

## **EPF records RM18.31b investment income for Q1, down 13 pct**

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The Employees Provident Fund (EPF) recorded investment income totalling RM18.31 billion for the first quarter ended March 31, 2025 (1Q 2025), a 13 percent decline from RM20.99 billion in the corresponding period in 2024.

It said the total investment income includes RM1.02 billion mark-to-market gains on securities that have not been realised, due to foreign exchange rate fluctuations. In line with the EPF's policy, these gains will not be distributable as dividends.

EPF CEO Ahmad Zulqarnain Onn noted that global markets turned volatile early in 2025 on renewed trade frictions and policy uncertainty.

He added that uncertainties surrounding US trade policies affect major stock markets throughout the quarter, although the tariff announcement was made by the US administration on April 2.

“Despite the moderation of inflationary pressures in many economies, the pace

and timing of monetary policy easing differed across regions, dampening risk appetites. Our diversified global portfolio cushioned the impact and kept the EPF on course for long-term value creation,” Zulqarnain said in a statement today.

During 1Q 2025, equities contributed RM10.81 billion, a 23 percent decline from RM14.02 billion recorded in 1Q 2024, mainly due to weaker performance across global equity markets and a challenging investment climate.

EPF said equities continued to be the highest contributor, accounting for 59 percent of total investment income, while fixed income continued to anchor capital preservation, contributing RM5.99 billion or 33 percent of total investment income.

Fixed income, comprising Malaysian government securities and equivalents, loans, and bonds, continued to fulfil its dual mandate of delivering stable returns and as a counterbalance to equity market fluctuations.

Real estate and infrastructure recorded an income of RM1.08 billion in 1Q 2025, while money market instruments generated RM0.43 billion, in line with return expectations for these asset classes.

Of the total investment income, RM15.87 billion was generated for conventional savings and RM2.44 billion for syariah savings.

As of March 2025, EPF's investment assets totalled RM1.26 trillion, with 38 percent invested internationally. During the period, international investments generated RM8 billion or 44 percent of total investment income.

The EPF said its domestic investments, which account for 62 percent of total assets, continued to provide long-term income stability through dividends, interests, and profits from sukuk.

It added that the EPF remains committed to supporting Malaysia's economic growth by continuing to invest over 70 percent of its annual allocation in the domestic market.

### **Adapting to global uncertainty**

Meanwhile, Zulqarnain said the downward revisions in global and regional growth forecasts, including Malaysia's, reflect rising external risks amid shifting global trade dynamics.

"In a more challenging and uncertain market environment, the EPF maintains a dynamic and well-diversified portfolio to help safeguard value and manage downside risks.

"We continue to actively explore investment opportunities across both domestic

and international markets to strengthen our portfolio and support long-term, sustainable returns for our members,” he added.

During the period, the EPF registered 140,111 new members, raising total membership to 16.3 million. Of these, 8.88 million are active members, representing 51.3 percent of the 17.31 million labour force.

The EPF’s active-to-inactive member ratio remained stable at 54:46 in 1Q 2025.

New employer registration reached 19,600 in the first quarter of this year, increasing total active employers registered with the EPF to 616,558.

Total contributions increased by 15.1 percent to RM33.54 billion, up from RM29.13 billion in 1Q 2024, while total voluntary contributions rose by 62 percent to RM7.02 billion, from RM4.33 billion a year earlier.

The EPF said the number of formal sector members contributing above the statutory rate was 10,990 in 1Q 2025, compared to 6,771 in the same period last year.

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