

THUMBS DOWN FOR DAO HENG FUND MANAGEMENT LTD
THUMBS DOWN FOR THE MPF SCHEME FUND

In a bull market, everybody, and anybody, can be an expert.

But the real experts shine when the market is bearish.

Dao Heng Bank Ltd, now part of The Development Bank of Singapore Ltd (known, popularly, as DBS Bank), can never call itself an expert in respect of trading in stocks and shares and the operation of mutual funds, etc, because the records of the past 10 months prove just how lacking in perspicacity are the operators of 4 of its Mandatory Provident Fund (MPF) Scheme funds.

Dao Heng Fund Management Ltd operates 4 MPF Scheme funds:

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|------------------------------|-------------------------|
| 1. Aggressive Growth Fund | 3. Stable Growth Fund |
| 2. Capital Preservation Fund | 4. Balanced Growth Fund |

While many, if not most, of the MPF Scheme funds have lost money, Dao Heng Fund Management must be right up there with the best ... of a bad bunch:

1. As at August 31, 2001, the Aggressive Growth Fund had lost 19.70 percent of its value since it had been launched on December 1, 2000;
2. As at August 31, the Balanced Growth Fund had lost 13.60 percent of its value since it had been launched on December 1, 2000; and,
3. As at August 31, the Stable Growth Fund had lost 5.90 percent of its value since it had been launched on December 1, 2000.

As at August 31, the Capital Preservation Fund had gained 1.70 percent of its value since it had been launched on December 1, 2000, but this is, basically, a fund which just placing its money in fixed deposits and in bonds.

Dao Heng Fund Management is trying to manage about \$HK800 million of thousands of workers' savings, those workers all being residents of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

It is mandatory in the HKSAR for each worker to contribute 5 percent of his/her wages to the MPF while employers match that figure with a 5-percent contribution.

The MPF was launched in December 2000 and, thus far, it has proved to be more than a bit of a failure.

The only people, thus far, who seem to be making any money out of the HKSAR Government's MPF Scheme are the banks, insurance companies and fund managers where the funds are lodged.

One may, perhaps, consider having a little empathy for the managers at Dao Heng Fund Management, but it is difficult, all things considered, because one would have thought that, being so close to Dao Heng Bank, the writing should have been on the wall as soon as the HKSAR Government launched the MPF Scheme.

One did not have to be a Dr Alan Greenspan ... [CLICK TO ORDER FULL ARTICLE](#)

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