

# Maximizing Returns From Your EPF Accounts



Mr Ivan Ho, CFP



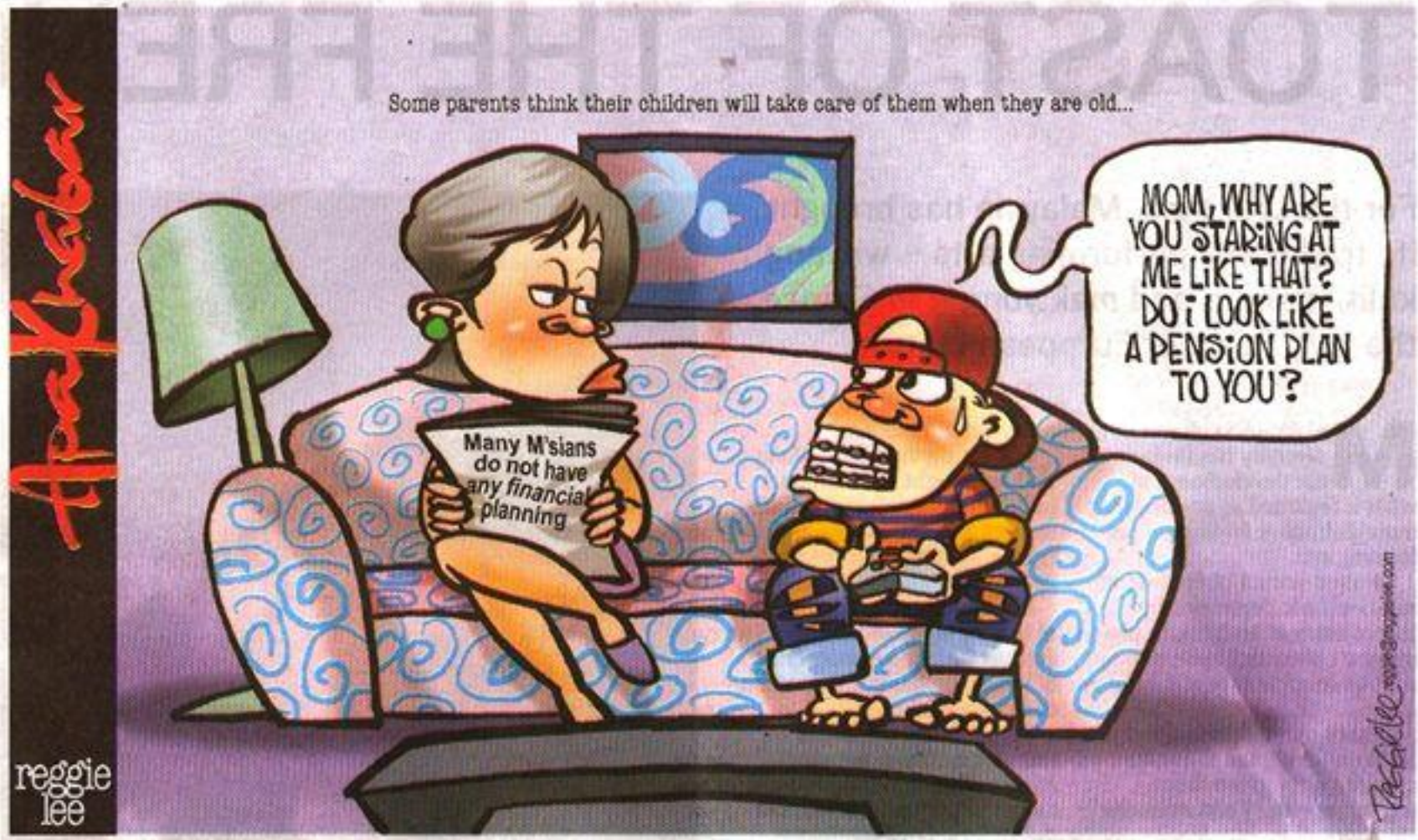
Wealth Mentor of

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# Children = Pension Plan



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## THE EDGE

M A L A Y S I A

BUSINESS & INVESTMENT WEEKLY

THE WEEK OF APRIL 4 — APRIL 10, 2005 543

MOHD IZWAN MOHD NAZAM/THE EDGE

**EPF: Why dividends will STAY LOW**

Low interest rates mean low dividends, says Datuk Azlan Zainol of the Employees Provident Fund, which has three quarters of its monies invested in fixed income instruments. The flip side: Capital is preserved and risk minimised. But expect improved service, revamped retirement schemes and greater assertion of its rights as a minority shareholder. Turn to Pages 74 to 77 for the full report.

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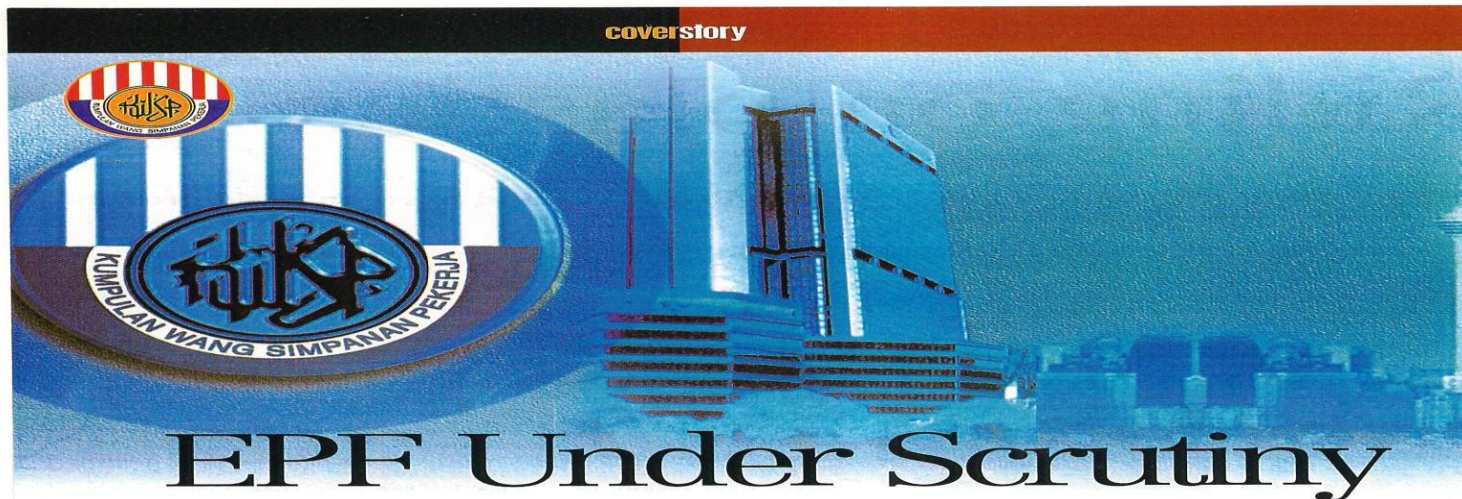
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# EPF Under Scrutiny



The rising trend in the equity (i.e. stocks) exposure of the Employees Provident Fund's investment portfolio in recent years is a major concern. The ratio has, however, fallen slightly to about 18% in 1998 (vis-à-vis 19% in 1997 and 16% in 1996). In 1997, the EPF's equity portfolio posted RM10.8bn in unrealised losses, which has remained almost unchanged in 1998. EPF contributors/members want greater disclosure of EPF's investments.

Smart Investor takes a closer look at the role of EPF, EPF's investment performance and the constraints it faces. In a roundtable discussion with three EPF members of senior management: Rusma Ibrahim, Deputy Chief Executive Officer II; Dr Roslan A. Ghaffar, Senior Director of Investment & Research/Department and Choo Keng Cheong, General Manager of Finance, Smart Investor focused on:

► **The Need for  
More Transparency**

► **Investment  
Performance  
of the EPF**

► **Rising Trend  
in Withdrawals**



# The Star

20 July 2006 Thursday

Nation N3

THE STAR



NEXT PLEASE: Abdullah taking questions from the floor during his first press conference at his office in Putrajaya yesterday following his two-week break.

## EPF to provide bulk of funding for 425 projects

**PUTRAJAYA:** The Employees Provident Fund will provide the bulk of the funding for 425 projects under private finance initiatives (PFIs).

Funding from the EPF will be channelled to a Special Purpose Vehicle (SPV) – which might not necessarily be owned by the EPF – which would then pay contractors to build the various social infrastructure projects under the 9MP, such as quarters for uniformed personnel.

The EPF then gets a return from the assets leased by the Government, which would be higher than what the fund could get from its deposits in the banks.

The SPV, which owns the assets, would transfer the facilities to the Government after the lease ends.

To assist PFI projects and make them more viable, the Government will establish a RM5bil Facilitation Fund to provide some financial assistance for land acquisition or aid in the relocation of squatters.

Prime Minister Datuk Seri Abdullah Ahmad Badawi said yesterday the PFI scheme would have two formats.

In the first format, a private company would construct the building and lease it to the Government.

He said the Government could ask for funds from the EPF for the construction of housing and stations for the police, and the Government would pay rental to the EPF.

"It's a good investment for the EPF as the rental is already guaranteed, and EPF enjoys better returns," Abdullah said.

In the second example, a private company would build, own and operate the asset and assume the financial and commercial risks of such an asset.

Such PFI would undertake projects not identified by the Government but by the private sector that deemed a project economically viable and would benefit the public.

"Through the PFI, private companies have to finance it in its entirety," Abdullah said.

"But if there are issues the project faces, such as land issues, we will facilitate that, through a fund.

"We will help in these matters, but (private companies) should not hope for a bail-out."



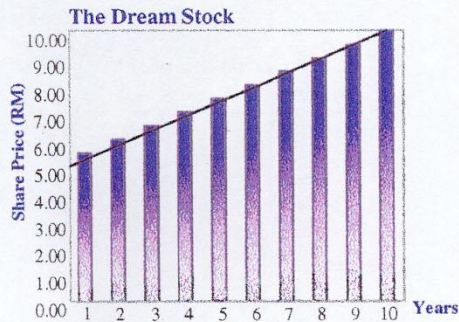
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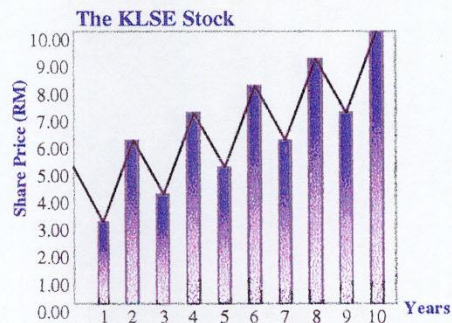


# Dollar-Cost-Averaging

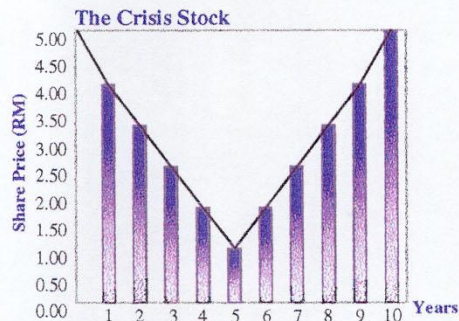
**RM12,000**  
(RM100 per month x 10 years)



Total Units Purchased	1,669
Average Price Paid (RM)	RM7.19
Total Value of Units	RM16,686
<b>Gain on Investment</b>	<b>4,686</b>



Total Units Purchased	2,075
Average Price Paid (RM)	RM5.78
Total Value of Units	RM20,746
<b>Gain on Investment</b>	<b>8,746</b>



Total Units Purchased	4,829
Average Price Paid (RM)	RM2.48
Total Value of Units	RM24,147
<b>Gain on Investment</b>	<b>12,147</b>

Was your choice  
**RIGHT ?**

Did it really  
matter which  
market you  
went into ?

“Buy low, sell high”  
sounds easy !  
Did you apply it  
OR were you led  
by your emotions?

# Thank You