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Eastspring Investments Berhad releases Unit Trust Investor Behaviour Study

Kuala Lumpur (2 October 2015) – Eastspring Investments Berhad, the Asia asset management arm of UK-based Prudential plc, today released Unit Trust Investor Behaviour Study.

The study serves to gauge the current asset allocation and investment attitude of Malaysian unit trust fund investors in the next six months as well as to explore investor's level of retirement preparation.

“The study shows that Malaysian unit trust investors are continuously searching for yield and increasingly looking at alternative options outside of Malaysia, such as Japan and Asia Pacific in the next six months,” said Ms. Yap Siok Hoon, Chief Sales and Marketing Officer, Eastspring Investments Berhad. “This is an important indicator for Eastspring Investments when it comes to products we offer investors in Malaysia,” says Ms Yap.

Shift from Growth to Income

There is a gradual shift from growth funds to income and/or balanced funds. Ownership of balanced funds has grown from last year - slightly more at the expense of growth fund than income fund. Significantly more re-shaping activities on portfolio mix by asset class is also expected in the near future, but the resulting allocation is likely to remain relatively stable with equities being the most preferred asset class owned by investors.

Geographical shifts to asset allocation

Majority of investment continues to stay within Malaysia but some outflows to various markets like Japan and Asia Pacific are expected in the next six months, with home allocation potentially dropping from 70% to 59% in 2H 2015.

Disparity between risk and expected returns

The home bias investment could be a result of high yield expectation as some investors expect a return of up to 24% when investing in Malaysian equities. However, such high expectations does not necessarily come with a higher risk tolerance with when they are only willing to lose average 12% of their invested capital.

Retirement preparedness

In terms of how prepared they are for retirement, Malaysian investors are largely represented by two major groups – ‘Actively preparing but aware of uncontrollable risks’ (where more 45-55s sit) and “At the beginning stage (where more 25-34s sit). Respondents indicated that they would like to maintain their monthly income at an average 58% of what they are currently earning, while heavy reliance on EPF and personal savings (total of 73%) are expected to fund their pension.

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Achieving first RM1 million

16% of surveyed respondents have earned their first 1 million at an average age of 37. More than two-thirds of Malaysian millionaires surveyed have earned their first RM1 million by investing in unit trusts. At the same time, it is the most popular investment tool chosen for those who are still on their way to their first RM1 million.

“We believe strongly that as one of the major participants in Malaysia’s capital markets, we want to be sure we understand the needs and aspirations of our investors and can together prepare for the future,” said Ms Yap.

The findings of the survey, which are conducted annually are shared with Eastspring’s distribution partners and agents.

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The Eastspring Investments Unit Trust Investor Behaviour Study is an annual survey designed to track current asset allocation and investment attitudes of unit trust fund investors, understand the key drivers of decision making, measure market confidence, and evaluate investment intentions for the next six months. The study was conducted in July & August 2015 and involved online interviews with 2400 investors in Malaysia, Singapore, Hong Kong, Taiwan, Korea and Indonesia.

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About Eastspring Investments Berhad:

Established in 2000 and based in Kuala Lumpur, Eastspring Investments Berhad is part of Prudential Corporation Asia, the Asia business of Prudential plc of the United Kingdom. The Prudential Group has been investing in Asia since 1863. Eastspring Investments Berhad is one of the leading asset management companies in Malaysia in both institutional and retail, with about RM30.4 billion in assets under management in the country as at 30 June 2015. It manages unit trust funds, wholesale funds as well as private mandates for institutions.

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