

P R E S S R E L E A S E

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Recent newspaper articles have reported on efforts to mobilise savings and investment among women and on the establishment of unit trust schemes targeted particularly at women investors. In this regard, the Securities Commission (SC) wishes to place on record that the establishment of any unit trust scheme in Malaysia is subject to the approval of the SC, as provided under the Securities Commission Act 1993 and the Securities Commission (Unit Trust Scheme) Regulations 1996. The said Regulations provide that no units of a unit trust scheme shall be issued, made available or offered unless there is in force at the time a prospectus and a trust deed registered by the SC under the Regulations. Furthermore, the Regulations stipulate that no person shall act as a management company and/or trustee of a unit trust scheme unless it or he is approved by the SC under the Regulations.

With regards to investment in unit trusts, the SC wishes to remind investors that although unit trusts are less risky than direct investments in the stock market, like any other investment, unit trusts also carry some risk and that the unit price reflects the net asset value of the fund which depends on the fund's portfolio performance.

A distinction should also be made between the collection of funds through a unit trust scheme and the mobilisation of monies from investors to be placed with a licensed fund manager. With regard to the latter, any mobilisation of monies for placement with a licensed fund manager must be conducted in compliance with the requirements of the Securities Industry Act 1983. Among other matters, this would include the requirements for separate investor accounts and separate investment management agreements for each and every investor placing funds with the licensed fund manager.

In relation to the establishment of a unit trust scheme targeted at women, the SC wishes to state it has to date received an application for the establishment of "Amanah Saham Wanita". The said application is currently under the consideration of the SC and a decision on it will be made in due course.

SECURITIES COMMISSION
20 February 1998