

Headline	EPF expects local mart to do well		
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Pic by Aizuddin Saad

Domestic relief

THE Employees Provident Fund is shifting its focus to the local market this year to make up for expected shortfalls from its global investments.

REPORT ON B2

EPF expects local mart to do well

TARGETS: Fund getting right assets for investments in Malaysia, says CEO

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THE Employees Provident Fund (EPF), which posted a 13.2 per cent growth in investment income last year, expects the domestic market to perform better this year amid a volatile external environment.

Last year, foreign investments contributed 48 per cent of the total RM44.23 billion gross investment income, although they only made up 25 per cent of total assets.

EPF chief executive officer Datuk Shahril Ridza Ridzuan foresees domestic investments making a higher contribution this year.

Speaking at the release of EPF's 2015 annual report, here, yesterday, he said the first two months of the year were very tough for global equity markets.

"We foresee things are going to be difficult this year. Hopefully, for the rest of this year, we can achieve our targets," said Shahril, adding that the fund's focus had shifted to the home market.

"This year, we are hoping for a pick-up in the domestic market performance, which will make up for the global shortfalls."

Shahril said the fund had been

diligently exploring and getting the right assets for investments, mostly for long-term and in infrastructure-linked ventures in Malaysia.

EPF has been a big investor in power plants, toll highways, utilities, waste management and infrastructure projects in Malaysia.

"We have been very big subscribers of the Tenaga Nasional Bhd

new issuances, in supporting the development of new power plants."

He said EPF would strive to maintain its dividend target of inflation rate plus two per cent.

When asked about the impact of

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1Malaysia Development Bhd's (1MDB) interest payment default on the fund, Shahril said EPF's exposure was minimal, and that the small amount of investment EPF made was fully guaranteed by the government.

"We have always reiterated that EPF's exposure to 1MDB is very limited. We have RM200 million of the first RM5 billion issuance when it was still called TIA (Terengganu Investment Authority).

"That exposure is fully government-guaranteed and we have never had a problem with it."

Shahril said the interest payment on the RM5 billion TIA-issued sukuk was semi-annual.

"We will wait for the trustees to see if they need to bring the matter to the bondholders," he said.

