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Four funds invest RM161bn on KLSE (HL)

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THE Employees Provident Fund (EPF), Pensioners' Trust Fund, Lembaga Tabung Angkatan Tentera (LTAT), and Social Security Organisation (Socso) have as at September 30 invested a combined RM161.4 billion in companies listed on the Kuala Lumpur Stock Exchange (KLSE).

Of the amount, EPF's total investment is RM138.8 billion, the Pensioners' Trust Fund RM11.7 billion, Socso RM6.4 billion, and LTAT RM4.5 billion.

This was disclosed in a written reply by Prime Minister Datuk Seri Dr Mahathir Mohamad at the Dewan Rakyat yesterday to Encik Noh Omar's (BN-Tanjong Karang) request for a breakdown of the funds' Syariah-approved investments.

EPF's Syariah-approved investments were worth RM14.2 billion, or 10.2 per cent of its total investments on the KLSE, said Dr Mahathir, who is also First Finance Minister.

The Pensioners Trust Fund's investments in Syariah-approved companies totalled RM3.6 billion or 30.5 per cent of its total commitment, while the corresponding figures for LTAT were RM1.8 billion or 40 per cent, and for Socso RM900 million or 14.9 per cent.

Dr Mahathir said in determining whether a company's shares were Syariah-consistent, the Syariah Advisory Council of the Securities Commission (SC) rely on a set of standard criteria in respect of the company's major activities.

As at August 10 1998 a total of 542 counters, or 74 per cent of the KLSE's listings were accordingly deemed Syariah-consistent, he said.

Meanwhile, Parliamentary Secretary for the Prime Minister's Department, Datuk Muhamad Abdullah, said Lembaga dan Urusan Tabung Haji's investments in Government-backed companies is neither speculative nor high risk.

They are based on a conservative investment strategy aimed at providing good long-term returns to the fund's depositors.

Before deciding on any investment, Tabung Haji conducts a detailed study into the status and potential of the companies concerned.

"This is then verified by independent auditors and valuers," Muhamad said in a reply to a question by Encik Abdul Hadi Awang (Pas-Marang).

Tabung Haji generally looks for investments in companies which adhere to Islamic principles, give high returns, have good growth potential and of low risk, he said.

As at October 20, Tabung Haji had 3.4 million depositors with total savings of RM6.1 billion.

To a supplementary question on whether the approval of Tabung Haji depositors is sought before the fund makes any investment, Muhamad said decisions are made by Tabung Haji's investment committee.

"If we were to seek the expressed approval of all 3.4 million depositors (everytime it plans an investment) Tabung Haji would never be able to undertake any projects," he said.

Muhamad said the confidence of depositors in Tabung Haji is reflected in the increasing number of contributors to the fund. Between January and October 20 this year, 218,000 new depositors were registered.

On the Kuala Lumpur stock market yesterday, share prices rebounded from an easier opening to close marginally higher on continued institutional buying support.

The KLSE Composite Index (KLCI) put on 1.40 points to 424.37, while the

broad-based Emas Index was barely changed, dipping 0.32 of a point to 111.25.

Some early profit-taking was noted following the 6.74-per cent surge posted by the the KLCI on Tuesday, dealers said.

The mood however remained upbeat with investors looking forward to further positive measures in the 1999 Budget which will be presented to parliament by Dr Mahathir on Friday.

Elsewhere in the region, Tokyo shares climbed 3 per cent, Singapore 2.9 per cent, Taipeh 2.5 per cent, Manila 1.9 per cent and Sydney 1 per cent.

Hong Kong was flat, edging up only 0.2 per cent, while Jakarta fell 4.2 per cent on profit-taking, Bangkok eased 2.5 per cent, and Seoul 1.9 per cent.

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