

Live Life Now

BELANJAWANKU for



MARRIED COUPLE

(WITH TWO CHILDREN)

FOOD RM1,550	HOUSING RM870	HEALTHCARE RM120
TRANSPORT RM1,040	UTILITIES RM310	CHILDCARE RM1,150
SAVINGS RM400	PERSONAL CARE RM140	AD HOC / ONE-OFF RM400
SOCIAL PARTICIPATION RM250	DISCRETIONARY EXPENSES RM390	RM6,620 BUDGET ESTIMATE / MONTH



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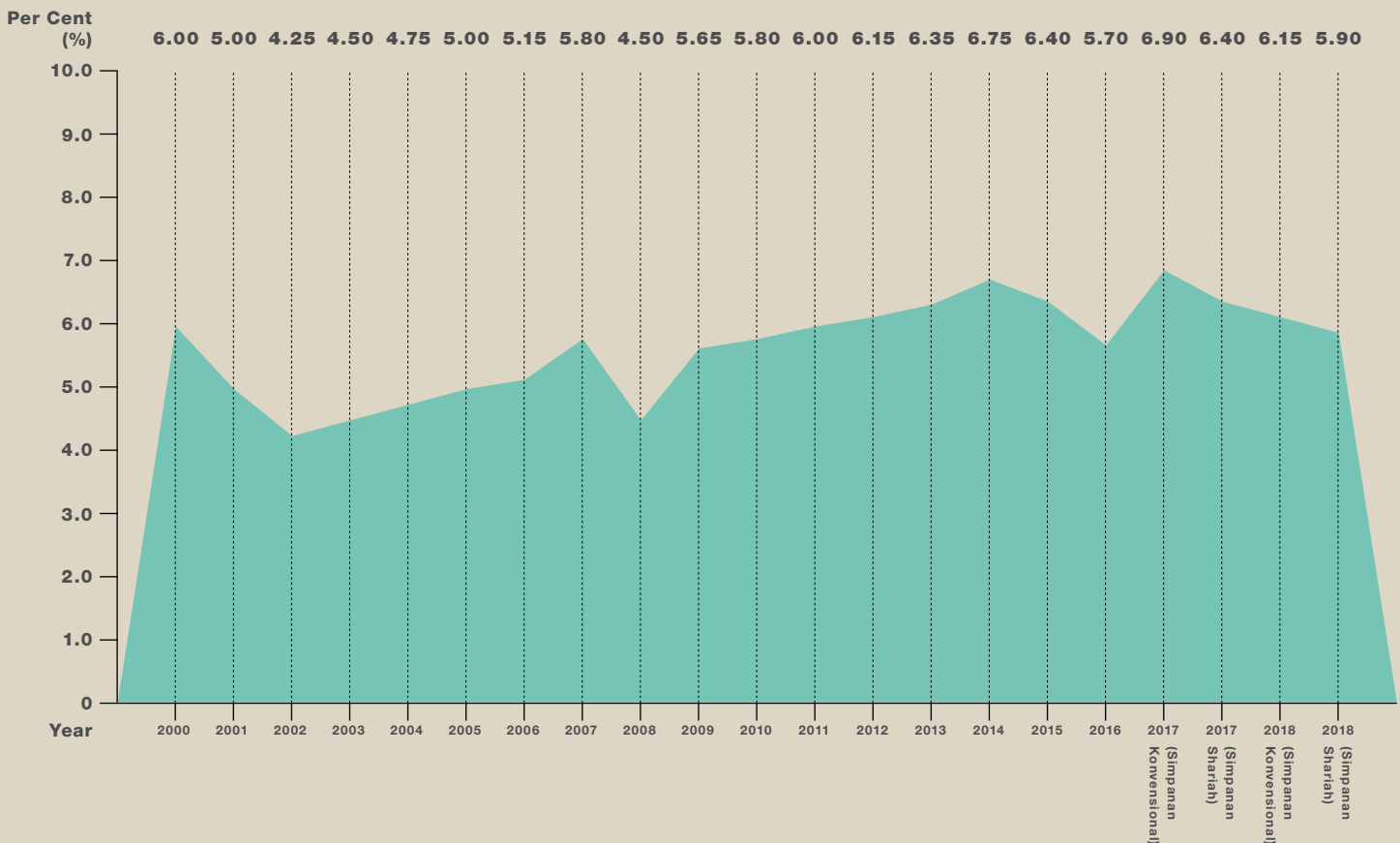
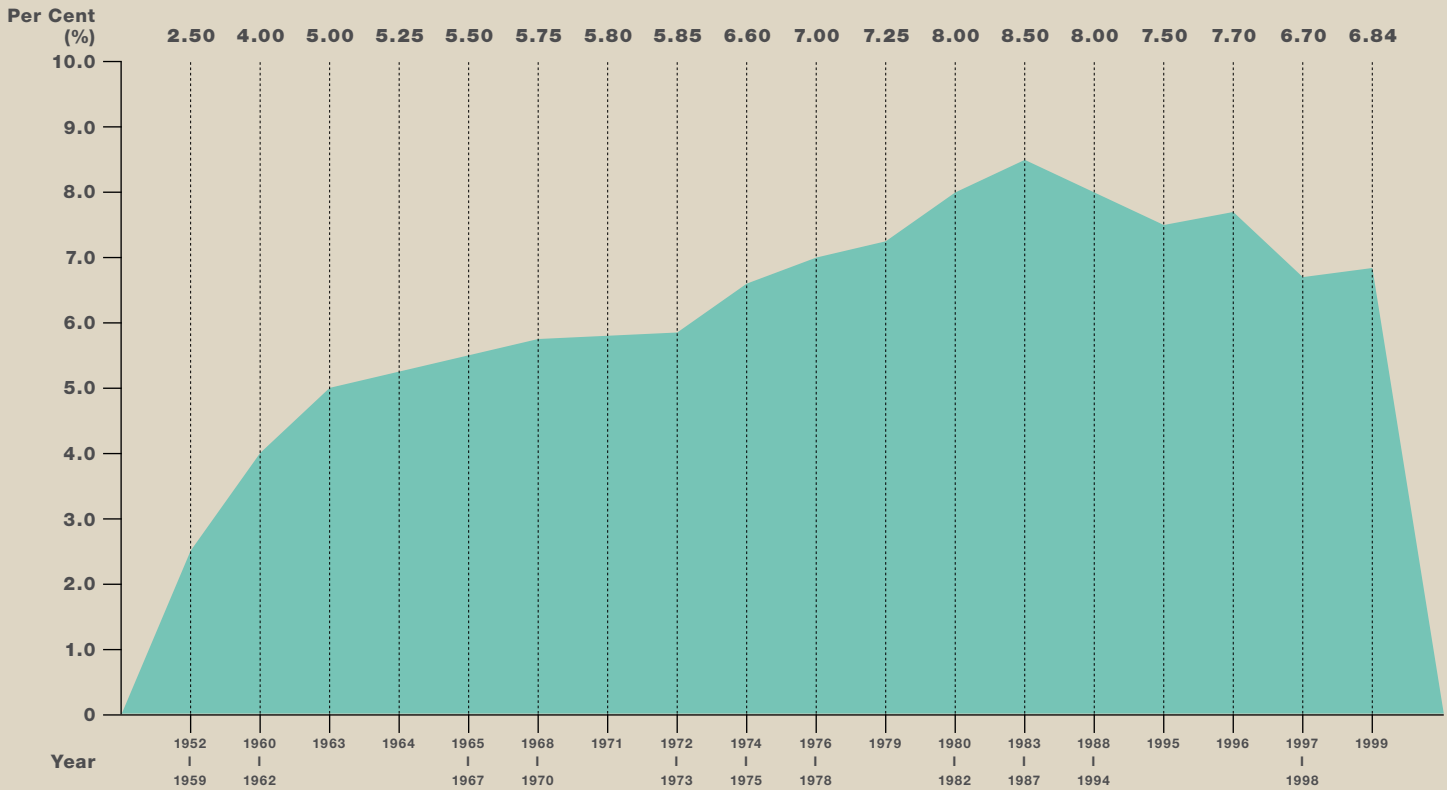
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STATISTICS

DIVIDEND RATES



LIST OF TOP 30 EQUITY HOLDINGS BY PERCENTAGE OF ISSUED SHARES AS AT 31 DECEMBER 2018

Number	Counters	Total
1.	Malaysia Building Society Bhd	63.77%
2.	RHB Bank Bhd	40.62%
3.	Malaysian Resources Corporation Bhd	35.48%
4.	Telekom Malaysia Bhd	16.50%
5.	Axis Real Estate Investment Bh	16.09%
6.	Axiata Group Bhd	15.78%
7.	DiGi.Com Bhd	14.82%
8.	Sunway Reit Bhd	14.81%
9.	MBM Resources Bhd	14.66%
10.	IJM Corporation Bhd	14.65%
11.	Sime Darby Plantation Bhd	14.43%
12.	CIMB Group Holdings Bhd	14.18%
13.	IJM Plantations Bhd	14.08%
14.	Bermaz Auto Bhd	13.54%
15.	Yinson Holdings Bhd	13.52%
16.	United Plantations Bhd	13.46%
17.	Malayan Banking Bhd	13.15%
18.	Aeon Co M Bhd	13.10%
19.	Tenaga Nasional Bhd	12.79%
20.	BIMB Holdings Bhd	12.75%
21.	IOI Corporation Bhd	12.59%
22.	Public Bank Bhd	12.48%
23.	Globetronics Technology Bhd	12.27%
24.	Alliance Bank Malaysia Bhd	12.27%
25.	Hong Leong Bank Bhd	12.26%
26.	Syarikat Takaful Malaysia Bhd	12.20%
27.	Fraser & Neave Holdings Bhd	12.13%
28.	Media Prima Bhd	12.00%
29.	Kuala Lumpur Kepong Bhd	12.00%
30.	MRCB-QUILL REIT Bhd	11.92%

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STATISTICS

WITHDRAWAL BY SCHEMES

Year	2018		2017	
	Number	Amount (RM)	Number	Amount (RM)
Withdrawal Schemes				
55 years	379,504	15,810,003,592	384,795	17,757,759,010
50 years	160,751	4,712,680,608	154,063	4,738,729,140
Incapacitation	5,347	391,038,106	5,117	384,862,946
Leaving Country	4,032	392,456,135	4,377	427,410,624
Buy first house	91,074	2,149,948,937	86,642	2,107,996,219
Buy second house	5,147	214,335,855	5,259	230,516,514
Housing Loan Monthly Installment	1,748,506	2,001,339,134	1,916,877	1,825,859,748
Reduction/Redemption of housing loan	112,518	1,447,916,201	130,604	1,702,566,769
Health	6,972	67,403,964	6,266	58,183,038
Death	62,658	1,715,602,371	58,281	1,520,975,212
Periodical Payment	587	1,122,730	719	1,391,202
Members Investment Scheme	851,933	9,251,295,326	747,243	8,788,079,682
Pensionable Employees and Optional Retirement	76,395	2,065,788,771	118,146	2,484,663,943
Education	140,769	1,319,456,484	89,328	1,695,206,787
Monthly Payment Scheme	61	76,842	77	86,357
Withdrawal of Savings in Excess of RM 1 Million	8,018	1,518,976,786	6,882	1,320,100,522
Hajj	427	1,209,732	705	1,965,567
60 Years	238,551	4,330,245,142	170,963	4,106,433,535
Prima Housing Withdrawal	13	3,820	2	19,140
Total	3,893,263	47,390,900,534	3,886,346	49,152,805,954
Annual Dividend*	2,816	56,771,016	2,566	44,006,013
i) Death Benefits	21,387	53,485,571	18,225	45,565,000
ii) Incapacitation Benefits	883	4,415,000	864	4,320,000
Total (i and ii)	22,270	57,900,571	19,089	49,885,000

Year	2016		2015		2014	
	Number	Amount (RM)	Number	Amount (RM)	Number	Amount (RM)
Withdrawal Schemes						
55 years	597,771	22,292,814,380	530,459	21,400,282,188	431,639	14,090,666,522
50 years	156,991	4,855,680,128	148,699	4,831,008,499	140,082	3,941,562,511
Incapacitation	4,986	360,187,080	4,659	331,060,249	4,447	275,351,499
Leaving Country	4,467	445,244,745	3,833	377,363,471	3,098	303,592,892
Buy first house	83,401	2,002,008,099	89,071	2,108,847,723	85,704	1,930,598,080
Buy second house	5,752	248,452,755	6,483	287,952,489	6,361	268,710,339
Housing Loan Monthly Installment	1,781,735	1,666,932,871	1,551,508	1,375,789,117	1,381,043	1,148,654,580
Reduction/Redemption of housing loan	148,368	1,956,998,548	164,033	2,212,036,347	157,685	1,751,784,336
Health	6,101	57,000,845	5,692	51,766,353	4,969	46,057,154
Death	56,172	1,386,616,927	52,127	1,233,878,032	49,745	1,089,049,474
Periodical Payment	1,159	2,553,546	1,745	3,586,456	1,980	4,231,130
Members Investment Scheme	710,064	6,305,355,131	602,262	5,855,745,390	443,729	4,859,472,682
Pensionable Employees and Optional Retirement	51,230	2,157,264,348	48,688	1,972,703,781	68,048	2,520,563,342
Education	86,725	1,459,203,497	65,787	578,180,407	59,897	372,937,758
Monthly Payment Scheme	98	108,725	104	116,982	100	120,276
Withdrawal of Savings in Excess of RM1 Million	6,143	1,369,448,593	5,471	1,390,499,668	3,874	999,278,093
Hajj	415	1,151,035	390	1,044,974	367	947,163
60 Years						
Prima Housing Withdrawal						
Total	3,701,578	46,567,021,253	3,281,011	44,011,862,123	2,842,768	33,603,577,831
Annual Dividend*	2,267	42,372,125	1,971	39,595,874	1,596	30,135,786
i) Death Benefits	18,180	45,459,162	17,201	43,007,028	16,910	42,276,000
ii) Incapacitation Benefits	821	4,105,000	771	3,857,000	693	3,465,000
Total (i and ii)	19,001	49,564,162	17,972	46,864,028	17,603	45,741,000

* Withdrawal on Annual Dividend for 2018 was adjusted as current year dividend expenses

ACTIVE MEMBERS' PROFILE BY SAVINGS RANGE AND GENDER AS AT 31 DECEMBER 2018

Savings Range (RM)	Number of Males	Number of Females	Total	Savings (RM)
<1-1,000	199,198	183,438	382,636	181,781,727
1,001-2,000	152,889	123,023	275,912	407,468,550
2,001-3,000	119,407	98,931	218,338	542,809,079
3,001-4,000	101,404	82,728	184,132	642,584,530
4,001-5,000	91,710	75,427	167,137	751,230,090
5,001-6,000	85,401	69,545	154,946	851,583,192
6,001-7,000	76,776	64,152	140,928	915,185,062
7,001-8,000	71,114	59,440	130,554	978,723,353
8,001-9,000	66,135	55,427	121,562	1,032,725,879
9,001-10,000	62,235	53,042	115,277	1,094,856,540
10,001-15,000	270,423	226,358	496,781	6,169,385,295
15,001-20,000	223,628	187,511	411,139	7,165,919,858
20,001-25,000	189,548	160,031	349,579	7,840,648,368
25,001-30,000	163,033	136,951	299,984	8,232,407,001
30,001-35,000	142,754	119,238	261,992	8,502,783,763
35,001-40,000	128,684	107,438	236,122	8,845,397,721
40,001-45,000	117,031	96,229	213,260	9,053,912,995
45,001-50,000	106,991	86,718	193,709	9,195,147,695
50,001-55,000	99,006	79,711	178,717	9,377,826,126
55,001-60,000	92,231	72,700	164,931	9,479,688,181
60,001-65,000	84,820	66,410	151,230	9,446,998,355
65,001-70,000	79,293	60,811	140,104	9,452,667,848
70,001-75,000	73,578	56,073	129,651	9,395,892,195
75,001-80,000	68,757	52,067	120,824	9,360,383,382
80,001-85,000	64,501	48,149	112,650	9,289,642,139
85,001-90,000	59,465	44,042	103,507	9,054,544,981
90,001-95,000	55,639	41,336	96,975	8,967,458,900
95,001-100,000	52,104	38,702	90,806	8,850,209,108
100,001-150,000	372,698	277,060	649,758	79,521,503,352
150,001-200,000	206,706	152,507	359,213	62,028,503,385
200,001-250,000	121,000	89,214	210,214	46,840,420,587
250,001-300,000	73,636	55,519	129,155	35,267,881,498
300,001-350,000	48,716	36,666	85,382	27,602,081,038
350,001-400,000	33,070	24,743	57,813	21,591,292,897
400,001-450,000	24,886	17,673	42,559	18,033,705,997
450,001-500,000	18,867	12,862	31,729	15,029,678,888
500,001-600,000	26,409	16,914	43,323	23,637,723,024
600,001-700,000	17,313	10,052	27,365	17,681,810,480
700,001-800,000	11,881	6,502	18,383	13,721,577,698
800,001-900,000	8,456	4,433	12,889	10,916,492,373
900,001-1,000,000	6,344	3,128	9,472	8,977,302,705
> 1,000,000	28,810	10,800	39,610	66,444,182,762
Total	4,096,547	3,263,701	7,360,248	612,374,018,598

Source: EPF Business Intelligence system

Note: Total Savings Amount not inclusive of annual dividend

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STATISTICS

CONTRIBUTION RATES

Year	Employee	Employer	Total
1952 - June 1975	5%	5%	10%
July 1975 - November 1980	6%	7%	13%
December 1980 - December 1992	9%	11%	20%
January 1993 - December 1995	10%	12%	22%
January 1996 - March 2001	11%	12%	23%
April 2001 - March 2002	9%	12%	21%
April 2002 - May 2003	11%	12%	23%
June 2003 - May 2004	9%	12%	21%
June 2004 - December 2008	11%	12%	23%
January 2009 - December 2010	8%	12%	20%
January 2011 - December 2011	11%	12%	23%

January 2012 - February 2016

Income RM5,000 and less	11%	13%	24%
Income more than RM5,000	11%	12%	23%

Year	Employee	Employer	Total
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March 2016 - December 2017

Members below age 60

Income RM5,000 and less	8%	13%	21%
Income more than RM5,000	8%	12%	20%

Members age 60 until age 75

Income RM5,000 and less	4%	6.5%	10.5%
Income more than RM5,000	4%	6%	10%

January 2018 - December 2018

Members below age 60

Income RM5,000 and less	11%	13%	24%
Income more than RM5,000	11%	12%	23%

Members age 60 until age 75

Income RM5,000 and less	5.5%	6.5%	12%
Income more than RM5,000	5.5%	6%	11.5%

January 2019 - current

Members below age 60

Income RM5,000 and less	11%	13%	24%
Income more than RM5,000	11%	12%	23%

Members age 60 until age 75

Income RM5,000 and less	-	4%	4%
Income more than RM5,000	-	4%	4%

ACTIVE MEMBER' PROFILE BY AGE GROUP AND GENDER AS AT 31 DECEMBER 2018

Age Group (Year)	Number Of Males	Number Of Females	Total Members	Total Members (%)	Total Cum Members (%)	Total Savings (RM)	Total Savings (%)	Total Cum Savings (%)
<16	109	64	173	0.00	0.00	96,971	0.00	0.00
16-25	813,891	670,511	1,484,402	20.17	20.17	10,026,496,319	1.64	1.64
26-30	746,402	670,779	1,417,181	19.25	39.42	36,491,695,354	5.96	7.60
31-35	628,075	514,498	1,142,573	15.52	54.95	67,465,909,982	11.02	18.61
36-40	487,358	386,246	873,604	11.87	66.82	87,141,633,989	14.23	32.84
41-45	407,593	325,716	733,309	9.96	76.78	106,748,304,322	17.43	50.28
46-50	353,429	268,601	622,030	8.45	85.23	117,813,877,230	19.24	69.51
51-55	294,198	209,385	503,583	6.84	92.07	101,352,075,991	16.55	86.07
56-60	205,722	137,421	343,143	4.66	96.74	47,850,186,333	7.81	93.88
61-65	99,323	54,418	153,741	2.09	98.82	22,840,528,334	3.73	97.61
66-70	43,046	19,729	62,775	0.85	99.68	9,633,210,658	1.57	99.18
71-75	14,239	5,363	19,602	0.27	99.94	3,928,876,057	0.64	99.82
76-80	2,935	906	3,841	0.05	100.00	1,018,654,150	0.17	99.99
81-85	206	55	261	0.00	100.00	55,081,947	0.01	100.00
>85	21	9	30	0.00	100.00	7,390,960	0.00	100.00
Grand Total	4,096,547	3,263,701	7,360,248	100.00		612,374,018,598	100.00	

Source: EPF Business Intelligence system

Note: Total Savings Amount not inclusive of annual dividend

ACTIVE MEMBERS' AVERAGE SAVINGS AT AGE 54 BY GENDER

Year	Male			Female		
	Number Of Members	Total Savings (RM)	Average Savings (RM)	Number Of Members	Total Savings (RM)	Average Savings (RM)
2008	35,415	5,322,180,264	150,280	17,607	1,705,344,178	96,856
2009	36,387	5,794,733,417	159,253	18,552	1,886,638,751	101,695
2010	40,542	6,507,302,076	160,508	21,486	2,360,738,881	109,873
2011	40,004	6,657,338,898	166,417	22,354	2,647,519,595	118,436
2012	43,230	7,581,549,702	175,377	24,921	3,206,896,233	128,682
2013	45,805	8,427,983,030	183,997	27,363	3,765,478,721	137,612
2014	47,135	9,385,899,753	199,128	29,289	4,382,090,266	149,616
2015	49,878	10,719,311,181	214,911	31,768	5,155,803,817	162,296
2016	50,223	11,201,215,794	223,030	32,109	5,618,243,593	174,974
2017	51,579	12,062,316,509	233,861	33,198	6,067,433,813	182,765
2018	55,250	12,858,768,219	232,738	39,010	6,922,796,631	177,462

MEMBERS' AVERAGE SAVINGS AT AGE 54

Year	Active Members			Inactive Members		
	Number Of Members	Total Savings (RM)	Average Savings (RM)	Number Of Members	Total Savings (RM)	Average Savings (RM)
2008	53,022	7,027,524,442	132,539.78	130,653	2,860,548,303	21,894
2009	54,939	7,681,372,168	139,816.38	134,556	3,055,433,736	22,708
2010	62,028	8,868,040,956	142,968.35	148,844	3,528,282,764	23,705
2011	62,358	9,304,858,493	149,216.76	146,172	3,418,820,359	23,389
2012	68,151	10,788,445,936	158,302.09	157,425	3,802,693,654	24,156
2013	73,168	12,193,461,751	166,650.20	160,131	4,203,516,072	26,250
2014	76,424	13,767,990,019	180,152.70	166,131	4,578,149,209	27,557
2015	81,646	15,875,114,998	194,438.37	169,425	5,343,743,319	31,540
2016	82,332	16,819,459,387	204,288.24	170,844	5,812,652,311	34,023
2017	84,777	18,129,750,322	213,852.23	147,160	6,456,208,469	43,872
2018	94,260	19,781,564,850	209,861.71	151,577	6,660,005,444	43,938

Source: EPF Business Intelligence system

Note: Total Savings Amount not inclusive of annual dividend

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INVESTMENT DIVISION



“The year 2018 was especially difficult as it was marked by volatility and a downward trend in global markets, intensified by the continuing US-China trade war and four rounds of US interest rate hikes in the year alone.

With a real dividend on a rolling three-year basis of 3.93% for Simpanan Konvensional and 3.68% for Simpanan Syariah, the EPF has exceeded its mandate of delivering a dividend of at least 2.50% annually and at least 2% real dividend on a rolling 3-year basis.”

Dato' Mohamad Nasir Ab Latif
Deputy Chief Executive Officer



OBJECTIVES

The Investment Division manages the EPF's investment fund with two primary long-term investment objectives:

- To preserve and enhance the value of capital from members' contribution.
- To maintain stable and consistent returns over the long term within tolerable risk limits.

STRATEGIC TARGETS

To ensure that the above objectives are met, two strategic investment targets have been set:

- To declare at least 2.50% nominal dividend annually.
- To declare at least 2% real dividend (inflation adjusted) on a rolling three-year basis.

In ensuring that the strategic investment targets are met, the EPF's investments

stand guided by its Strategic Asset Allocation (SAA) to optimise return within the risk tolerance limits.

Apart from the SAA, the EPF also adheres to the Tactical Asset Allocation (TAA), which allows portfolio managers to deviate from the median SAA within the portfolios' tolerable range to take advantage of prevailing market conditions. Meanwhile, the medium term views on the market are incorporated into our Dynamic Asset Allocation (DAA), which is reviewed on a quarterly basis.

STRATEGIC ASSET ALLOCATION

The SAA is a framework that optimises the EPF's long term investment return within the tolerable risk limits. This ensures that the objectives of preserving and enhancing members' contribution are met, in line with the EPF's vision to help members achieve a better future.

INVESTMENT DIVISION



The SAA is a framework that optimises the EPF's long term investment return within the tolerable risk limits. This ensures that the objectives of preserving and enhancing members' contribution are met, in line with the EPF's vision to help members achieve a better future.

The current SAA is effective for the last period 2017-2019. It was last reviewed in 2016 to reflect the prevailing market conditions, changes to regulatory requirements, accounting policies and investment constraints. The current SAA allocates 51% of EPF's investment asset in Fixed Income Instruments, 36% in Equities, 10% in Real Estate and Infrastructure and 3% in Money Market Instruments.

Each asset class plays its role in ensuring that the EPF delivers its investment objectives. Fixed Income Instruments serves as an anchor for the portfolio, preserving members' savings by providing a stable stream of income through interest payments. Meanwhile, Equity asset class provides return enhancement to the overall portfolio, ensuring that the asset class is able to add value to members' savings by delivering returns that surpass inflation rate. The Real Estate and Infrastructure

portfolio also serves as a hedge against inflation through rental payments and capital appreciation of the assets. The allocation to Money Market Instruments caters for EPF's day-to-day operations, including withdrawals and operational expenses.

The SAA will be reviewed in 2019 and will be effective from 2020 to 2022.

INVESTMENT HIGHLIGHTS

The year 2018 was especially difficult as it was marked by volatility and a downward trend in global markets, intensified by the continuing US-China trade war and four rounds of US interest rate hikes in the year alone. These factors led to a large-scale fund outflow from the emerging markets, causing a decline in both the fixed income and equities markets.

INVESTMENT ASSET

RM833.76
 billion

RETURN ON INVESTMENT

6.57%

GROSS INVESTMENT INCOME

RM50.87
 billion

DIVIDEND PAYOUT

RM47.31
 billion

OVERSEAS INVESTMENT EXPOSURE

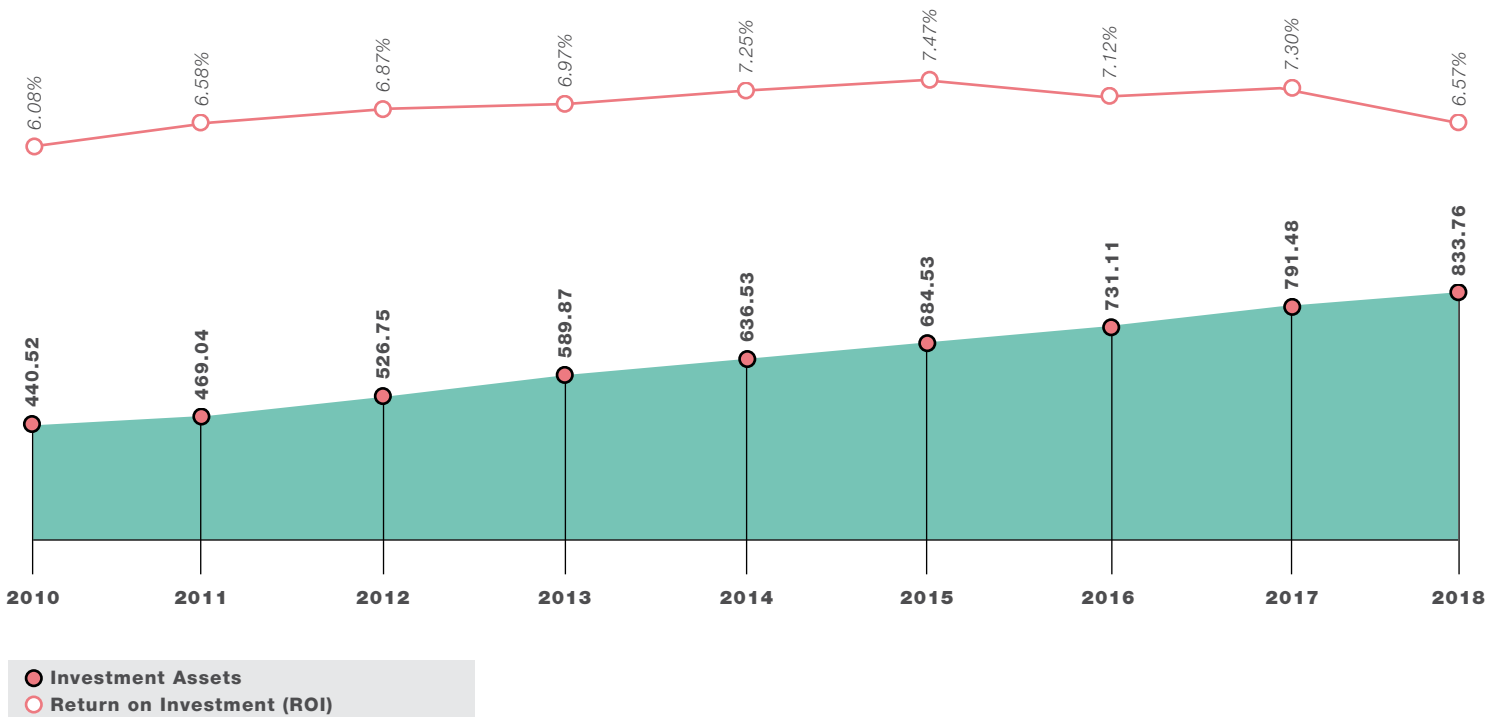
27.1%

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INVESTMENT DIVISION

Unlike the year 2017, the equity markets trended downward which also saw market volatilities increase. However, this volatility presented EPF with opportunities to capitalise profit and invest at attractive prices.

INVESTMENT ASSETS AGAINST RETURN ON INVESTMENT (ROI)



Gross investment income for 2018 was RM50.87 billion, a decline from 2017 gross investment income of RM53.14 billion. Of the total gross investment income, a total of RM4.62 billion was allocated for Simpanan Shariah, proportionate to its share of total shariah assets, while RM46.25 billion was allocated for Simpanan Konvensional. The lower income for EPF's Shariah portfolio in 2018 was mainly due to the underperformance of the telecommunications, construction and oil and gas sectors in the domestic portfolio.

The RM50.87 billion generated was equivalent to 6.57% return on investment (ROI), lower than 7.30% recorded in 2017. The EPF's investments had been

delivering a three-year annualised ROI of 7%, which is commendable given the EPF's nature as a balanced fund with exposure in fixed income instruments of about 50%.

The EPF's diversification into global assets in 40 countries and 28 currencies has allowed it to realise sizeable gains from different markets and asset classes, which helped to boost overall performance. Overseas investment, which made up about 27.1% of total investment assets as at 31 December 2018, contributed to 38% of the EPF's gross investment income for the year and enhanced the overall returns of the EPF's investment portfolio by 93 basis points to 6.57%. The overseas

portfolio has been recording a one-, three- and five-year annualised ROI of 9.17%, 9.91%, and 10.65% respectively.

The dividend payout for each account was derived from total gross realised income for the year after deducting net impairment on financial assets, undistributable gains or losses from intercompany transactions, investment expenses, operating expenditures, statutory charges as well as dividend on withdrawals. The total dividend payout for 2018 was RM47.31 billion, of which RM42.99 billion was for Simpanan Konvensional with a dividend rate of 6.15%, while RM4.32 billion for Simpanan Shariah with a dividend rate of 5.90%. The spread between Simpanan

INVESTMENT DIVISION

Shariah and Simpanan Konvensional has narrowed to 25 basis points in 2018, an improvement from the 50 basis points spread in 2017.

With a real dividend on a rolling three-year basis of 3.93% for Simpanan Konvensional and 3.68% for Simpanan Shariah, the EPF has exceeded its mandate of delivering a dividend of at least 2.50% annually and at least 2% real dividend on a rolling three-year basis.

As at 31 December 2018, the EPF's investment assets stood at RM833.76 billion with 50.28% of the EPF's investment assets invested in Fixed Income Instruments and 39.14% in Equities, while the remaining 4.79% and 5.80% were in Real Estate and Infrastructure, and Money Market Instruments respectively.

Out of the total investment assets, a total of 39.04%, or RM325.50 billion, was invested in the Shariah portfolio and the balance in the Conventional portfolio.

MALAYSIAN GOVERNMENT SECURITIES AND EQUIVALENT (MGS & EQUIVALENT)

The EPF's investment in Fixed Income Instruments continued to provide a stable stream of income in 2018. The asset class in total contributed 18.86% of the RM50.87 billion gross investment income recorded for the year.

Our holdings in MGS & Equivalent stood at RM232.52 billion as at 31 December 2018, RM23.58 billion or 11.29% higher compared with 2017. The asset class represented 27.88% of EPF's total investment, a 1.48% increase from 26.40% in 2017. The asset class registered a gross investment income of

RM9.60 billion, higher by 14.29%, compared with RM8.40 billion in 2017. The asset class recorded an ROI of 4.36%, lower than the previous year's ROI of 4.45%.

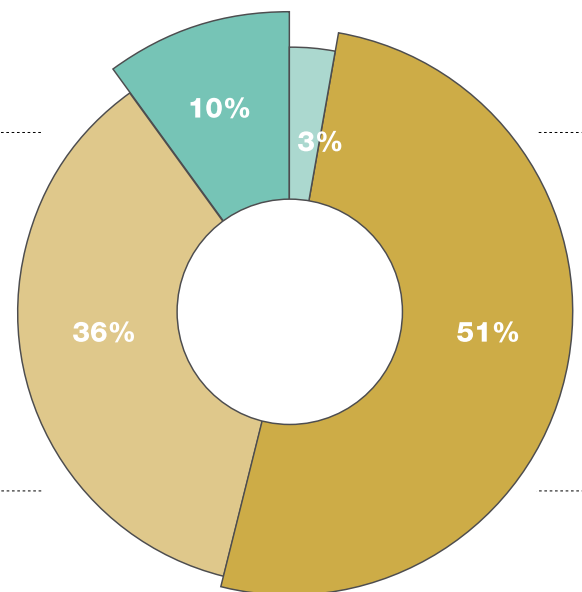
The rise in yields in 2018 hindered profit-taking activities for this asset class. However, it presented the EPF with opportunities to rebalance the portfolio in order to improve the average yield of the portfolio.

LOANS AND BONDS

The asset class, comprising domestic and global investments, increased from RM182.94 billion to RM186.69 billion in 2018, a marginal growth of 2.05% from 2017. Even though there were a number of maturities and repayments made during the year, there were also significant bond subscriptions and loan drawdowns through injection of new money, creation of new mandates and also reinvestment of income throughout the year.

Gross investment income recorded in 2018 by the asset class was RM8.78 billion, down 2.98%, or RM270 million, from RM9.05 billion in 2017. The ROI, nonetheless, increased from 4.80% in 2017 to 4.84% in 2018. Loans & Bond continued to provide a healthy spread over the MGS & Equivalent portfolio, with a spread in ROI of 0.48% in 2018.

Strategic Asset Allocation (SAA) by Asset Class



<p>Fixed Income Instrument</p> <p>- Capital Preservation</p>	<p>Equity</p> <p>- Return Enhancement</p>	<p>Real Estate & Infrastructure</p> <p>- Inflation Hedge</p>	<p>Money Market Instrument</p> <p>- Day-to-day Operations</p>
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INVESTMENT DIVISION

EQUITIES

We continue to invest in Equities, made up of both listed and private equities in the domestic and global markets. However, exposure to the asset class in 2018 was down 2.37%, or RM7.91 billion, from RM334.23 billion in 2017 to RM326.32 billion as at 31 December 2018. The decline reflects the decline in equity prices globally as well as the movement of foreign currencies against the Malaysian Ringgit.

Making up 39.14% of the fund's total investment assets, Equities remained the largest contributor to the investment income at RM29.28 billion, representing 57.55% of total income. This was a decline from RM31.47 billion of income recorded by the asset class in 2017 following the drop in equity prices, most notable in Q4 2018. The FBMKLCI closed 6% lower, while global equity indices closed lower from between 9% to 16%. Despite the decline in income, this asset class remains integral in providing return enhancement to the EPF's portfolio.

In line with the decline in investment income, the ROI decreased from 11.46% in 2017 to 9.74% in 2018. On a three- and five-year rolling basis, this asset class continued to deliver double digit ROI of 10.52% and 10.75% respectively, enhancing the overall EPF investment returns.

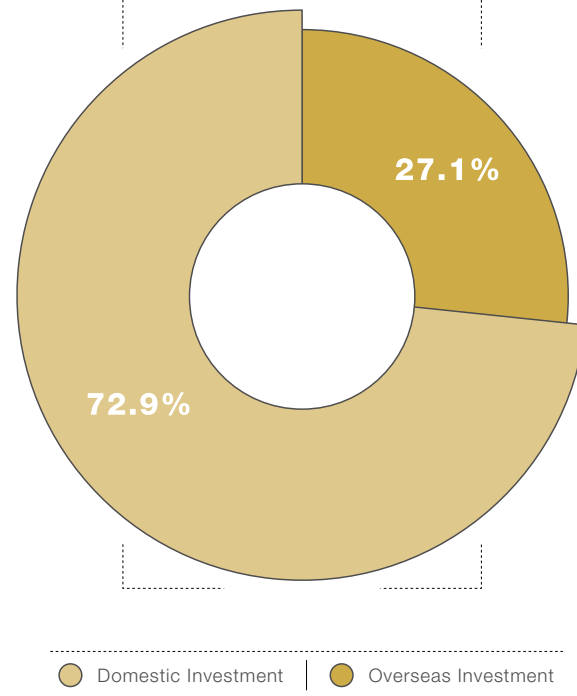
Net contributions received by the EPF on a monthly basis allows the EPF to take opportunities to invest in equities when valuations are attractive. This factor, coupled with strict investment criteria, enables the EPF to continue capitalising on investment during market downturns.

This asset class also played a significant role in distinguishing the difference in the performance between Simpanan Shariah and Simpanan Konvensional. Shariah equities in 2018 recorded an ROI of 8.58%, compared to Konvensional equities ROI of 10.59%. This is mainly due to the underperformance of shariah stocks, particularly in the telecommunications, oil and gas and construction sectors.

MONEY MARKET INSTRUMENTS

In order to optimise returns, we aim to minimise holdings in this asset class. However, we are also required to maintain a healthy cash balance to cater for members' withdrawals, administrative expenditures and investment drawdowns. This asset class includes fixed deposits, commercial papers and other instruments that are short term in nature. As at end December 2018, a total of RM48.33 billion, or 5.80%, of our total asset were in Money Market Instruments, which registered a gross investment income of RM1.11 billion, equivalent to an ROI of 3.72%. Compared with 2017, the cash balance was higher by RM15.13 billion or 45.57% in 2018.

Investment Asset Breakdown



REAL ESTATE AND INFRASTRUCTURE

It is the EPF's long-term and forward looking strategy to continuously increase its exposure in this asset class. In 2018 the asset class recorded an asset growth of 24.03%, or RM7.73 billion, from RM32.17 billion in 2017 to RM39.90 billion in 2018.

Most of our investments in this asset class were made through our associate and subsidiary companies, of which dividend income from these companies made up the majority of the asset class' gross investment income. For 2018, Real Estate and Infrastructure asset class registered a gross investment income of RM2.10 billion, a decrease of RM870 million, or 29.29%, compared with 2017 of RM2.97 billion. This translated to an ROI of 4.88% in 2018, lower by 3.67%, compared with 8.55%, recorded in 2017. The decline was a result of a high base effect attributed to one time transactions in 2017.

The asset class delivered an ROI of 7.20% and 8.02% on a three- and five-year rolling basis respectively, enhancing the overall investment portfolio return by providing a premium over fixed income investment, which recorded an ROI of 4.62% and 4.73% over a three- and five-year rolling basis respectively.

OPERATIONS DIVISION



EMBEDDING CUSTOMER CENTRICITY POWERED BY DIGITAL TECHNOLOGY

“ ‘Customer First’ is the principal core value of the EPF’s Operations Division. It is key to ensuring that all our frontline staff live the EPF brand, while putting our customers and their needs at the centre of our business process. We are committed to taking this approach to another level by leveraging on digital enablement. In view of the high customer service expectations, coupled with the increase in the volume of transactions that the EPF processes on a daily basis and that which continue to grow at an exponential pace, the need to continuously transform and equip ourselves with digital capacity and capabilities is no longer an option, but a business imperative. This necessitates fundamental changes in strategy and operating model. For the division, integrating digitalisation to our processes enables faster and more efficient handling of transactions as well as allows us to derive meaningful information in order to understand and serve our customers better.”

Dato’ Mohd Naim Daruwish
Deputy Chief Executive Officer

DIGITALISATION DRIVES EPF’S INITIATIVES

As at end December 2018, total EPF members stood at 14.19 million, and the majority of them are digital natives whose expectations drive the EPF’s policies and initiatives. In light of this, we focused our efforts in 2018 on customising our products and services to suit the changing times and needs.

Several notable enhancements to our current operational capability and capacity were introduced to enable the delivery of a robust end-to-end solutions of our online facilities. By putting content and convenience in our members’ hands, we are empowering them to make informed decisions using this platform, while providing us real-time feedback for continuous service improvements.

MAIN FUNCTIONS

The Operations Division is responsible for the management of members’ and employers’ accounts, including registration, collection of contributions, withdrawals, nominations, enforcement on defaulting employers, in addition to overseeing and managing the overall operational service network that comprises 68 branches throughout the nation.

Digital channels cannot be developed in isolation, as we recognise that meaningful engagement is also vital in delivering a valuable overall experience to our customers. As such, multiple service channels, including the Contact Management Centre (CMC), counter services, kiosks, email facilities, website (www.kwsp.gov.my) and other e-channels, remain as vital service components in providing customers with access to the array of services provided by the EPF.

The division is also entrusted with the management of EPF offices and properties, in addition to being the main driver of the operational transformation agenda.

OPERATIONS TRANSFORMATION AGENDA

We are making good progress on our Operations Transformation 2.0 as we look forward to actualising the Digital Evolution Blueprint, which will serve as a foundation for us to achieve new levels of business outcomes with a primary focus on providing excellent customer service. We are already leveraging on technology and looking at appropriate solutions where we can call up data within a few clicks and get real-time information effectively and efficiently.

Our flagship i-Akaun, which is the primary gateway to the EPF’s other online facilities, namely e-Pengeluaran and e-Caruman, serves as a rich platform for us to propel our operations transformation agenda. From i-Akaun, we are able to gather compelling data that will locate content or information our members have shown a preference for.

OUR PLEDGE

To ensure that service quality is of the highest standards and meets customers’ expectations, the EPF is very mindful of its ‘Our Pledge’ charter, which details the EPF’s commitment towards delivering the 11 core customer service and operations functions.

i-AKAUN

The i-Akaun provides self-service functions for members and employers to monitor contributions, check savings balances, enable payments, monitor transaction status and update personal information. In 2018, new functions have also been enabled, such as to allow members to register for Simpanan Syariah online, without having to physically go to any EPF branch.

As of December 2018, a total of 6,059,132 members have registered for i-Akaun and this represented 42.70% of total EPF members, while 99.08%, or 502,414, employers have registered with the EPF through i-Akaun.

OPERATIONS DIVISION



Sample online advertisement of the EPF i-Akaun app.

e-PENGLUARAN

The e-Pengeluaran facility has undergone several phases of upgrades and improvements to strengthen this platform and deliver an end-to-end solution for our transactions and processes. In 2018, a total of 90,837 housing transactions and 182,346 education transactions were made through e-Pengeluaran. This online facility will be expanded to include age-specific and health withdrawals in the near future.

e-CARUMAN

The e-Caruman facility enables employers to make payments and submit employees' contribution information (Form A) online. In 2018, 99.98% of the EPF employers submitted the e-Form (Form A) and 92.54% made online payments using the e-payment facility. A total of 2,857,941 transactions were made through the Financial Payment Exchange (FPX) in 2018. The FPX allows employers to use their own banking facility for making contribution payments.

EPF'S MOBILE APPLICATION

The EPF's mobile applications – the i-Akaun app (for members) and e-Caruman app (for employers) – have enabled the EPF to reach both members and employers more efficiently and effectively. These mobile applications are available in Android and IOS versions, allow customers to make enquiries, verification and to enable relevant transactions.

Continuous enhancements to the members' i-Akaun mobile application include interface features to the new EPF account statement, push notifications, secured inbox and FAQs on Simpanan Shariah. In 2018, a total of 1,029,419 downloads of the i-Akaun application with 13.85 million accesses were recorded.

The e-Caruman mobile application facilitates employers with less than 10 employees to submit Form A and make contribution payments online. Employers benefit from a function that allows them to access their Form A submission history and archived contribution information. A total of 108,098 downloads for the e-Caruman mobile application were recorded in 2018.

MEMBERS AND EMPLOYERS REGISTRATION

A total of 532,360 new members were registered in 2018, resulting in the total number of registered EPF members to reach 14.19 million, of which 7.36 million comprised active members. Throughout the same year, a total of 65,632 new employers were registered, a 7.51% increase from the 61,050 employers registered in 2017, bringing the total number of employers registered with the EPF to 507,080.

CONTRIBUTION COLLECTIONS

In 2018, total contributions received amounted to RM71.47 billion; an increase of 9.08% from 2017. The increase was attributed to a rise in the total number of members, employers and wages earned. In addition, continued awareness

among employers on the importance of contributing for the retirement welfare of their employees and effective enforcement on defaulting employers contributed further to this growth.

To ease employers' contribution payments, the EPF provides numerous payment channel options such as EPF counters, bank agents, payment kiosks, and electronic channels, which include mobile applications.

WITHDRAWALS

Processing members' withdrawal applications was one of the core activities of the Operations Division in 2018, with 2.48 million withdrawal applications under various schemes amounting to RM48.10 billion were approved. This represented an increase of 6.90% applications approved and a decrease of 2.60% in total withdrawn, compared to 2017.

ENFORCEMENT

To safeguard the interest of members, the EPF has carried out continuous activities to monitor and control monthly contribution payments made by employers. Firm, but prudent enforcement actions were meted out to errant employers. However, the rate of defaulting employers increased slightly to 1.03% in 2018, compared to 0.98% in 2017.

Contributions recovered from enforcement activities in 2018 stood at RM3.88 billion, compared with RM3.04 billion in 2017. A further RM28.68 million in late payment charges and RM22.22 million in dividends were collected from defaulting employers within the stipulated time frame.

In enforcing Section 39 of the EPF Act 1991, a total of 11,415 individual company directors and business owners were barred from leaving the country for failing to settle their outstanding mandatory contributions. In 2018, a total of 1,788 were barred from leaving the country, and 3,758 new criminal prosecutions and 1,989 civil suits were registered in the courts against defaulting employers.

OPERATIONS DIVISION

NOMINATION

The EPF emphasises the importance of nominating beneficiaries to ensure easy access and management of members' savings in the event of his/her demise. Campaigns to promote awareness on nomination had successfully resulted in 482,437 new nominations made in 2018. This added to the total nominations made to 4.43 million to date.

In December 2017, the EPF introduced an option for members to appoint Amanah Raya Berhad (ARB) as an administrator/trustee to their EPF savings. This is as an alternative to the existing provision to nominate any individual as nominee.

MEMBERS AND EMPLOYERS REGISTRATION

532,360

New Members

65,632

New Employers

CONTRIBUTIONS COLLECTION

RM71.47 Billion

Total Contributions Received

WITHDRAWALS

RM48.10 Billion

Approved

NOMINATIONS

482,437

New Nominations

ENFORCEMENT

RM3.88 Billion

Collection of Contribution in arrears



Opening of EPF Kuala Selangor on 6 July 2018.

CUSTOMER INTERACTION

Customer interactions through EPF counters, myEPF, kiosks, i-Akaun and Contact Management Centre (CMC) in 2018 reached 89.02 million. CMC recorded 1.54 million interactions in 2018, a 12.62% increase from the 1.37 million in 2017. Other self-service channels, such as EPF's website, kiosks and i-Akaun, recorded an increase of 39.24% to 84.50 million interactions.

CUSTOMER SERVICE SATISFACTION LEVEL

Customer Surveys are one of the initiatives undertaken to gauge customers' expectations, perceptions and satisfaction. A survey undertaken in 2018 by CMC together with an independent consultant recorded a 93.91% customer satisfaction rating.

RETIREMENT ADVISORY SERVICES (RAS)

As at end 2018, the EPF's Retirement Advisory Service (RAS) is now available in 28 branches across the country. RAS was introduced in July 2014 by designating 51 trained and qualified officers in financial and retirement planning. A total of 67,639 members have received financial advice from our qualified RAS officers.

The EPF will continue to explore and strengthen RAS activities to reach out to more customers. RAS is part of the EPF's long term initiative to increase awareness and knowledge among members in managing personal finances and savings to ensure a happy and meaningful retirement.

RAS also aims to increase the financial literacy level of members to help ensure security of their future. To date, the majority of EPF members do not fulfil basic savings according to their age group despite an increasing average life expectancy.

Occasionally, RAS officers will join the EPF Mobile Team to provide retirement advisory services to customers as part of RAS outreach programmes. This initiative has garnered positive responses from customers who have benefited from the service. In 2018, RAS officers carried out 1,586 outreach programmes across the nation and attracted a total of 137,673 customers.

STRATEGY DIVISION



“Owing to the speed of change taking place, the EPF has embarked on a Digital Transformation programme, which saw several key decisions made to encompass the 3S (Strategy, Scheme, Service Offerings) approach into customising our products and services according to members’ needs. Taking into account that each member has his/her own investment priorities and preferences, we are shifting from a ‘one size fits all’ investment option to several distinct investment options for our members, moving from mass production to mass customisation.”

**Tunku Alizakri Raja
Muhammad Alias**
Chief Executive Officer

NARROWING GAPS IN SOCIAL PROTECTION

Addressing the retirement needs of the economically vulnerable and those without a stable income has been a long-term goal of the EPF. 2018 saw significant milestones achieved in giving these groups a sense of financial security in their golden years.

Top of the list was the launch of i-Suri, a one-of-a-kind savings scheme for housewives borne out of a strategic collaboration between the EPF and the Ministry of Women, Family and Community Development. The first phase of i-Suri, which was launched on 8 August 2018, was opened to housewives, widows and divorcees as listed in the National Database on Poverty (eKasih). With as little as RM5 per month, they will be eligible to receive a Government incentive of RM40 a month to be deposited into their EPF account, and enjoy the same benefits as other EPF members, such as dividends.

Also in August, the EPF signed a Memorandum of Understanding with Grab Malaysia to encourage its community of ride-hailing driver-partners to save for their retirement through i-Saraan. This was part of EPF’s aggressive campaign to encourage more Malaysians from the informal and gig sector to save for their future financial well-being.

By contributing to the scheme, Grab driver-partners can enjoy the same benefits as an EPF member, such as annual dividends on their retirement savings, tax relief, death benefit, and access to our Retirement Advisory Service at no cost. On top of annual

dividends and benefits, the Government will top up an additional 15% of annual contributions to a maximum of RM250 per year until 2022 for members below age 55.

STRATEGY FOR THE FUTURE

In our effort to help members achieve a better future, we strive to ensure our employees are well-informed of the 5-Year Rolling Plan (5YRP) 2018-2023, communicated actively throughout 2018 via various channels. The 5YRP 2018-2023 continues to be our guiding document in formulating as well as executing strategies and initiatives for the year 2018-2023, to meet the anticipated future challenges.

The 14th General Election, which saw the formation of a new government, has facilitated our engagement with relevant ministries and a revival of the National Social Wellbeing Blueprint. Together with the Social Security Organisation (SOCSSO), the EPF was tasked to develop the blueprint to address the gaps in the country’s social security framework. We have successfully conducted our first workshop, comprising relevant stakeholders from various ministries and Government agencies, the private sector as well as NGOs. The main focus was to encourage cooperation between all parties to support the social security agenda as well as getting recommendations that could be incorporated in the blueprint.

ISSC 2018

Last year marked the 8th International Social Security Conference (ISSC) organised by the EPF, which serves

STRATEGY DIVISION

as an annual knowledge sharing event on issues covering social security and retirement. Having Citi Malaysia and Nomura Asset Management Malaysia and Nomura Securities Malaysia on board as co-sponsors gave the EPF an excellent opportunity to tap into global expertise on driving global growth and prosperity, while improving lives through investment and wealth management, in line with the EPF's mandate to provide sustainable returns for its more than 14 million members' retirement savings.

It was an exceptional ISSC 2018 as Deputy Prime Minister and Minister of Women and Family Development Dato' Seri Dr Wan Azizah Wan Ismail officiated the event and used the platform to launch the much anticipated Caruman Sukarela Insentif Suri, or i-Suri, which enables non-working housewives the opportunity to gain access to the quality social security and enhancing income security currently enjoyed by EPF members.

Themed A Better Tomorrow, the event attracted participants from across the globe, especially the International Social Security Association (ISSA) and ASEAN Social Security Association (ASSA) members. Against the backdrop of Industrial Revolution 4.0, the emphasis of the discussion was on creating a sustainable and better future by identifying and addressing challenges faced by humanity today.

DELIVERING CONTINUOUS GROWTH THROUGH OUR PEOPLE

2018 saw the EPF making great strides in reinforcing its commitment to build and sustain a high-performance culture. With over 5,000 employees across four offices and 68 branches, we continue to focus on attracting, developing and retaining the right talent, as well as creating a meaningful and exciting workplace for our people to thrive in.

We are also driven to ensure that the diverse needs of our employees are sufficiently met, encompassing competitive rewards and remuneration, providing a collaborative and flexible work culture, as well as making their health and well-being a top priority. In 2018, our Employee Engagement Score stood at 92%, benchmarked against the global high performing organisation norm of 88%.

Sustaining a High Performance Culture

In 2018, we converted 393 non-executive positions into executive positions to meet the skillsets required for our transformation. The Career Transition Plan 2.0 was introduced in 2018 to encourage EPF employees, whose roles were identified as redundant due to organisational change, to pursue their personal goals. We provided them with development interventions such as entrepreneurship as well as career and financial planning management programmes to increase capabilities and agility to succeed, aligned with our mission to help our members achieve a better future.

Robust Talent and Leadership Development

We are dedicated to solidifying our bench strength and succession for critical positions to ensure business sustainability and growth. We consistently track and monitor our succession readiness, fragmentation and performance, as well as building their competencies through carefully planned succession development interventions. In 2018, our succession realisation rate was at 83%.

Accelerated Development Programme (ADP)

This two-year talent acceleration programme aspires to develop EPF key talent with the right leadership capabilities to prepare them for larger and stretched roles, as well as to retain the best talent. In 2018, close to 100 talents participated in the programme with 74% of them Gen-Ys. Women comprised 60% of the ADP talent.

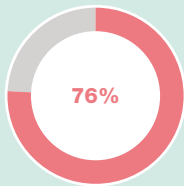
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STRATEGY DIVISION

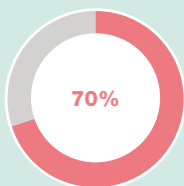
Preparing for the Workplace of the Future

The EPF has been relentless in transforming the way it does things to prepare for the workplace for the future. Understanding the power of digital and data analytics can help to transform the Human Resource's Department's function to realise the organisation's transformation, sustainably.

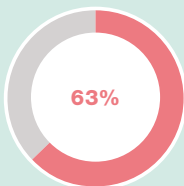
Reported increased productivity level



Reported reduced travelling time



Reported lower stress level



In 2018, we focused on health education through regular physical exercise and promoting a healthy lifestyle among our employees. Some of these programmes included monthly noon talks, running clinics and awareness campaigns on healthy eating and lifestyle. Among the key highlights in 2018 was the EPF Fun & Wellness Run, which saw the participation of 1,200 runners comprising EPF employees and family members.

Motivating Our People

The MyFlex initiative entered its second year in 2018 with several new products under this programme. With the Management's strong belief in "Motivated Employees are Productive Employees", the initiative has attracted almost 80% of the employees to join MyFlex. Living our values everyday, we continue to improve the initiative, hoping to cater to the psychographic and daily needs of our employees.

Furthermore, the current engagement strategy by the department has also positively contributed to the achievement that we have today. We are confident that with this initiative, it will increase employees' performance and create an effective culture within the EPF which is known as one of the best organisations in Malaysia to work in.

LEARNING AND COMPETENCY DEVELOPMENT

The year 2018 was a landmark year for the EPF Learning Campus (ELC) as it was established as the Learning Excellence Centre for Asia Pacific with a focus on Social Security, and in line with that, served to develop learning and development programmes for the EPF staff in order to generate a workforce that is competent and professional.

The strategic collaborations with international social security organisations, namely the United Nations System Staff College (UNSSC) and the International Training Centre of the International Labour Organisation (ITC ILO), led to the development of various skills and knowledge exchange programmes, which has also enabled ELC to tailor suitable content on social security for the EPF staff and external agencies.

The ELC played a pivotal role in transitioning the EPF's workforce to be more nimble and confident in an increasingly shifting environment. The centre also has a responsibility in building staff commitment to excellence and behavioral development as entrenched in the EPF's vision, mission and corporate values.

The mentoring and coaching programme was successfully implemented by 67 mentees and 60 mentors from the EPF Accelerated Leadership Programme sessions 1.0 and 2.0. The programme was carried out throughout 2018, thus helping to increase strategic leadership through knowledge and skills sharing, personal development, as well as downloading top management skills towards his/her subordinates as part of the EPF's succession programme.

STRATEGY DIVISION

Specialised Programme on Data Analytics

In line with the EPF's digital transformation agenda and its initiative to automate current processes, the ELC offered a related learning programme which seeks to facilitate skill acquisition for the EPF staff during the course of transforming the EPF to its intended digital aspirations.

A benchmark study was conducted to identify and measure the EPF staff's level of preparedness in terms of data analytics skills and digital literacy. A specialised programme on data analytics and digital literacy was subsequently implemented with the underlying objective to provide the EPF staff with the needed skills and tools to support organisational decision making and direction, and realise the EPF's goals.

In 2018, a survey was conducted to identify potential interest as well as analytical capabilities among the EPF staff. A total of 118 staff from various job grades participated in the survey and the results revealed that 80 per cent of staff were eligible to participate in the Professional Data Analytics Certification Programme. The first batch comprising 30 participants enrolled for the foundation level of the programme in July 2018.

The Professional Data Analytics Certification Programme, which has three levels of approvals, falls under the EPF Data Analytics Learning Framework 2019 (approved in 2018) to increase the number of EPF employees with the skills in data analytics that will potentially assist the EPF management in executing data-based solutions.

STRATEGIC COLLABORATIONS

1. International Training Centre of the International Labour Organisation (ITC ILO) Executive Course on Pension Policy

The EPF worked together with ITC-ILO to conduct the Executive Course on Pension Policy from Turin, Italy at the ELC. Researchers and leading experts from the ILO and HelpAge were invited to share their insights and expertise in various countries to enhance social security systems in the Asia Pacific region. The course was attended by representatives from 14 countries all over Asia.

2. United Nations System Staff College (UNSSC) - Consensus Building Institute (CBI) Workshop on Consensus Building for Sustainable Development for Social Protection

The workshop builds participants' capacities to frame sustainable development issues, negotiate agreements; and facilitate the development of multi-stakeholder partnerships and initiatives. The workshop programme was customised in the context of social protection and encouraged cooperation between different parties.

3. Malaysian Financial Planning Council (MFPC)

Collaboration was to develop and provide certification to EPF staff who enrolled for the Shariah Registered Financial Planning (SRFP) Capstone Programme. As at December 2018, a total of 199 EPF staff had been certified with SRFP. The EPF targets as many as 1,800 of its frontliners to be certified with SRFP by 2020.

4. Social Security Organisation (SOCISO); Department of Labour; Inland Revenue Board

The ELC offered training programmes to Malaysian employers on their employees' rights. In 2018, the ELC organised 24 courses on Employers Obligations under the EPF Act and 32 workshops on Employers Responsibilities towards Employees. The courses were held to ensure employers understand the main provisions as stipulated in the EPF Act and exercise their moral and legal obligations towards their employees' rights. Employers were also briefed on other obligations under SOCISO and LHDN, and labour laws.

STRATEGY DIVISION

Digital Literacy Programme

The digital literacy programme equips staff with the needed competency in digital technology to access learning opportunities, information and communications that will enhance organisational productivity.

The ICDL Compass was used to assess and identify the digital skill gaps among EPF employees. The results from the assessment will enable the EPF to tailor specific and relevant programmes that would raise its employees' digital literacy level in creating a future-ready workforce. In 2018, initiatives with various learning approaches, including experiential learning, were implemented to increase digital awareness amongst employees. A total of eight proficiency levels were introduced and will stretch over the next three years.

EPF KNOWLEDGE WEEK 2018

From 29 October until 4 November 2018, the ELC organised the EPF Knowledge Week 2018 where three knowledge programmes, namely the Behavioural Insight for Policy Development Programme, Knowledge Fair 2018, and the 4th MFPC National Financial Planning Tournament, were held.

- **Behavioural Insight for Policy Development Programme (13-14 September)**

The programme was conducted together with the Civil Service College Singapore (CSC), the United Nations System Staff College (UNSSC) and the International Training Centre of the International Labour Organisation on areas involving social protection. The joint programme was officiated by Tan Sri Dr Jemilah Mahmood, Chairman of the Malaysian Medical Relief Society or better known as Mercy Malaysia.

- **EPF Knowledge Fair 2018 (31 October - 1 November)**

The event attracted more than 600 participants, comprising EPF employees, guests and 16 speakers from various backgrounds. A total of 30 exhibition booths were erected during the fair, which was themed Better Tomorrow.

- **MFPC 4th National Financial Planning Tournament**

The EPF, through ELC, partnered with the Malaysian Financial Planning Council to promote financial literacy

among the younger generation. 200 students from 20 local universities participated in the tournament. Among the activities organised during the day include talks, a trading game, financial freedom fun run, quizzes and presentations by the students.

FINANCIAL LITERACY

As part of the EPF's financial literacy programme, three Celik Kewangan roadshows were held in 2018 in Kuantan, Kota Bharu and Kuala Terengganu. Close to 1,200 participants attended the roadshows, which were also supported by the EPF's financial wellness partner, the Credit Counselling and Debt Management Agency (AKPK).

The EPF also participated in two of Media Prima's Karnival Jom Heboh in Batu Kawan, Penang, and Johor Bahru in Johor. Public response to the EPF booths was overwhelming and at both locations, a total of 300 registrations of EPF's i-Saraan were recorded, while more than 5,000 people sought advice from the EPF's Retirement Advisory Services team.

COMBATING FAKE NEWS AND ALLEGATIONS

Being a highly visible public institution has made the EPF a target for fraudsters, rumour mongers and those who stir up conspiracy theories. In 2018 alone, the EPF saw countless attacks and accusations of bail-outs, or has had its members subjected to online scams or postings. This got even more numerous as the nation geared itself up for the 14th General Election, as the EPF has typically been used to further political agendas and influence the minds of its huge member base, inevitably attacking the EPF's reputation that forms the bedrock of trust.

In 2018, a viral message claimed that members who worked between 1990 and 2018 were entitled to a RM6,000 incentive from the EPF. The message would link unsuspecting members to a fake EPF website asking them to respond to a survey to check for their entitlement to the alleged 'incentive'. A number of unsuspecting members responded to the survey, putting their personal information at stake as the 'survey' was clearly an attempt to phish for members' personal data for fraudulent purposes.

STRATEGY DIVISION



Sample of WhatsApp message on unauthorised usage of the EPF logo released on 8 June 2018.

Fake news also led to public confusion when a fire engulfed a part of the EPF building in Jalan Gasing, Petaling Jaya, in February 2018. The spreading of the false allegations caused unnecessary anxiety among members who were concerned that their EPF savings and personal information were affected by the fire.

As the EPF is seen as a proxy for the nation, negative perceptions on the EPF have had an unfortunate spill-over effect on the reputation of Malaysia as a whole. The reverse is also true as fake news on Malaysia impacts EPF's reputation in global markets, thus making it more expensive for the EPF to conduct investment activities, as there is an increase in due diligence costs.

Having a close relationship with the media and forming direct engagement with our members via the EPF's Facebook page and Twitter platform, co-managed with the EPF Contact Management Centre, helped to allay fears among members when negative news on the EPF appear. The social media listening tools and daily news tracking system the EPF invested in are essential to gauge public sentiment.

CRISIS COMMUNICATION

Safeguarding and growing members savings is a responsibility shouldered by the team at the EPF, founded on our vision to help our members achieve a better future. However, the digital era has made this a challenging landscape to navigate. The speed at which news, both true and otherwise, spread through social media and WhatsApp messages, further emphasise how important it is for the crisis team in the EPF to have a 'switched on' mode to respond to any eventualities and ultimately, to ensure confidence amongst those affected, whether internally or externally.

When a fire broke out at our building in Jalan Gasing, Petaling Jaya, during the morning rush hour on 13 February 2018, news spread like wildfire on social media. Between 13-16 February, a total of 69,368 posts, or mentions, were recorded. While the majority of the sentiments were neutral, there were negative ones that related the fire to the 14th General Election which was to be held in May that year. The percentage of positive comments were largely attributed to the clarifying statement from the EPF. The official statement was released on the same day of the incident, assuring members about the integrity of members' savings and data to debunk earlier fake messages claiming that EPF's systems will be down for six months.

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