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6% dividend

> EPF members to get RM24.47 billion payout for 2011

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PETALING JAYA: The Employees Provident Fund (EPF) has declared a dividend of 6% for last year - the highest in a decade.

The dividend, which amounts to RM24.47 billion, is a 0.2% increase over the 5.8% paid out for 2010. The highest dividend paid by EPF was 8.5% for five years consecutively between 1983 and 1987.

The fund paid out RM21.61 billion in 2010, RM19.37 billion in 2009; RM14.26 billion in 2008; RM16.87 billion in 2007 and RM13.48 billion in 2006.

Members may check their EPF account statements for the crediting of the dividend, either through EPF kiosks, counters or online via *i-Akaun*, from today.

EPF chairman Tan Sri Samsudin Osman said despite a challenging investment landscape, 2011 saw commendable performance by the fund.

"It was the strongest performance since 2001, and affirms our long-term and prudent investment strategies and continuous efforts by our investment team," he said in a statement yesterday.

"This strong performance post-2008 financial crisis is a testament to our commitment and disciplined approach to investment.

"While we cannot assure that we can maintain this performance amid the global economic and

market uncertainties, we are committed to safeguarding and adding value to our members' retirement savings, particularly against inflation," Samsudin added.

The fund saw higher gross investment income of RM27.24 billion last year, up 13.18% from 2010, while total investment assets grew 6.52% to RM469.22 billion, up from RM440.52 billion recorded in 2010.


"This rise was primarily contributed by the positive net annual contributions from members and employers, as well as consistent and encouraging investment performance," Samsudin said.

He said the fund had invested 60% of its assets in stable and conventional low-risk fixed income instruments, and 36% in equities while the remainder went to money market instruments and properties.

Equities yielded the highest returns at RM13.29 billion while the other income contributors were:
▶ loans and bonds RM7.54 billion;
▶ Malaysian government securities RM5.63 billion;

▶ money market instruments RM656.36 million. Samsudin said due to the increased membership base, RM4.08 billion is required to pay each 1% dividend rate for 2011.

This represents a 9.44% increase over the RM3.73 billion paid for every 1% dividend rate



EPF DIVIDENDS
2001 - 2011

YEAR	%
2001	5.0
2002	4.25
2003	4.5
2004	4.75
2005	5.0
2006	5.15
2007	5.8
2008	4.5
2009	5.65
2010	5.8
2011	6.0

for 2010.

The amount required to pay a 1% dividend will continue to rise by 8% to 9% annually.

Samsudin said EPF's fund is expected to hit half a trillion by the end of the year or early next year.

"As a retirement fund, we will hold firmly to our long-term investment objectives and prudent investment strategy in the best interest of our members for their retirement years," he said.

In an immediate response, Malaysian Trades Union Congress president Khalid Atan said the high dividend was proof of the fund's careful investments over the years.

"It has performed well and we (the MTUC) appreciates that the dividends have improved," he said.

When contacted, National Union of Bank Employees general secretary J. Solomon said the increased dividend rate was a sign that the economy is recovering and doing well.

"It also indicates that (EPF) investments are in the right areas,"

said Solomon who, however, urged the EPF to release more details on its assets and investments in the interest of transparency.

Cuepac's secretary-general Loke Yim Peng said the dividend rate was progressive, and shows that money from members had been well-invested despite the global economic uncertainty.

"We only hope that this rate continues to be sustained, that 2012 will also yield 6% dividends or more," she said, adding that this comes as good news to all contributors.

In welcoming EPF's dividend for 2011, Federation of Malaysian Consumer Associations (Fomca) president Datuk N. Marimuthu said it was a sign that the economy had picked up.

"We are glad the dividend is higher. It is important to maintain a strong investment return even as the membership keeps growing," he added.