

Only six funds launched between mid-July and mid-August

BY **KUEK SER KWANG ZHE**

The income fund trend stretched into mid-August, with six new funds launched between July 17 and Aug 12, according to the Federation of Investment Managers Malaysia (FIMM).

The six funds were PMB Shariah Stable Distribution Income, AHAM AIIMAN Global Thematic Mixed Asset, Opus Life Settlement 1, AHAM World Series

Balanced Income and Growth, MAMAG Nasdaq Equity High Income and RHB Strategic Income Series 15.

Opus Life Settlement 1, a wholesale feeder fund, stands out among the six as it channels at least 85% of its net asset value (NAV) to the One Life Settlement Limited Partnership managed by UK-based SL Investment Management Ltd.

Put simply, a life settlement allows policyholders to sell their life insurance policies at a price

significantly above the surrender value, while the buyer or fund manager assumes ownership, continues paying the premiums and receives the payout when the policy matures or the insured person passes away.

According to Opus, the US life insurance industry represents US\$22 trillion in coverage, while an estimated 88.2% of universal life policies lapse or are surrendered before maturity.

The growth and income fund

targets a return of 10% per annum in US dollar terms. It imposes a sales charge of up to 3% and a management fee of up to 2% per annum. The minimum initial investment is RM100,000 for the ringgit share class.

However, investors should be aware that each investment in the fund is subject to a holding period of 12 months. After the holding period expires, investors may redeem their units on a quarterly basis.

According to the latest fund fact sheet available on Opus Asset Management's official website, the target fund had an average age composition of 79.8 years and an average life expectancy of 5.1 years as at May 31. Its five largest insurance company exposures were John Hancock Life, Pacific Life, Lincoln National Life, New York Life Insurance and Annuity Corporation, and Protective Life.