

# PNB to invest more abroad

## Asset under management crosses RM300bil mark for first time

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**KUALA LUMPUR:** Permodalan Nasional Bhd (PNB) plans to invest more overseas, as the fund's asset under management (AUM) crossed the RM300bil mark for the first time.

AUM hit a record high of RM301.4bil as at May 31, 2019, up 7% from RM281.8bil a year ago.

To boost returns, PNB group chairman Tan Sri Zeti Akhtar Aziz said the country's largest fund-management company's diversification strategy would be accelerated across asset classes to optimise returns and minimise risk exposure.

"PNB has grown so significantly, we need to diversify out of our own domestic market. Diversification gives us opportunities when one market is not doing so well and another market does better," she said at a progress update and

income distribution announcement for PNB yesterday.

"This then allows us to stabilise our potential for returns. We also diversify in the domestic market across asset classes and when we diversify into international markets, it is also across asset classes," Zeti added.

On strategies to grow its international investment portfolio, PNB president and group chief executive Datuk Abdul Rahman Ahmad said it would be done "gradually."

"Currently, our global investment portfolio stands at 4.9%. We will do it gradually, depending on the global and currency situation."

Despite its AUM surpassing the RM3bil-mark, PNB's net income for the period ended May 31, 2019 dipped 1.4% to RM5.3bil.

The number of unit holders, nevertheless, grew 5.2% to reach 14.1 million accounts.

PNB has also declared income distribution for Amanah Saham

Bumiputera 3-Didik and ASN Equity 2 of 5.25 sen per unit and 2.80 sen per unit, respectively. The total income distribution payout for these funds amounts to RM367mil, bringing total overall distribution to RM189.3bil for all 14 funds since PNB's inception.

Meanwhile, Zeti said Malaysia was resilient enough to weather the current volatility, in spite of fears that the local financial market was losing its appeal among global investors and was facing risks of further outflow of funds.

"Having observed the capital inflows and outflows for two to three decades, Malaysia has the resilience to absorb. Now even more so.

"Firstly, the size of our market is significant. We have flexible exchange rates and our economy adjusts to this. There will be a time when they (investors) recognise that Malaysia has a resilient economy and our corporate sector shows

greater activity; and this will draw in capital inflows," Zeti said, noting that the outflow was not unique to Malaysia.

"Whatever the case, the world recognises that Asia and Asean is the growth centre of the global economy. We are beginning to see many things happen in our economy that will prompt economic activity, and this will be factors that will draw in portfolio investors and inflows.

"But having said that, yes, we're seeing a period where we're seeing outflows and this is a time when institutional investors like PNB contribute to stabilising market conditions. We try to insulate ourselves by diversifying across asset classes and we can do this from the inflows of funds from our unit holders."

Additionally, Abdul Rahman said PNB intended to monetise 9,000 acres of domestic land bank upon maturity by selling it to property developers.