

# PNB to undertake mid-term review of strategic plan

Growth of funds expected to be range-bound to moderate next year

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**KUALA LUMPUR:** Permodalan Nasional Bhd (PNB) in efforts to optimise its risk return profile plans to undertake a mid-term review of its current Strategic Plan 2017-2022 next year, says group chairman Tan Sri Zeti Aziz.

The focus will be on key areas of strategic asset allocation, enterprise risk management and organisational transformation as well as to accelerate the diversification of its investment portfolio into high-yielding assets.

"Other plans will include value creation for PNB's strategic companies and further engagement with core companies to improve on their performance," Zeti told a media briefing on PNB's year-to-date progress as well as to announce the 2018 income distributions for Amanah Saham Nasional (ASN) and Amanah Saham Bumiputra (ASB) unit trust funds here yesterday.

PNB is one of Malaysia's largest fund management companies with its portfolio in strategic investments in leading corporations, global equities, private investments and real estates.

Zeti also expects the growth of funds under PNB's management will be range-bound to moderate in 2019, which is similar to 2018 given the on going US-China trade wars, shift in macroeconomic policies in major economies and other geopolitical developments.

Therefore, PNB would undertake a diversification strategy using a more robust risk management strategy, said Zeti adding that the diversification will be across the board in various sectors

"If one sector is lower performing, then PNB can compensate with another sector.

"But we will be careful prior to entering into such investments. We will first oversee the investment activities in all portfolios in terms of individual investments, the risks involved and the track record," she added.

In addition, PNB has an excessively high percentage of cash and "there are many instruments at our disposal to manage the liquidity more effectively, which can generate a greater rate of returns."

As at November 2018, PNB's cash holdings were lower at 16.9% compared with 17.5%



**Income distribution:** PNB president and group chief executive Datuk Abdul Rahman Ahmad (left) and Zeti at the briefing to announce the income distribution for ASB and ASN for the financial year ending Dec 31 2018.

in the same corresponding period last year, while fixed income holdings increased to 6.6% from 5.8% previously.

Earlier, Zeti announced that PNB has sustained its financial performance with assets under management (AUM) increasing 6.8% to RM295.2bil, while the proforma net income and its unit trusts was RM15.3bil for the first 11 months for the financial year ending Dec 31, 2018.

She pointed out PNB has undertaken major diversification of its portfolio of assets, reallocating more cash into fixed income and global assets during the year under review.

On the public equity front, Zeti said PNB continued to execute operational value creation plans with its strategic companies and further engaged its core companies to boost performance including supporting the recapitalisation exercise of MNRB Holdings Bhd and Sapura Energy Bhd.

At the same time, Amanah Saham Nasional Bhd (ASN), a wholly-owned unit trust management company of PNB, has successfully executed new initiatives to enhance customer experience including streamlining

and widening product offerings in 2018.

This include an enhanced myASNB portal which already has almost one million registered users as well as rebranding and repositioning of existing funds.

ASN yesterday declared an income distribution of 6.50 sen per unit and a bonus of 0.50 sen per unit for its flagship fund, ASB for the financial year ending Dec 31, 2018.

This represent a total distribution payout of 7.00 sen per unit with the total estimated payout being RM10.7bil that will benefit 9.6 million unit holders who own 155 billion units in ASB.

Zeti said the continued competitive returns was achieved reflecting PNB's resilient financial performance for 2018 despite a volatile and challenging global and domestic market environment.

For its first variable-price fund, ASN, ASN has declared an income distribution of 3.25 sen per unit for FY2018 representing a dividend yield of 5.1% based on net asset value of the fund as at Dec 20, 2018. The total estimated payout of RM59.7mil will benefit over 1.2 million unit holders with more than 1.8 billion units in the fund.