



Permodalan Nasional Bhd (PNB) group chairman Tan Sri Dr Zeti Akhtar Aziz (left) and its president and group chief executive officer Datuk Abdul Rahman Ahmad at the briefing of PNB's financial performance in Kuala Lumpur yesterday. PIC BY NADIM BOKHARI

PNB will diversify portfolios to insulate investments amid volatility

KUALA LUMPUR: Permodalan Nasional Bhd (PNB) will insulate its investments by diversifying into various asset classes to counter the anticipated short-term volatility in the domestic market.

Group chairman Tan Sri Dr Zeti Akhtar Aziz said PNB's portfolio allocation of fixed-income securities and global assets had risen to 7.4 and 4.9 per cent, respectively, as at the end of last month from 5.8 and 2.4 per cent in 2017.

President and group chief executive officer Datuk Abdul Rahman Ahmad said the bulk of its global assets was in global public equity markets.

Rahman said PNB would also rebalance its real-estate investment portfolio. It could monetise some of its landbank in Malaysia so that it could reinvest in a different asset profile.

"Currently our real-estate port-

folio is about RM8 billion, comprising domestic completed investment properties and 3,642ha landbank as well as our real estate in London," he said at a press conference on PNB's first-half financial performance, here, yesterday.

"The land is owned by PNB and we don't intend to become a property developer. It is a good asset class as the land value appreciates. The plan is to monetise and divest it to property developers," he added.

Zeti said Malaysia had the "resilience" to absorb any volatility. "Our economy will adjust to this (volatility). Our corporate sector also shows greater activities and this will bring in more capital inflows."

Zeti said the world recognised Asia as the growth sector of the global economy and funds would

eventually would gravitate back to the markets.

"We are beginning to see many things happening in our economy that will prompt economic activities — that will be the factor that draws in investors."

In spite of the capital outflow, Zeti said institutional investors like PNB had helped to stabilise the local equity market.

She said PNB had conducted a series of engagements with holding companies to improve their governance and leadership in light of more digitalised operating environment.

PNB's mid-term review of its strategic plan is progressing well on three key areas: strategic asset allocation and optimal liquidity management, enterprise risk management and organisational transformation. **Ayisy Yusof**