

# Corporate Diary



## 2014



### JAN 21

2014

Visit by officers from the Kumpulan Wang Persaraan (KWAP) and Public Service Department (JPA)



### JAN 27-28

2014

EPF Services Conference 2014



### JAN 28

2014

Visit by officers from TNB Integrated Learning Solution



### MAY 23-25

2014

EPF Sports Day in Malacca



### MAY 21

2014

Town Hall session with EPF CEO

### MAY 15

2014

Visit from Employees Provident Fund, Central Bank of Sri Lanka

### APR 21

2014

Visit from Great Eastern Life Assurance

### JUNE 26

2014

ASEAN Social Security Association Exchange Programme 2014



### JULY 1

2014

Launch of the Retirement Advisory Service (RAS)



### AUG 5

2014

Visit by Deputy Minister of Economy, Turkey



### AUG 6

2014

Visit by Deputy Finance Minister Datuk Chua Tee Yong

# 2015

### NOV 14

2014

Media Briefing on Social Security with Media Prima News Editors



### NOV 10

2014

Visit by students from Uzbekistan

## Corporate Diary (Cont'd.)



**FEB 14**  
2014

Meeting between EPF's Management and the Malaysian Trades Union Congress (MTUC)



**MAR 6**  
2014

The EPF receives Clean Audit Certificate for Financial Auditing from the National Audit Department for the financial year ended 31 December 2013



**MAR 12**  
2014

Coffee Talk with EPF Chairman, Tan Sri Samsudin Osman



**MAR 12**  
2014

Officers from Lembaga Zakat Selangor visit the EPF



**APR 3**  
2014

EPF Management Conference 2014



**APR 2-5**  
2014

EPF Management Conference 2014



**MAR 20**  
2014

The EPF External Portfolio Managers Annual Awards Ceremony 2013



**MAR 19**  
2014

EPF Integrity Day 2014



**AUG 7**  
2014

EPF Risk Management Conference 2014



**AUG 19**  
2014

Delegation from Thailand's Social Security Office (SSO) visits the EPF



**SEPT 8-10**  
2014

EPF International Seminar and 31st Asean Social Security Association Board Meeting.



**SEPT 9-10**  
2014

The Malaysia Private Equity Forum 2014



**NOV 1-2**  
2014

The EPF Investment Seminar 2014



**OCT 21**  
2014

Dialogue session with the Federation of Investment Managers Malaysia



**OCT 1**  
2014

Launch of Kwasa Invest Limited / EPF London Office



**OCT 1**  
2014

The EPF celebrates its 63rd anniversary

## Five-Year Financial Highlights

	2010	2011	2012	2013	2014
<b>FINANCIAL RESULTS' SNAPSHOT</b>	<b>RM' MILLION</b>				
Gross Investment Income	24,063.53	27,235.30	31,024.94	35,000.36	39,076.48
Net Investment Income	23,029.69	25,915.20	28,970.55	32,532.72	37,824.88
Other Income	78.73	64.19	98.81	156.63	165.82
Total Income	23,108.42	25,979.39	29,069.36	32,689.35	37,990.69
Total Expenditure *	787.07	916.28	860.81	1,227.75	1,175.85
Net Income	22,312.43	25,084.43	28,208.55	31,461.60	36,814.84
Dividend Credited Into Members' Account	21,610.13	24,466.02	27,450.92	31,200.17	36,656.46
<b>SUMMARISED FINANCIAL POSITION</b>	<b>RM' MILLION</b>				
Total Members' Fund **	444,959.51	476,526.06	532,274.73	593,450.87	640,207.42
Total Assets	445,848.18	477,683.43	536,029.19	597,820.50	646,698.16
Total Liabilities	888.67	1,157.37	3,754.46	4,369.63	6,490.74
<b>KEY FINANCIAL RATIOS</b>	<b>All-in %</b>				
Return On Investments	6.08	6.58	6.87	6.97	7.25
Total Expenditure Over Total Income ***	3.22	3.32	2.71	3.48	3.01
Total Expenditure Over Total Assets	0.18	0.19	0.16	0.21	0.18
Investment Growth	18.67	6.52	12.31	11.37	11.13
Annual Dividend Rate	5.80	6.00	6.15	6.35	6.75

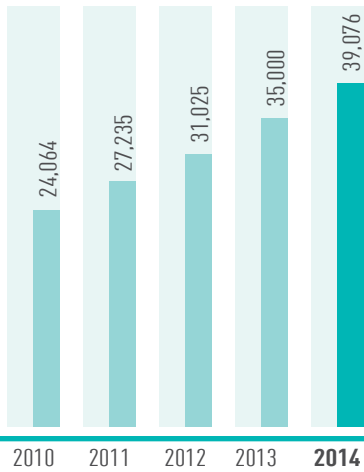
\* Comprised of Operating Expenditure and Statutory Charges.

\*\* Comprised of Contributions Account, Available - For - Sale Financial Assets Reserve (from 2010 onwards) and Section 50(3) Reserve (till 2011 only).

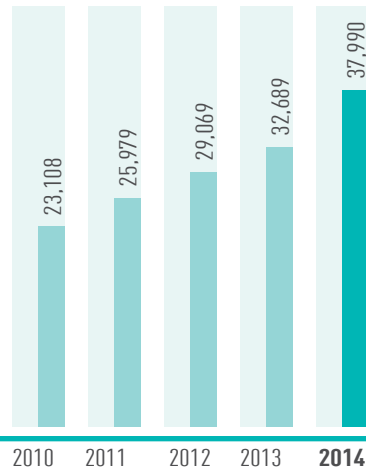
\*\*\* Total Gross Income includes write back of impairment losses on financial assets as well as reversal of impairment losses on investment in subsidiaries and associates.

## Five-Year Financial Highlights (Cont'd.)

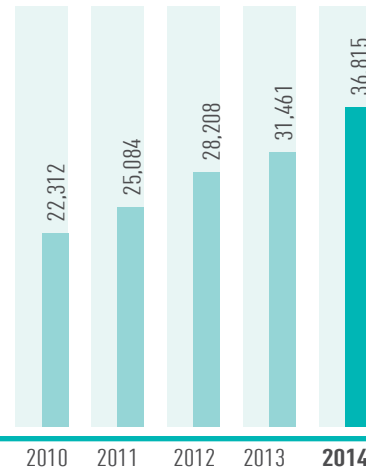
### GROSS INVESTMENT INCOME (RM' MILLION)



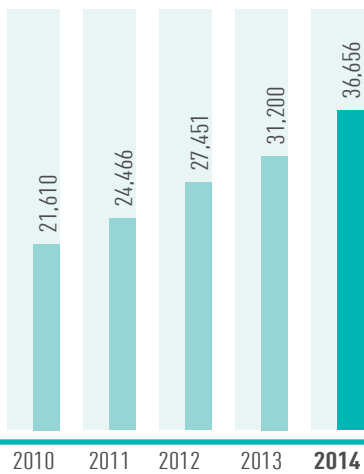
### TOTAL INCOME (RM' MILLION)



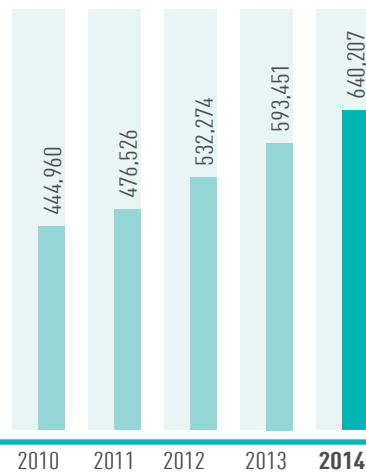
### NET INCOME (RM' MILLION)



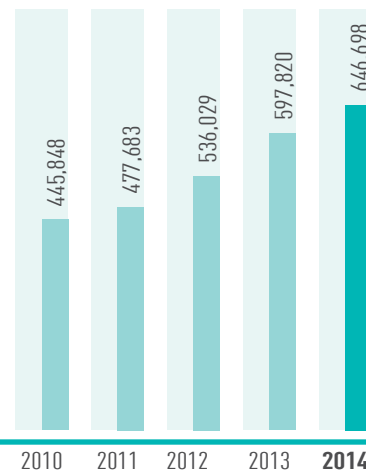
### DIVIDEND CREDITED INTO MEMBERS' ACCOUNT (RM' MILLION)



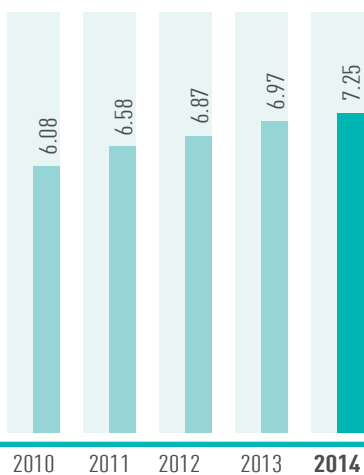
### TOTAL MEMBERS' FUND (RM' MILLION)



### TOTAL ASSETS (RM' MILLION)



### RETURN ON INVESTMENT (%)





# Corporate Responsibility



**OVER AND ABOVE OUR PRIMARY FUNCTION AS THE GUARDIAN OF OUR MEMBERS' RETIREMENT SAVINGS, WE HAVE GRADUALLY ASSUMED AN INCREASINGLY IMPORTANT ROLE AS A THOUGHT LEADER IN THE NATIONAL SOCIAL SECURITY AGENDA**

**SERVING THE  
PUBLIC  
THROUGH OUR**



As a retirement savings fund, the EPF's principal responsibility is to ensure the security of our members' retirement savings. Throughout our 64-year existence, we have fulfilled this duty by collecting contributions from employers towards their employees' retirement savings, and growing these savings via prudent investments both locally and in foreign markets.

As the largest institutional investor in the country, we have also contributed towards a high level of corporate governance. Further safeguarding our members' assets, we ensure our fund managers abide to the stringent guidelines in order for them to maintain the same level of prudence in their investment activities as practised by our internal investment team.

Over and above our primary function as the guardian of our members' retirement savings, we have gradually assumed an increasingly important role as a thought leader in the national social security agenda. Towards this end, we are involved in various programmes aimed at increasing Malaysians' awareness of the need to save for their retirement and are contributing towards the development of a holistic and comprehensive social security ecosystem in the country.

## Corporate Responsibility (Cont'd.)

### INTRODUCING THE RETIREMENT ADVISORY SERVICE (RAS)



The EPF contributes to a healthy financial landscape in the country through our efforts to raise the level of corporate governance while protecting our members' retirement assets.

#### Corporate Governance

To maintain a transparent relationship based on trust with our members and other stakeholders, the EPF is committed to adhering to the highest level of corporate governance. We are guided in this effort by global best practices as well as frameworks such as the Malaysian Code on Corporate Governance; the CG Guide: Towards Boardroom Excellence by Bursa Malaysia; and the Malaysian Code for Institutional Investors 2014.

We also expect our investee companies to adhere to similarly high standards of corporate governance to ensure business sustainability, hence safeguarding our members' retirement assets. Towards this end, we have produced the EPF Corporate Governance Principles and Voting Guidelines focusing on the accountability, integrity and transparency of the companies' Boards and the level of disclosure provided. These policies touch on the independence of directors, separation of roles of the Chairman and CEO, Board Composition, Board Committees and issuance of shares. This year, we updated our CG Principles and Voting Guidelines by incorporating principles of Environmental, Social and Governance (ESG) Investing.

#### Investee relations

In November 1996, the EPF launched our Members' Investment Scheme (MIS), allowing eligible members to invest a part of their savings in unit trust funds / securities through appointed Fund Management Institutions (FMIs). To safeguard the integrity of the scheme, we monitor the appointed FMIs to ensure their investments are carried out responsibly and effectively, with due care, skill and diligence, in accordance with our MIS Guidelines and requirements. These guidelines are reviewed periodically, with the last revision carried out in July 2013.

To protect our members' interests, unit trust funds offered under the scheme are reviewed annually based on a set of criteria that focuses on consistency of performance as approved by the Ministry of Finance. The evaluation process is carried out together with the Federation of Investment Managers Malaysia (FIMM), which represents the unit trust industry. Any unit trust fund that fails to meet the minimum annual evaluation criteria will be suspended until it once again satisfies our requirements.

As at 31 December 2014, a total of 230 unit trust funds from 22 FMIs have been approved. A comparison of funds and FMIs offered in 2013 and 2014 is provided in the table below:

Category	As at 31 December 2014		As at 31 December 2013	
	Qualified To Be Offered	Participating FMIs	Qualified To Be Offered	Participating FMIs
Equity	106	18	99	20
Mixed Assets	57	18	52	18
Bond	38	13	31	14
Money Market	28	17	27	17
Property Trust	1	1	1	1
<b>TOTAL</b>	<b>230</b>	<b>22</b>	<b>210</b>	<b>25</b>

Action is taken against FMIs that do not adhere to the EPF's guidelines, with warnings issued and fines imposed, and in some instances having their appointment suspended. In 2014, an auditor was appointed to carry out an annual independent audit on the FMIs focusing on their compliance with the EPF's MIS Guidelines. As at 31 December 2014, more than 700,000 members have participated in the MIS, investing a net total of more than RM31.56 billion.