

The Fund Industry's Oscars

The objective of the awards was to recognise funds – chosen from among several hundreds registered for sale in Malaysia – that had added the most value within the context of a relevant peer group for investors over the past year and over the long term.

We know that there's often interest in who has fared best over a given year or three years, but such figures are often very poor predictors of who will do well in the future. We therefore focussed on one-, three-, and five-year performance, looking at how funds fared relative to their Morningstar Category peers, after adjusting for risk. To adjust for risk, we used the Morningstar Risk measure, a state-of-the-art measure which uses utility theory to penalise funds more for downside variation in returns than for upside volatility – in keeping with actual investor concerns.

Many of the funds selected exhibited a fundamentally-oriented, long-term approach to investing, and a willingness to go against the crowd. That's no accident: Following the herd is rarely a recipe for success, whilst original research and the courage to back your ideas with significant assets is often what sets the very best managers apart from the pack.

Cynthia Case
Business Development Director
Morningstar Research Pte Ltd



557 funds in the industry
7 received Morningstar 2008 Awards.
2 of the finest came from **PACIFIC MUTUAL**

This year, PACIFIC MUTUAL was the biggest and ONLY MULTIPLE-AWARD winner at the Morningstar 2008 Fund Awards (Malaysia).

This tremendous achievement is made more meaningful by the fact that only SEVEN funds qualified to win awards. As explained above by Morningstar, its stringent criteria for award winner selection is a globally acknowledged and admired process to find the best funds utilising methods that put investor interest first and foremost in mind, and what this means is that our award-winning funds, Pacific Dividend Fund and Pacific Income Fund are truly the cream of the crop.

 **Fund Awards (Malaysia)**
Malaysia Equity

PACIFIC DIVIDEND FUND

 **Fund Awards (Malaysia)**
Malaysian Ringgit Balanced

PACIFIC INCOME FUND



At the same time, our Pacific Dana Aman was also a winner at The Edge-Lipper Malaysia Fund Awards 2009 as the best Equity Malaysia Islamic Fund for the 10-year period ended 31 December 2008. This is another testament to our continuing investment philosophy of consistently above-average performance over the long term.



The fact that the awards which our Funds have won also cover a very difficult period for investments in 2008, speaks volume of our Investment Team in managing not only returns but also risks.

At the end of day, if we do our job well, it is the investors and intermediaries who will ultimately benefit and this is the most important aspect in any business of managing people's money.

In an industry often driven by the big numbers game i.e. who has the most funds, the biggest funds, the most new funds, the most awards, etc, Pacific Mutual has still managed to win numerous awards and accolades despite having the smallest number of unit trust funds (17) compared with our key peers, who average 41 funds each. We only introduce products if the investment case is viable at the time and if we feel we can bring true value and differentiation to Intermediaries and investors. Pacific Mutual did not launch any new unit trust fund since September 2007 when we perceived the markets then as being toppish with elevated risks of a significant downturn. We focussed purely on ensuring our existing Funds were in a position to weather the downturn better than others. Attaining these consistent, long-term awards for Pacific Dana Aman, Pacific Dividend Fund and Pacific Income Fund is a reflection of what we do best and continue to strive for amidst a tough external environment and intense competition.



Going forward, we now see a rich environment of investment opportunities for new funds...all without having to explain any recent newly launched unit trust disasters on our part.

We run our business like we run our investments – manage risk but capitalise on opportunities, all with a view to ensure long run sustainability and steady, above par performance. Stay with us for the journey of “growing together”.