

FOR IMMEDIATE RELEASE

## Private Retirement Schemes continues to see steady growth, NAV exceeds RM5 billion

Number of members crosses half a million milestone

### PETALING JAYA (3 May 2021):

The Private Retirement Schemes (PRS) today has exceeded RM5 billion<sup>1</sup> in total net asset value (NAV) with half a million Malaysians saving for the retirement. This momentous milestone was achieved as a result of the PRS industry’s steady growth since its inception, which represented an increase of 43% from that of RM3.5 billion as at 31 December 2019.

The Securities Commission Malaysia (SC) Chairman Datuk Syed Zaid Albar said, “The continuing maturity of the PRS industry, as evidenced by this milestone, bodes well for Malaysians seeking additional avenues to accumulate retirement savings. The SC is committed to enhancing the PRS framework including expanding the breadth and depth of PRS offerings and its related services. This includes greater use of technology to widen accessibility of this voluntary scheme and increase its appeal to a younger generation of prospective members.”

PPA Chairman Datuk Zaiton Mohd Hassan added, “Reaching this landmark is a testament of the public’s confidence in PRS as a voluntary savings scheme for their retirement. This vote of confidence is not something PPA takes lightly, which is why we work hard every year in collaboration with PRS Providers to develop more value-added services such as PRS Online and the Nomination feature.”

The NAV growth of 43% from the end of 2019 was made possible by the resilient and strong performance of PRS funds, despite going through last year’s volatility and witnessing its fair share of market movements over the past nine years.

Below is a summary of PRS top fund performance according to categories:

PRS Funds Category	5-year Annualised Return*	5-year Cumulative Return*
Conservative	5.62%	31.46%
Moderate	8.77%	52.25%
Growth	9.98%	60.90%
Non-Core Conventional	13.92%	91.84%
Non-Core Shariah	13.26%	86.41%

\*Return over a 5-year period up to 31 March 2021.  
Source: Morningstar

<sup>1</sup> Data is at 11 April 2021

To further spur the industry, PPA will continue to work closely with the SC, PRS Providers and its network of close to 25,000 PRS Consultants nationwide in its continuous drive to raise awareness about the importance of saving for retirement, especially among the youth. Currently, about 58% of PRS Members are aged 40 and below, which augurs well for the future retirement security of the country.

In addition, the extension the RM3,000 yearly tax relief for the scheme until the 2025 announced during Budget 2021 demonstrates continued commitment by the Government and the SC to prioritise retirement well-being for all Malaysians. This move ensures that the rakyat remains incentivized to save for retirement in line with the well-established practice in multiple jurisdictions which provides tax relief for voluntary retirement savings.

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### **About PPA**

Private Pension Administrator Malaysia (PPA) is the central administrator for the Private Retirement Schemes (PRS). PPA is a body approved by the Securities Commission Malaysia and is established to administer and promote the growth of the PRS industry.

A significant role of PPA is to manage a life-time central account for PRS Members. PPA continually advocates the importance of retirement savings through PRS by being a one-stop resource centre for the public on retirement learning and PRS in Malaysia. These include the implementation of value-added initiatives such as driving greater awareness through marketing programmes and collaboration with stakeholders covering universities, media and government agencies to synergistically elevate and encourage Malaysians to save more for the future with PRS. The PRS Online services developed by PPA further allows the public and PRS Members to enrol and top-up their PRS contributions from the computer and smart devices in an easy, convenient and secure way.

### **About PRS**

The Private Retirement Schemes (PRS) is a voluntary long-term savings and investment scheme designed to help Malaysians save more for their retirement. PRS seeks to enhance choices available for all Malaysians whether employed or self-employed to supplement their retirement savings under a well-structured and regulated environment. There are eight PRS Providers offering a choice of 58 retirement funds, from which individuals may choose to invest in based on their own retirement needs, goals and risk appetite. The fund options under PRS are intended to enhance long-term returns for members within a regulated framework. Malaysians have the option of saving in PRS through



multiple channels such as PRS Online, the PRS Providers and close to 25,000 PRS Consultants nationwide.

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