

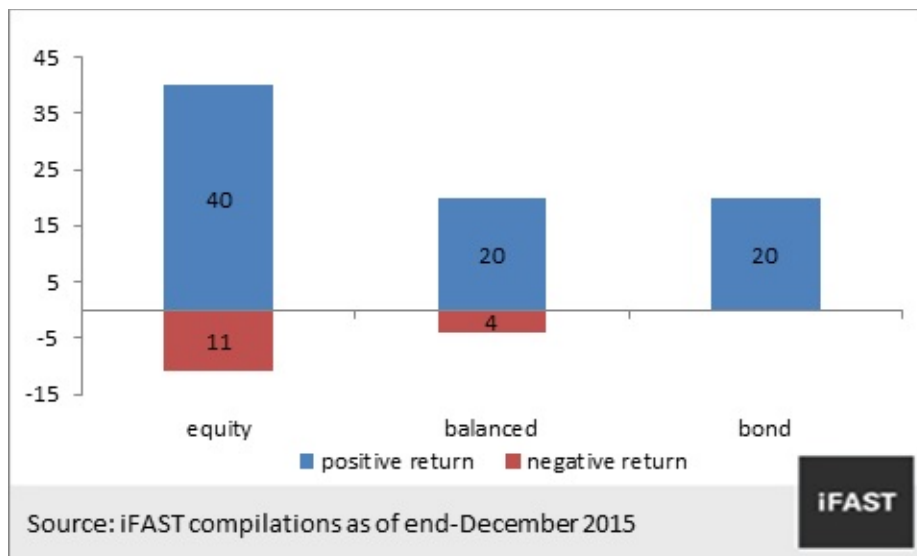
## Most Consistent EPF-Approved Funds in 2015

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As of end-2015, we have a total of 95 EPF-approved funds on our platform. Out of the 95 funds, there are 51 equity funds, 24 balanced funds and the remaining 20 funds are fixed income funds. 80 (84.2%) of the EPF-approved funds reported positive returns while 15 funds (15.8%) were in the red in 2015.

**FIGURE 1: NUMBER OF FUNDS WITH POSITIVE/NEGATIVE RETURNS (BY CATEGORY)**



In order to screen out funds that meet the criterion of consistency in performance, we compare the funds' calendar year returns against the benchmark return of 7.0%, for the period from 2011 to 2015. The result showed that only the Kenanga Growth Fund and the Eastspring Investments Dana al-Ilham have successfully met the criterion. We have to award high commendation to the capabilities of these fund managers as they have consistently beaten our benchmark of 7.0%. Kenanga Growth Fund and Eastspring Investments Dana al-Ilham, which are also our recommended funds, stood head and shoulders over the rest, as these funds achieved 5-year annualized returns of 17.8% and 13.4% respectively, comfortably outperforming the benchmark by 7.0% on an annualized basis.

Another rising star is the Eastspring Investments MY Focus Fund. Since the fund was incepted on 1 March 2011, it did not have a calendar year return for 2011. Nevertheless, the fund had beaten the



## Kenanga Investors

7% benchmark return for four consecutive years since 2012, making it a possible consideration for investors who are keen on EPF-approved equity funds.

On the other hand, the Eastspring Investments Small-Cap Fund and the RHB-OSK Small Cap Opportunity Unit Trust proved to be the contender for the “small to medium companies” segment within the EPF-approved fund list. While the funds posted tepid returns in 2011, the funds’ performance gained momentum after that, delivering commendable returns for the following 4 years, allowing these funds to outperform the 7% benchmark return on an annualized basis.

**Table 1: Performance: Equity Funds**

Fund Name	2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)	Annualised Returns (%)
Kenanga Growth Fund	19.1	14.0	26.5	9.3	20.9	17.8
Eastspring Investments Dana al-Ilham	9.0	17.5	23.3	7.2	10.7	13.4
Eastspring Investments MY Focus Fund	-	14.7	45.4	12.9	11.5	20.3*
Eastspring Investments Small-Cap Fund	-8.7	11.1	64.0	16.6	26.0	19.6
RHB-OSK Small Cap Opportunity Unit Trust	0.0	20.7	32.5	9.3	25.4	17.0

Source: Bloomberg, iFAST compilations as of end-December 2015. \*4-year annualised return

For balanced fund, while almost half of the EPF-approved balanced funds beat the 7% return in 2014, most of them did not meet the consistency criteria, which is to outperform the benchmark return annually for the past 5 years. Most of these balanced underperformed the 7% return during calendar years 2011 and 2014. Nevertheless, on a long term annualized basis, some funds (see Table 2) still managed to outperform significantly.

**Table 2: Performance: Balanced Funds**

Fund Name	2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)	Annualised Returns (%)
RHB Smart Balanced Fund	1.3	11.6	32.2	3.5	26.3	14.3
RHB Growth And Income Focus Trust	0.2	14.2	25.1	2.4	22.7	12.5
Eastspring Investments Dynamic Fund	-1.9	11.5	21.6	5.3	26.6	12.1
Eastspring Investments Dana Dinamik	10.1	15.1	18.2	4.6	12.0	11.9
Dana Makmur Pheim	1.7	5.9	26.5	5.3	12.1	10.0

Source: Bloomberg, iFAST compilations as of end-December 2015.

## Conclusion

According to EPF annual report 2014, average savings for active members at age 54 (as of end-2014) stood at RM180152.70. If one is to live till 74 years old, the amount that one can spend would approximately be RM750 per month! In consideration of Malaysians living longer, along with rising living expenses and escalating medical costs, many people might find themselves with insufficient



funds to retire. As such, investors can consider putting their EPF savings with EPF-approved funds, which can potentially generate higher returns, in order to grow their retirement funds.

The Research Team is part of iFAST Capital Sdn Bhd

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