

## **Rafizi says it again: EPF investment in 1MDB is high-risk**

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High interest rates and the quantum of investment of RM1.72 billion by the Employees Provident Fund in 1MDB shows that it is a high-risk investment, PKR vice-president Rafizi Ramli said today.

Rafizi, who is Pandan MP, said Deputy Finance Minister Johari Abdul Ghani's statement that EPF's investment in 1MDB is not high-risk as it is small and that the interest rate was only 7.7 per cent to 9.85 per cent, was erroneous.

"Johari does not realise that his answer merely verifies that EPF investment in 1MDB is high-risk as RM1.72 billion is a huge amount it being the people's savings managed by EPF.

"Johari should not take the public's savings lightly as the amount is big," the Pandan MP said in a statement.

He added that a yardstick as to whether a bond investment is high-risk or not depended on the coupon rate which is to be paid by the bond issuer to the bond-holder.

Normally, Rafizi said, a coupon rate of not more than five percent was the normal market rate and Johari's response that the coupon rate for EPF was almost double - at 9.85 percent - showed the high risk of 1MDB's finances.

Hence, the Pandan MP said he was repeating his call to the EPF and other government bodies to take immediate action to dispose of their bonds or investments as they were extremely high-risk.

### **Price to be paid**

Last month, Rafizi had expressed his concern over what price the public had to pay following Prime Minister Najib Abdul Razak pledge to resolve the problems faced by the sovereign fund within six months.

Besides the EPF, other government agencies which have investments in the troubled sovereign fund are the Retirement Fund Inc (KWAP) and the Armed Forces Fund Board (LTAT).

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