



PENSION OFFICE

# 10 Years of Contributions for a better life to Maldivians

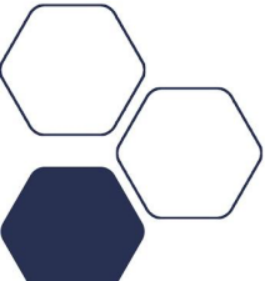
**Maldives  
Retirement  
Pension  
Scheme  
(MRPS)**



# Investments of MRPS

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- One of the main responsibilities of the Pension Office is to administer MRPS.
- Investment decisions and programs are made by the Investment Committee according to the Statement of Investment Principles (SOIP) which is reviewed by the Board yearly together with the Asset Allocation Strategy.
- Pension Assets are allowed to be invested in limited products / securities.
- Diversification, safety, liquidity and returns are the primary investment objectives.
- A Funds Auctioning System has been implemented to expand investments in Banks.



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# How we have grown

## FUND SIZE

MVR 12.2B

## CONTRIBUTIONS

MVR 6.9B

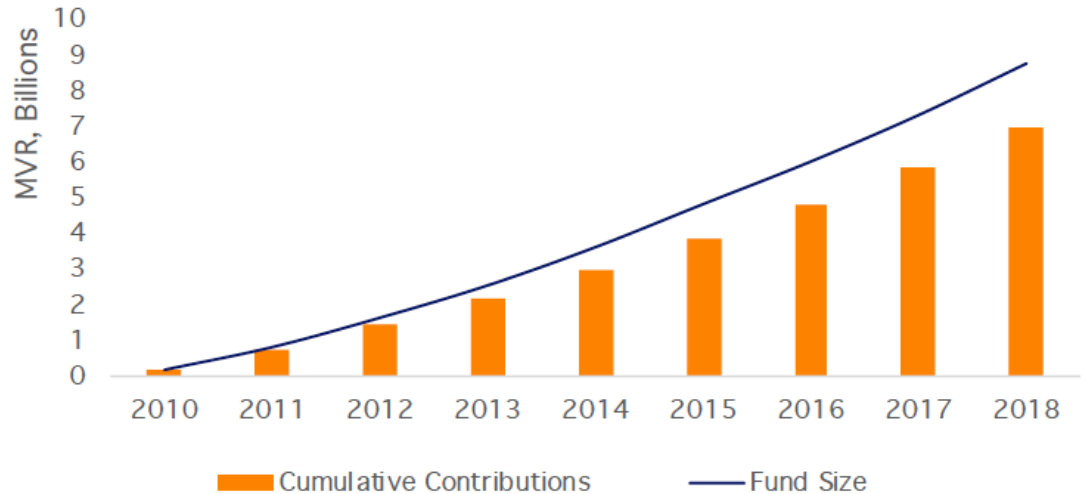
MVR 770M per annum

## VALUED ADDED (RETURNS)

MVR 2B

MVR 203M per annum

## CONTRIBUTIONS AND FUND SIZE



Figures calculated as of Dec 2018. Fund size includes Recognition Bond figures

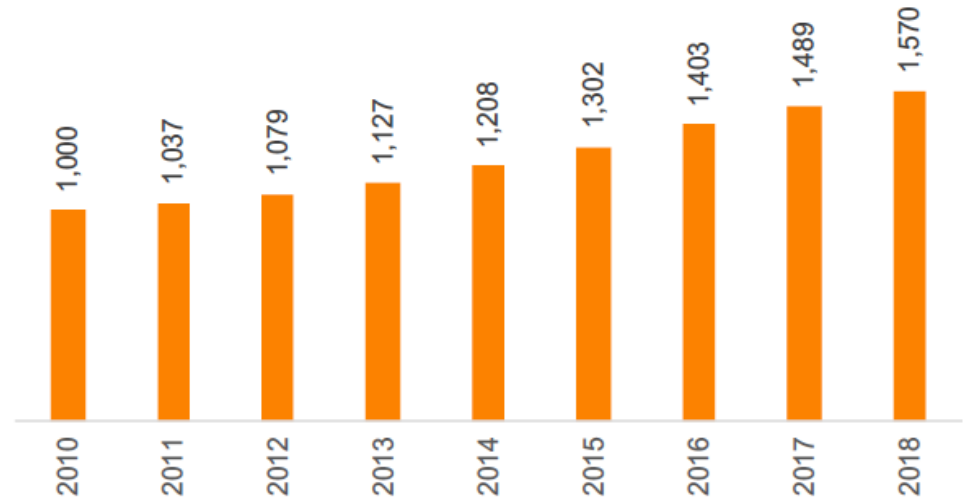


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# How we have performed

MRPS FUNDS	INVESTMENT RETURNS		
	3 Year	6 Year	Since Inception
Investment	4.79%	6.65%	6.28%
Sharia	0.16%	1.00%	2.10%
Conservative	3.22%	5.27%	5.09%
Recognition Bond	3.52%	4.99%	5.27%
Overall MRPS Return*	4.07%	5.80%	5.74%

### Growth of MVR1000

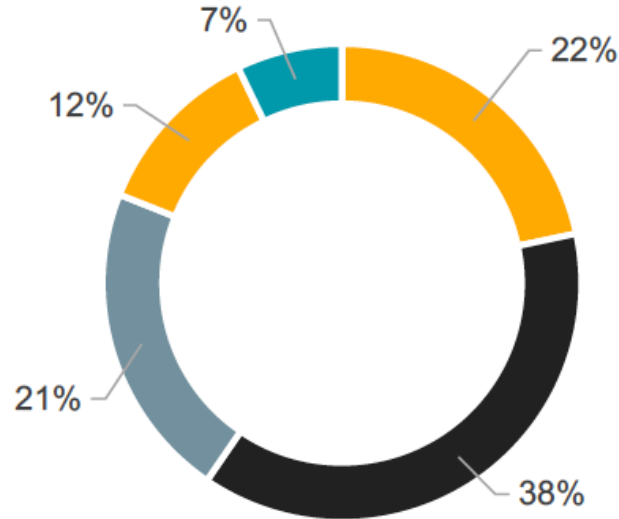


\*Overall returns calculated as weighted average of all fund returns



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# Employee age profile



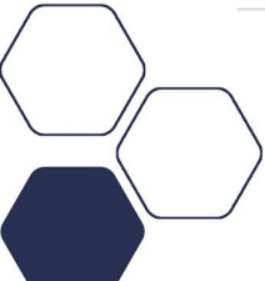
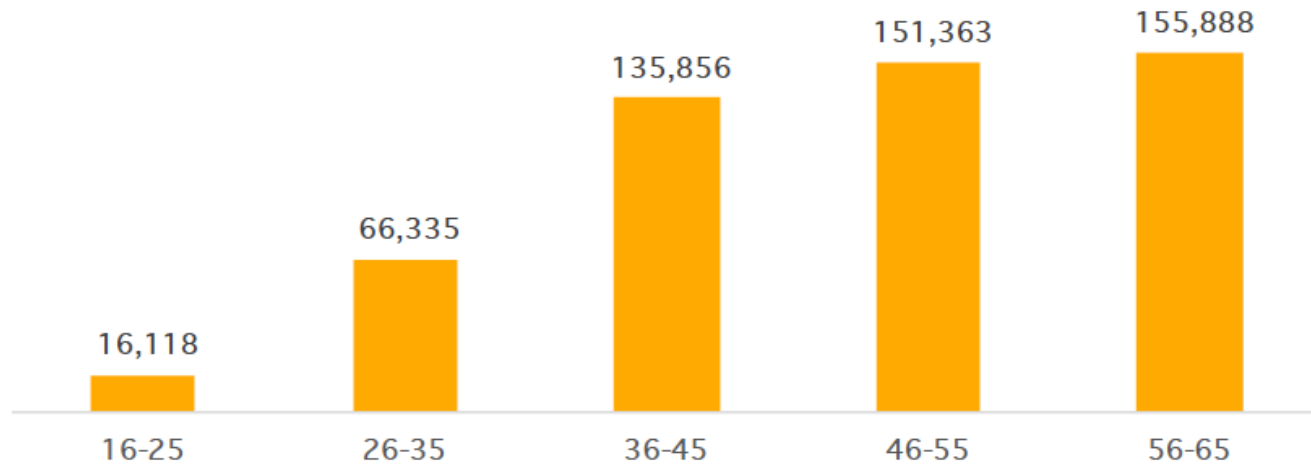
■ 16-25 ■ 26-35 ■ 36-45 ■ 46-55 ■ 55+

81% of MRPS members are below 45 years of age

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# RSA distribution

Average RSA per age cohort



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# Employee participation

## EMPLOYEES

Public 39,000

Private 59,000

## EMPLOYERS

Public 470

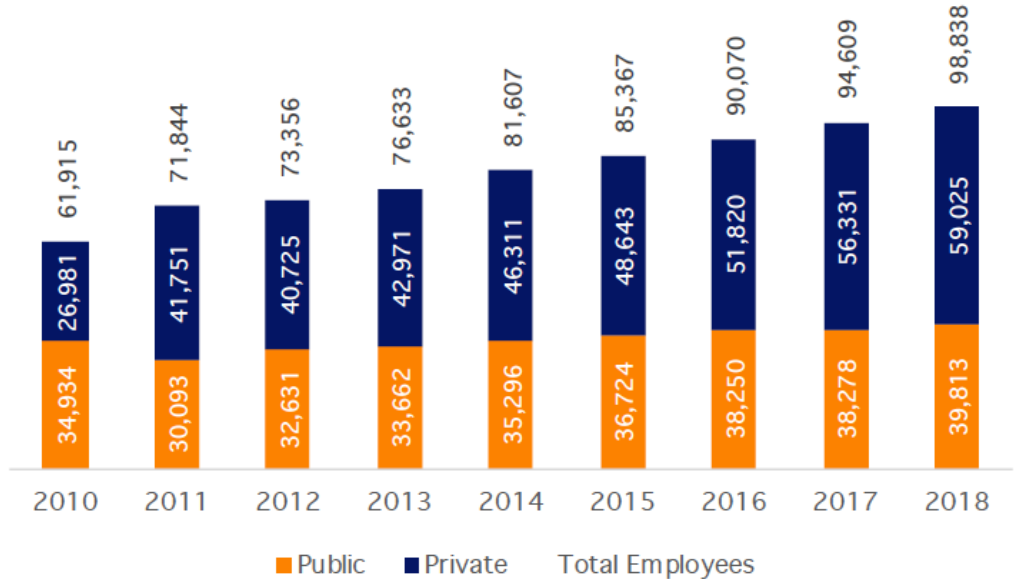
Private 2,200

## ENROLMENTS

36,000

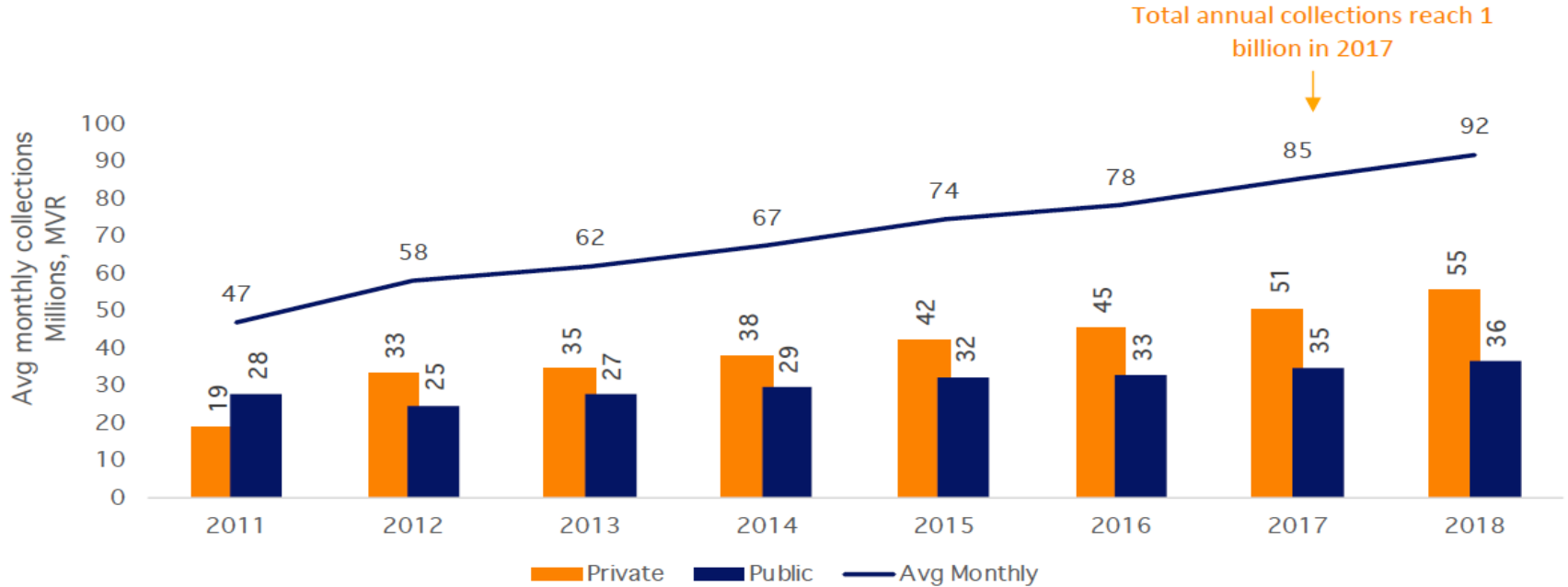
4,100 new employees added per annum

## EMPLOYEE ENROLMENT



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# Contribution collection



Since 2012 contribution collections have steadily increased by **8% per annum**





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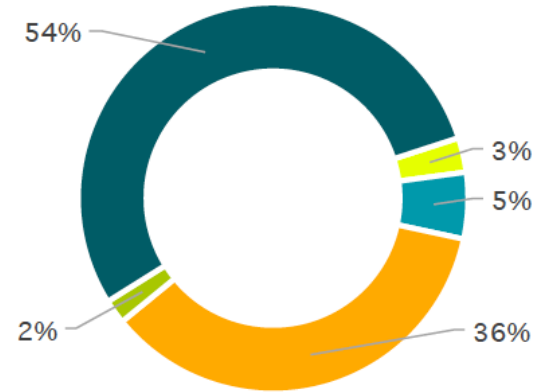
# How we've diversified

2013



■ Bank Deposits ■ Equity ■ Pvt Bonds ■ T bills

2018



■ Bank Deposits ■ Equity ■ T-Bonds ■ Pvt Bonds ■ T bills

43% of MRPS investments are currently placed in tenures greater than 5 years



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# Benefit Schemes

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## RETIREES

MRPS 2,700

Other Pensions 16,500

## PENSION PAYOUT (MVR)

MRPS 58M

Other Pensions 1.3B

## HOUSING SCHEME

Participants 130

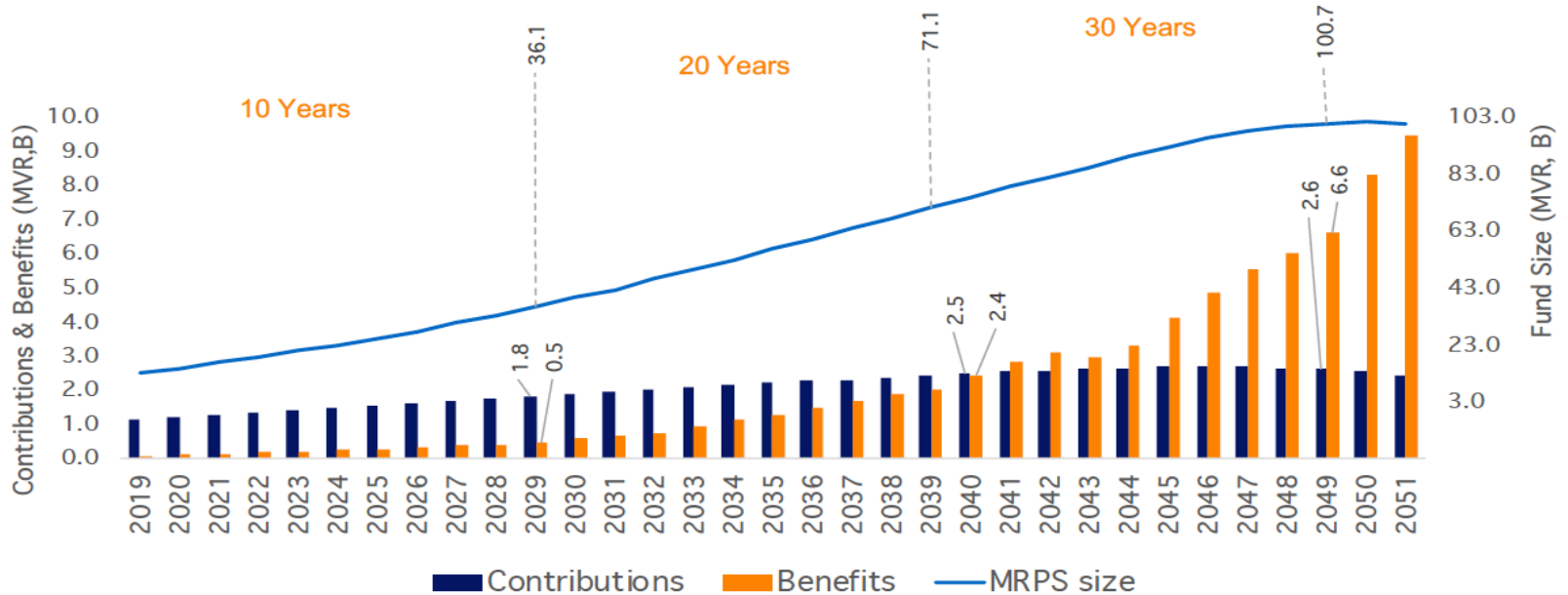
Funds Collateralized 18.5M



# MRPS 30 year forecast

Expected net accumulation until 2040

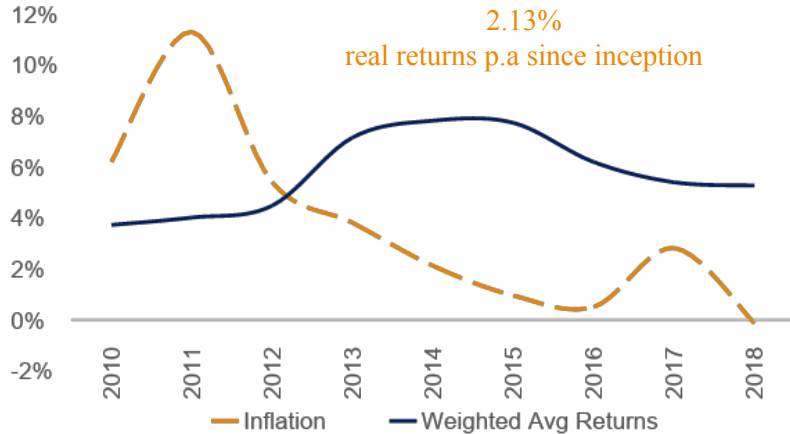
Fund size expected to peak in 2050



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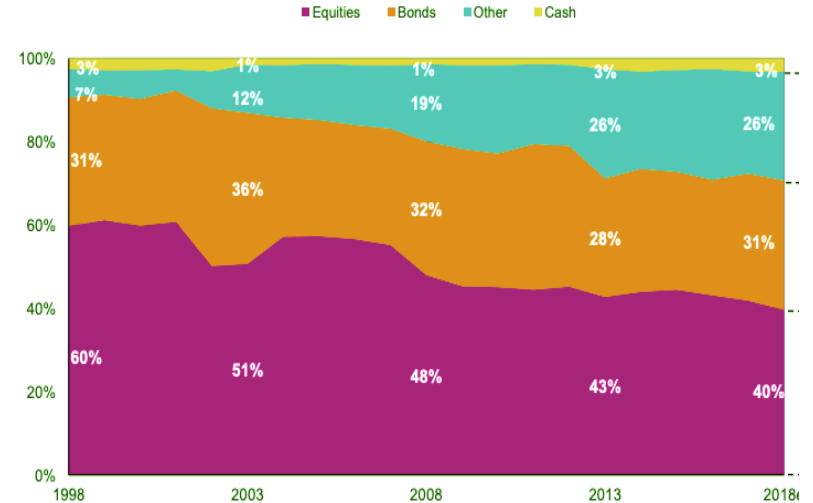
# Bridging gaps in diversification and expansion

MRPS Returns vs National Inflation



There is tremendous scope for improving investment returns through further portfolio diversification into key sectors in the Maldives

Asset Allocation of Pension Funds 1998- 2018



Source: Willis Towers Watson - Global Pension Assets Study 2019

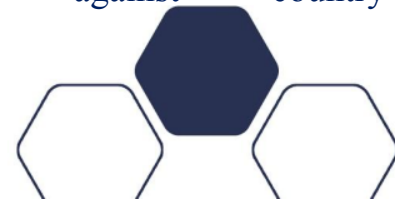
Globally pension funds continue to invest heavily in equities

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# Bridging gaps in investment diversification and expansion

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- The accumulation phase of MRPS is expected to continue for the next 2 decades. This presents opportunities to make longer term, strategic investments.
- To improve investment returns, longer term investments and strategic diversification must be pursued nationally exposing MRPS into key sectors such as tourism, construction and transport.
- Additional local diversification will reduce the current over-exposure to government debt (currently at 90%), and reduce volatility of returns from being less reliant on a single issuer.
- Currency diversification will also need to be pursued internationally, in the near-medium term to secure MRPS assets from currency risks to Maldivian Rufiyaa.
- Potential currency risks can erode-away years of investment gains and value of principal investments. International diversification, will provide security against country-specific economic risks and currency risks.



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# Looking into the future

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Strategic initiatives considered for the future;

- Expansion of current investment regime
- Retirement Annuity Products
- Disability Insurance Schemes
- Voluntary Contribution Schemes
- Housing Finance Schemes
- Greater Social Engagement





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# Thank you!

