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EPF **invested** RM200m in 1MDB, says PM

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> A total of RM80b pumped into GLCs: Najib

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KUALA LUMPUR: The Employees Provident Fund (EPF) has invested RM200 million in iMalaysia Development Bhd (iMDB), which is guaranteed by the

government, Prime Minister Datuk Seri Najib Abdul Razak said.

In a written reply to the Dewan Rakyat, Najib, who is also finance minister, said the bulk of RM25.29 billion from EPF's fund exposure was pumped into Pembinaan PFI under a rental lease guarantee.

Replying to Khalid Samad (PAS-Shah Alam), he said EPF had invested RM79.99 billion in government-linked companies (GLCs) as of March 31, with the bulk of the money in Pembinaan PFI Sdn Bhd.

He said EPF's funding exposures were in the form of fixed-rated loans and bond subscriptions based on government guarantees, asset mortgages and bank guarantees.

Khalid had asked the government to list the use of EPF funds for the financing of

GLCs and the total amount that has been utilised.

"More than 50% of the investment is pumped into fixed-income instruments to ensure that EPF's objectives - to protect and increase members' savings as well as ensuring long-term stability and consistent returns based on the risk limits - are achieved," said Najib.

"This covers government securities, same level bonds and loans and bonds for both domestic and global mandates.

"Thus, EPF's investment returns would naturally be influenced by interest rates movement and inflation."

He said in view of the increase in inflation rates since 2009, EPF will continue to invest and diversify its investments in equity and inflation class assets.