

OCBC IS MALAYSIA'S FIRST BANK TO OFFER EQUITY UNIT TRUSTS WITH NO SALES CHARGE

Initiative aims to offer investors a cost structure to investing in unit trust in line with global best practices

Kuala Lumpur, 4 March 2010 – OCBC Bank (Malaysia) Berhad (OCBC Bank) today became the country's first bank to offer equity unit trust products that come without the standard sales charges of up to 5%.

The *Pacific ELITE funds*, marketed exclusively by OCBC Bank and managed by Pacific Mutual Fund Bhd (Pacific Mutual), allows investors to now have equity exposure via a unit trust scheme without any sales charge up front.

Speaking at a signing ceremony to mark the partnership between the two institutions, OCBC Bank's Head of Consumer Financial Services Mr Charles Sik said the driving force behind the initiative was the quest to respond meaningfully to the lessons and realities of the past year and to embrace tried-and-tested global practices involving unit trust investments.

"A lot has happened over the past year or two. We have seen a major global financial crisis unfold and taper off alongside a sharp incline in consumer sophistication. And we have, ourselves, become more attuned to the changing face of customer needs today.



L-R: Pacific Mutual's CEO/CIO Mr Michael Auyeung and OCBC Bank's Head of Consumer Financial Services Mr Charles Sik

“In Malaysia, consumers have, over time, come to accept upfront sales charges in unit trusts as the only possible option when making such investments. As an innovator in retail financial products and services, we believe the time has come for us to make available the option of unit trusts that are devoid of sales charges,” he said, noting that, globally, similar products have been in existence for years.

Mr Sik added that through this approach OCBC Bank is sounding out its clear intention to build long-term partnerships, rather than short-term ones, with its customers.

“Essentially, we are telling the banking public out there that they can now earn from the very start, rather than having to begin their investment into unit trusts by having to recoup early ‘losses’ incurred through the upfront fee,” he said.

Initially, OCBC Bank is making available four *Pacific ELITE funds*. These comprise three Islamic funds based on Shariah principles: Pacific ELIT Islamic AsiaPac Balanced Fund (PEIAPBF), Pacific ELIT Dana Aman (PEDA) and Pacific ELIT Dana Dividen (PEDD); and a conventional fund called Pacific ELITE Dividend Fund (PEDF).

PEIAPBF, for example, aims to achieve steady and attractive income and capital growth in the medium to long term by investing in a balanced portfolio of Shariah-compliant Asia Pacific equities, *sukuk* and Islamic money market instruments; while PEDA looks to achieve capital growth and steady recurring income over a medium to long-term period by investing in a diversified portfolio of Shariah-compliant equities through a tactical asset allocation strategy.

According to Mr Sik more offerings would be added to the range of *Pacific ELITE funds* before the middle of the year.

Speaking on behalf of Pacific Mutual, its CEO/CIO Mr Michael Auyeung said investors in Malaysia are growing in sophistication.

“Their appreciation of investment dynamics has translated to a more rigorous demand that their fund managers actively manage the risk/return parameters of their funds to generate a consistent level of outperformance over a longer time horizon. As such, more and more investors are staying invested with fund managers that have a trusted and proven performance record. That all of their monies will be going to work from day one, that type of enhancement, will be viewed positively,” he said.

Those interested to find out more about the *Pacific ELITE funds* may call 1300 88 5000.