

# CIMB-Principal bags award

CIMB-PRINCIPAL Asset Management Bhd (CIMB-Principal) has won the AsianInvestor 2007 Achievement Award for Malaysia Fund House of the Year.

"Receiving the Malaysia Fund House of the Year award for the second consecutive time is welcome affirmation of CIMB-Principal's ability to integrate em-

ployees' talents, resulting in the introduction of innovative products and improved fund performance.

"Improving fund performance is reflected in year-to-date returns of 25 per cent to 31 per cent for our equity funds, compared with the KLCI performance of 24 per cent. All our Syariah equity growth funds have

ranked in either the first and second quartiles for the last one-year period," chief executive Noripah Kamso said in a statement recently.

The award is determined based on several factors including product innovation and investor service standards; raising industry standards and practices; risk-adjusted fund performance; ac-

cumulation and retention of assets; and investment team expertise.

Noripah said CIMB-Principal has made solid strides in expanding its regional business, servicing clients in Brunei, Singapore and Indonesia.

It recently started fund management services in Singapore with CIMB-Principal Asset Management (S) Pte Ltd.

"All things remaining equal, investors should continue to remain invested in our equity funds given the strong local fundamentals underpinning the local stockmarket. Earning expectations are better than expected with companies consistently surprising with their corporate results," Noripah added.

"We are pleased to recognise CIMB-Principal Asset Management as Malaysia Fund House of the Year 2007 for the second time running, given the company's stellar accomplishments in 2006," Naveet Singh of AsianInvestor said.

# Compensation not only main factor to motivate employees

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made RM2.2 million last year. Compare this to Public Bank Bhd managing director Datuk Seri Tay Ah Lek, who makes about RM5.7 million.

Maybank is recognised as being one of the best run banks in the region and its return on equity (ROE), a measure of how well it uses shareholders money, is 16.7 per cent last year, higher than DBS Group, South-East Asia's largest lender.

Singapore's DBS posted an ROE of 12.2 per cent last year, Reuters data show.

As for TNB, its top managers have managed to persuade the Government to raise power prices for the first time in nine years while they cut cost and shed non-core assets to boost profit.

Foreign shareholders make up some 28 per cent of the stock and they want to buy more if they are allowed

to have voting rights.

Rewarding CEOs with the right pay package would motivate them and help improve their companies' performance, analysts said. It would also help companies to attract the best brains and retain them.

But consultants who advise companies on compensation strategies said Malaysian firms are now much more willing to pay their performers well.

"This was not a common practice in Malaysia until very recently," Hay Group Sdn Bhd country manager Alex Lim told Business Times in an interview earlier this year.

However, compensation alone is not the main factor to motivate employees, consultants said.

According to Lim, the top three main criteria to motivate employees are leadership, managerial style and organisational culture.

# Strategist: Backdrop for local stocks bright

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is one key factor that will keep the market going.

Echoing the view, Phua thinks investors should pause for more clues when corporates release their financial results for the first six months, in order to better gauge if the market is indeed too expensive at the current level.

"Companies have more or less delivered in the first quarter but we are already discounting that impact. At this juncture it is quite hard to determine (if stocks are too expensive), I admit it's a tricky situation," Phua said.

Contrary to fund managers' view that shares are becoming more expensive, analysts and market strategists paint a bullish picture on Bursa Malaysia.

They said the local market is still cheap, both by its own historical standard and in comparison with other regional markets.

"Malaysia is still not expensive," Citigroup Research said in a report early this month.

Local investment bank OSK Research shares the bullish stance.

"We don't deem the market as expensive, even after the run-up. There's still value to be found at the current level," said its head of research, Kenny Yee.

OSK Research last week raised its target for the KLCI to 1,500 points, from 1,380 previously, saying that the excess global liquidity will continue to drive prices up.

"The domestic system is flushed with liquidity, these funds will certainly find their way into equities," Yee said.

After all, it is also not

## SELECTED STOCK PICKS

NOMURA INT (HK) LTD		CITIGROUP	
- AirAsia	- Bintulu Port Holdings	- Bumiputra-Commerce	- E&O Prop
- IGB Corp	- Kossan Rubber	- Lafarge Malayan Cement	- Sarawak Enterprise
- Sunrise	- Resorts World	- Tenaga	

## OSK RESEARCH

Big Caps	Mid Caps	Small Caps
- Gamuda	- Dialog	- Alam Maritim
- MAS	- KNM	- CYMAO
- Maybank	- Kulim	- Faber
- Resorts	- MRCB	- Mudajaya
- Tenaga	- Naim Cendera	- Ornasteel

Source: Brokers' reports

uncommon for valuations to run ahead of fundamental values in a liquidity-driven bull market, analysts said.

The argument is that Malaysia is now back on foreign investors' radar after a long lapse and that overseas funds will continue to pour in on the back of more favourable macro environment, both economically and politically.

Citigroup Research said the "perception of strong political will for reform and change is the key" to the change of heart on the foreigners' side.

"It's anyone's guess if the current bull market could stretch its valuations anywhere nearer to the valuations of 1993. In a liquidity-driven market however, valuations could stretch far beyond fundamental values," Citigroup wrote.

The US bank now has a "double overweight" rating on Malaysia and has reiterated "buy" calls on several index heavyweights, including Tanjong, DiGi, Tenaga and Maybank.

Japan's global stockbroker, Nomura International (HK) Ltd, has since this January upgraded Malaysia market from neutral to bullish based on changes in the macro picture.

Its Asian regional strategist based in Hong Kong, Sean Darby, remains optimistic on Malaysian shares and he expects the appre-

ciating ringgit to boost absolute returns for regional investors.

"The backdrop for Malaysian shares appears bright—an undervalued exchange rate, expanding balance of payments, falling inflation and high real interest rates are perfect ingredients for financial assets to appreciate," Darby wrote in a report early this month.

Darby also said Malaysia could have benefited from a funds outflow from Thailand after recent developments begun to erode foreign investors' confidence in that country, while things are also starting to change within Malaysia.

Darby observed that the potential sale of carmaker Proton Holdings has lifted concerns over foreign investment here, while he also likes the Government's initiatives in developing special economic zones as a way to aid industrial development, as the currency appreciates.

Moreover, he said, Malaysia's economy is performing better than expected and domestic demand remains strong as compared to others such as Taiwan and South Korea.

Nomura has "strong buy" calls on 11 big cap stocks, including AirAsia, Sunrise, Bumiputra-Commerce, Sarawak Enterprise and Kossan Rubber.

## AMB Amanah Mutual Berhad

(Formerly known as Mayban Unit Trust Berhad)

### ANNOUNCEMENT

Kindly be informed that, with effect from May 11, 2007, the names of all unit trust funds managed by AMANAH MUTUAL BERHAD (formerly known as Mayban Unit Trust Berhad) have been changed as follows:-

Previous Names	New Names
Mayban Unit Trust Fund (MUTF)	AMB Unit Trust Fund (AMUBTF)
Mayban Balanced Trust Fund (MBTF)	AMB Balanced Trust Fund (AMBMBTF)
Mayban Income Trust Fund (MITF)	AMB Income Trust Fund (AMBIFTF)
Mayban Index-Linked Trust Fund (MILTF)	AMB Index-Linked Trust Fund (AMBILTF)
Mayban Ethical Trust Fund (METF)	AMB Ethical Trust Fund (AMBETF)
Mayban Value Trust Fund (MVTF)	AMB Value Trust Fund (AMBVTF)
Mayban Enhanced Bond Trust Fund (MEBTF)	AMB Enhanced Bond Trust Fund (AMBEETF)
Mayban SmallCap Trust Fund (MSCTF)	AMB SmallCap Trust Fund (AMBSCTF)
Mayban Lifestyle Trust Fund (MLTF Today)	AMB Lifestyle Trust Fund (AMBLTF Today)
Mayban Lifestyle Trust Fund 2009 (MLTF 2009)	AMB Lifestyle Trust Fund 2009 (AMBLTF 2009)
Mayban Lifestyle Trust Fund 2014 (MLTF 2014)	AMB Lifestyle Trust Fund 2014 (AMBLTF 2014)
Mayban Dividend Trust Fund (MDTF)	AMB Dividend Trust Fund (AMBDTF)
Mayban First Capital Guaranteed Trust Fund (M1CGTF)	AMB First Capital Guaranteed Trust Fund (AMB1CGTF)
Mayban Second Capital Guaranteed Trust Fund (M2CGTF)	AMB Second Capital Guaranteed Trust Fund (AMB2CGTF)
Mayban Dana Yakin (MDY)	AMB Dana Yakin (AMBDY)
Mayban Dana Ikhlas (MDI)	AMB Dana Ikhlas (AMBDI)
Mayban Dana Arit (MDA)	AMB Dana Arit (AMBDA)
Mayban Dana Fitrak 1 - Capital Protected (MDF1-CP)	AMB Dana Fitrak 1 - Capital Protected (AMBD1-CP)
Mayban I - Trust Fund 2008 (MI 2008)	AMB I - Trust Fund 2008 (AMBI 2008)

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