

# PNB's AUM tops **RM300b** mark

➤ But five-month net income dips 1.4% due to challenging market environment

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**KUALA LUMPUR:** Permodalan Nasional Bhd (PNB) announced that its assets under management (AUM) has reached RM301.4 billion in the first half of 2019, marking a 7% year-on-year increase.

However, its coterminous proforma net income registered a slight drop of 1.4% to RM5.3 billion for the first five months of the year against a 2.4% decline in the benchmark index, FBM KLCI, amid a challenging market environment.

"The first half of 2019 has continued to be a highly challenging environment for all investment institutions given the global and domestic developments. Despite this, we are pleased to be able to sustain returns and our growth in our AUM," its chairman Tan Sri Dr Zeti Akhtar Aziz said at a media briefing in conjunction with PNB's 1H19 progress update and income distribution announcement yesterday.

As the former Bank Negara Malaysia governor, Zeti opined that the volatility in the



Zeti during a press conference on PNB 1H2019 progress update and income distribution announcement yesterday. – **ZULKIFLI ERSAL/THESUN**

current market conditions is not significant in relative terms.

She gave the example of the taper tantrum that occurred in 2013 that led to an outflow of

US\$60 billion (RM248 billion) to US\$70 billion (RM289 billion), in which Malaysia had the resilience to absorb.

"Now even more so with the significant

size of our market and our flexible exchange rate, our economy adjust to this. Whatever the case is, the world recognises that Asia and Southeast Asia is a growth centre in the global economy, eventually funds will gravitate back."

She said PNB has taken steps to further diversify and better manage its liquidity as well as looking for buying opportunities.

To date, its diversification strategy has resulted in a higher fixed-income and global assets allocation of 7.4% and 4.9% as of May 31, 2019 from 5.8% and 2.4% recorded in 2017, respectively.

On the property front, Zeti said PNB's global property assets are currently valued at RM8 billion with domestic landbank amounting to 9,000 acres.

Moving forward, PNB is looking to rebalance its landbank by monetising some of it and acquiring more urban land.

Zeti said apart from the PNB 118 project, it has no plans to develop any more properties in the future. Currently, it has completed the 75th floor of the tower and it is on track for an early completion in 2021.

At yesterday's event, PNB also declared income distributions of 5.25 sen and 2.80 sen per unit for Amanah Saham Bumiputera 3-Didik and ASN Equity 2, respectively. This brings the total income distribution payout for these funds to RM367 million.

Since its inception 40 years ago, PNB has distributed RM189.3 billion for all its 14 funds.