

EPF income drop attributed to softer equity market performance

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The Employees Provident Fund (EPF) saw its investment income fall by 13 percent in the first quarter of 2025 (1Q 2025), recording RM18.31 billion compared to RM20.99 billion in the same period last year.

According to the Finance Ministry, the decline was mainly due to weaker equity market performance and had no connection to EPF's sale of foreign assets or increased investments in domestic equities aimed at supporting the ringgit.

"The weaker performance was largely driven by rising global trade tensions and the unpredictable trade policies of the United States," the ministry said in a written reply published on the Dewan Rakyat portal.

Although some central banks have begun loosening monetary policy, the ministry noted that investor sentiment remains fragile due to concerns over geopolitical instability, fiscal imbalances, and regional conflicts, all of which have weighed on market confidence.

The response was issued in reply to a question from Tanjong Karang MP Zulkafperi Hanapi, who asked about the main factors behind the drop in EPF's income and whether it was tied to the fund's overseas asset sales.

The ministry said the impact of current market conditions was reflected in EPF's equity investment returns, which fell by two percent to RM10.81 billion in 1Q 2025, from RM14.02 billion in 1Q 2024.

"Equities remain the largest contributor to EPF's investment income, making up 59 percent of the total in the first quarter of this year," the ministry said.

Despite the softer performance, the ministry said EPF will continue to follow a disciplined investment strategy guided by its Strategic Asset Allocation framework to ensure long-term, sustainable returns.

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