

Experts: No harm in EPF allocation for scheme

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PETALING JAYA: Employees Provident Fund (EPF) contributors need not worry about their money being channelled into the Government's special housing scheme for the lower-income group as real estate makes up a very small percentage of EPF's investments, analysts say.

According to the EPF website, property investment allocation made up 0.39% of EPF's total invest-

ment assets, which stood at RM469.22bil as at Dec 31 last year.

Commenting on concerns over the RM1.5bil being channelled into the scheme, RAM Holdings Bhd group chief economist Dr Yeah Kim Leng said it would not affect EPF's profit margins.

"That (RM469.22bil) is a sizeable amount, so RM1.5bil is relatively small in relation to the total asset amount," he explained.

The bulk of EPF's investments, some 60.79%, is placed in conven-

tional low-risk fixed income instruments, like the Malaysian Government Securities and bonds.

Another 35.64% of its assets is in equities, and the remaining 3.18% in money market instruments.

EPF's gross investment income in 2011 was RM27.24bil.

Hong Leong Asset Management Bhd executive director and chief executive officer Geoffrey Ng, meanwhile, said EPF was making a smart move by allocating the RM1.5bil.

Federal Territories and Urban Well-Being Minister Datuk Raja Nong Chik Raja Zainal Abidin had on Jan 30 made the announcement on the allocation by EPF.

Prime Minister Datuk Seri Najib Tun Razak later said EPF would benefit from a 5.5% profit from this loan.



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Pages 22 & 24**