hamzah said PNB has always been the benchmark for all fund managers.

"Local fund managers are expected to do better than PNB in delivering returns, either be at par or exceed PNB's returns, given the similar characteristics of the investment funds," he said.

PNB has a proven track record. It has delivered stable investment returns from capital appreciation and dividend incomes, said Zulkifli.

"Compared to banks, PNB has always provided higher returns," he added.

Zulkifli said PNB has been committed to effective and transparent corporate governance in running its fund management business.

"Corporate governance plays a vital role in ensuring the long-term sustainable performance of funds," he said.

PNB pools funds to obtain a wider spread of investments, which enables greater returns with diversified risks.

As a fund manager, it makes decisions and invests, on investors' behalf, in a variety of investment strategies.

The fund manager invests in fundamentally strong companies, including those in the FTSE Bursa Malaysia KLCI (FBM KLCI), FBM70 and/or FBM100 that are safe for the public to invest.

Zulkifli said PNB is in a better position to make more informed investment decisions.

For example, when the market is weak, PNB will hold investments and only buy stocks when it sees an upward trend, he said.

"It is wrong to think that PNB will immediately use the unit holders' money to invest in the market during bad times," said Zulkifli, adding that PNB uses the funds selectively and effectively.

He expects the FBM KLCI's outlook to improve next year due to the normalisation of domestic consumption, a recovery in oil and gas and commodity prices as well as better market sentiment.

Meanwhile, investing directly in the stock market comes with greater burdens and efforts than investing in ASNB's products.

Zulkifli said investors are relieved of worries by investing in ASNB's products instead of directly in the stock market.

"Investors can save their time on direct research, trading, management and record keeping if they invest in ASNB's products," he said.

Also, there are still a number of people who are not aware that the window to "sell" is actually smaller than the window to "buy" when investing directly in the stock market, said Zulkifli.

"This is why investors find it harder to sell and will hold on to their stocks even when the market is weaker," he said.

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> ***Zulkifli Hamzah***
> *MIDF Amanah Investment Bank Bhd research division head*

Investments in ASNB's products can start with as low as RM10 per month.

However, despite all the benefits, poor savings culture still prevails among most Malaysians, he said.

Many people tend to spend rather than invest or save. Investment-savvy interest is skewed more towards the urban people.

Zulkifli added the reason is because many Malaysians, especially Bumiputeras still lack in financial literacy education.

"People often get drawn away from long-term financial goals by short-term convenience and spending whims," he said.

Zulkifli advises the public to always save before spending in order to have financial freedom in the future.

"Saving comes with discipline. People need to self-reflect before spending."

"It is a global phenomenon that affordability will decrease in the future, therefore, the public should start saving by investing in safe investment products," he said.

"The lack of financial understanding is not why they do not understand the concept of real investment. They fail to see that investment can provide passive income," he added.

Passive income is income received on a regular basis, with little work required to maintain it. It is closely related to the concept of "unearned income".

Investors only have to invest over a longer period of time, and the power of compounding interest will grow their money to generate solid savings.

Zulkifli said one secret of compounding is that investors will not feel the investment rewards in the beginning or if the investment is made for short periods. If the term or period for investment is longer, there would be more multiple effects on the invested capital.

Therefore, he advised investors to invest for long term and not be easily swayed by market sentiment, which most often is not the true picture.

The public, especially Bumiputera investors, have the ability to invest even more with the presence of institutions, such as ASNB.

ASNB also offers facilities such as salary deduction schemes and online banking to make it much easier for people to invest and make investing part of their lifestyle.

A unit under PNB, ***ASNB operates a number of unit trust schemes*** *which include Amanah Saham 1Malaysia, Amanah Saham Bumiputera and Amanah Saham Wawasan.*