

WORLD MARKETS	FBM KLCEI (Dec 23) +15.58 (1,647.50)	SEN (Dec 23) +6.08 (2,833.40)	DJIA (Dec 23) -200.94 (30,015.51)	FTSE 100 (Dec 23) +36.84 (6,453.16)	Exchange rate (Dec 23) US\$1=RM4.061	Brent Oil US\$50.09*
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BUSINESS

INVESTMENT STRATEGY

PNB SAYS READY TO PLAY THE LONG GAME

Fund manager will not be distracted by short-term volatility, assures Zeti

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PERMODALAN Nasional Bhd (PNB) will focus on long-term investments to gradually build an "all-weather" portfolio under its ongoing diversification efforts.

Group chairman Tan Sri Dr Zeti Aziz said the investment strategy had allowed PNB to avoid an over-concentration of risk while allowing it to explore new investments in emerging industries and strengthen its risk management capabilities.

"We are not going to be distracted by short-term volatility. It (investment strategy) will be based on our assessment of the fundamentals to navigate the

short to medium-term challenges to generate sustainable returns for our unitholders," she said at a virtual press conference after announcing Amanah Saham Bumiputera's (ASB) income distribution for this year yesterday.

PNB announced a historical low income distribution of 4.25 sen for ASB, with a total income payout of RM7.6 billion.

Zeti said it would continue to prudently navigate the challenging and ever-changing market environment and safeguard the investments entrusted by its unitholders.

"Most countries are expected to allow for the gradual reopening of borders following the Covid-19 vaccine deployment, which will help improve the outlook of the global and domestic economies.

"This is a positive development that is reflected in the improved performance of the global and domestic equity indices and other assets."

However, she stressed that there had been a structural shift in the global economy, in particular geopolitical issues, that would result in continued volatility in the financial markets.

"Additionally, with central banks worldwide expected to keep interest rates at a historical low, this has resulted in an ultra low-yield environment. This is the environment that we are confronted with," she said.

Zeti said ASB's investment in international public equity had risen to 5.9 per cent as of last month from 3.6 per cent last year.

Its international exposure and investments into other asset classes such as fixed income, real estate and private equity have increased to 16 per cent from 10 per cent last year.



Permodalan Nasional Bhd chairman Tan Sri Dr Zeti Aziz says it will continue to prudently navigate the challenging market environment and safeguard the investments entrusted by its unitholders.

The portfolio rebalancing is now bearing fruit with the proportion of ASB's gross income contribution from international public equity having increased to 24.2 per cent as of last month from 6.3 per cent last year.

"The higher return from international equities has cushioned the lower returns from other asset classes," Zeti added.

President and group chief executive Ahmad Zulqarnain Onn said the positive results from PNB's diversification would drive it to continue building a resilient investment portfolio to generate long-term sustainable returns.

It will continuously assess the medium and long-term prospect of its existing portfolio as well as

identify new opportunities.

"The Covid-19 pandemic has brought upon significant structural changes to the overall global economy and financial markets. Certain mega trends such as digital adoption and sustainable investing have been accelerated."

He said PNB would continue to monitor risk management within its stable of assets while assessing the long-term sustainability of its investment portfolio.

"The initial deployment of Covid-19 vaccines in some countries and the United States presidential election results should ease global trade tensions.

"This has brought forth renewed optimism on the recovery of the global economy," he said.