

## Fund briefs

### **Paulson & Co made at least £295 mil shorting RBS stock**

Paulson & Co, the hedge fund run by billionaire John Paulson, made at least £295 million (\$627 million) since September by short-selling **Royal Bank of Scotland Group plc**.

Paulson held a short position of 0.87% in Edinburgh-based RBS on Sept 19, according to regulatory filings. The shares traded at 213.5 pence at the time, and Paulson's disclosure indicates he borrowed almost 144 million RBS shares with plans to buy them back at a lower price. He reduced his short position to less than 0.25%, or about 98.6 million shares, as at Jan 23, according to a filing last Monday.

RBS closed at 12.1 pence on Jan 23, down 94% since Sept 19, as the bank said it would take as

much as £20 billion of writedowns in 2008 and post the biggest loss in UK history. That decline indicates Paulson made £295 million, assuming it had a 0.25% short position on Jan 23. Paulson, the 53-year-old founder of the US\$36 billion (\$54 billion) New York-based hedge fund, made more than US\$3 billion in 2007 by judging that the US housing market and subprime mortgages would collapse.

Paulson, who couldn't immediately be reached for comment, also profited from shorting **Barclays plc**, the *Financial Times* reported earlier.

The Financial Services Authority, the UK's market regulator, lifted on Jan 16 a short-selling ban on financial companies including RBS and Barclays. The restrictions were imposed last September after

politicians and investors blamed hedge funds for destabilising markets and interfering with the banks' plans to increase capital by selling shares. — *Bloomberg LP*

### **AXA launches two products with guaranteed cash payouts**

AXA Life Insurance Singapore recently launched two new insurance products that offer the best of both worlds — the guarantee feature of traditional whole life and endowment plans as well as the potential capital upside associated with investment-linked policies (ILPs).

Called the AXA Dimension GoldenSaver and TargetSaver, these new saving plans will give clients guaranteed cash payouts amounting to 110% of

their targeted saving amounts.

For the GoldenSaver plan, five guaranteed cash payments, comprising four 20% payouts and one 35% disbursement, will be made to policyholders from age 61 to 65. Clients of the TargetSaver plan will receive a total of four payouts — three 25% and one 35% payments — from policy year 18 to 21.

At the moment, GoldenSaver and TargetSaver policyholders may choose from any of AXA's 15 existing ILPs, with unlimited fund switches, to grow their wealth. As to insurance coverage, GoldenSaver will offer policyholders protection up to 150% of their targeted retirement sum, while TargetSaver clients will enjoy life coverage equivalent to their targeted savings sum. — *By Kelvin Tan*