

Document:	Welcome Speech for Dato' Tajuddin Atan, CEO of Bursa Malaysia
Event:	Launch of the Malaysian ESG Opportunity Fund
Date:	6 July 2015
Time:	2.00 pm - 3.30 pm
Venue:	Listing Gallery, Exchange Square

Bismillahirrahmanirrahim

Yang Berbahagia Dato' Hamzah Bakar
Group Chairman of ValueCAP Sdn. Bhd.

Yang Berbahagia Datuk Khairil Anuar Abdullah
Chairman of VCAP Asset Managers Sdn. Bhd.

Yang Berusaha Puan Sharifatu Laila Syed Ali
[pronounced as “Sharee-pha-too”]
Group Chief Executive Officer of ValueCAP Sdn.
Bhd.

Yang Berusaha Encik Shan Kamahl Mohammad
[pronounced as “Kamal”]
Chief Executive Officer of VCAP Asset Managers
Sdn. Bhd

Distinguished guests

Members of the media

Ladies and gentlemen

Assalamualaikum warahmatullahi wabarakatuh.

Salam sejahtera and a very good afternoon to you.

1. It is my great pleasure to welcome all of you to Bursa Malaysia for the launch of Malaysia's FIRST¹ Environmental, Social and Governance (ESG) fund, named the Malaysian ESG Opportunity Fund, by ValueCAP.
2. Today's launch is a significant next step of a fulfilling Malaysia's sustainability journey and I am honored that ValueCAP has chosen the Exchange to host this event.

¹ There were ESG/SRI type funds launched in 2007 by local fund managers which were all feeder funds. Their mother funds were managed by foreign entities.

3. I would also like to take this opportunity to commend ValueCAP, Kumpulan Wang Persaraan (KWAP), Khazanah Nasional Berhad (KNB) and Permodalan Nasional Berhad (PNB) for being the trailblazers on this journey of ours. This will set the tone and direction for the fund management industry to follow.

Ladies and gentlemen,

4. It has never been more urgent to commit and nurture a culture of sustainability. The basic economic problem we all have is the scarcity of resources that is also finite against growing demand. This challenges the current business models that are being practiced by most companies. As such, we need to collectively take action to review current business models and start doing business differently and responsibly for a sustainable future.

5. Global demographic trends show ever increasing population growth and lengthening lifespans, a state in which the demand for resources is already causing a strain on the current ecosystem. This drives home the urgency of the need for greater efficiency and responsibility in everything we do - starting with the environment and social and governance matters.

6. I believe that the key impetus in taking greater responsibility lies first in recognising that we all have a role to play, from individuals, to businesses and enterprises. Governments can only do so much in laying the foundations and paving the way, it is up to all of us to help affect and influence the ecosystem in which we operate. And today, we are all here to reaffirm this belief and to commit to moving forward in a more sustainable manner.

Ladies and Gentlemen

7. Trust has become even more fundamental to the success of a business. It is now more common for companies to lose customers, clients and employees because of the way they operate their business.

8. In a global survey conducted by Nielsen², 55 per cent of consumers said they would pay extra for products and services from companies committed to positive social and environmental impact. The survey, which polled 30,000 consumers from 60 countries, also found that 67 per cent of consumers prefer to work for socially responsible companies.

² Doing Well By Doing good – Increasingly, Consumers Care About Corporate Social Responsibility But Does Concern Convert to Consumption – Nielsen, June 2014

9. Among the global respondents found to be most responsive to sustainability actions were those from the Millennials segment. Against the backdrop of an ageing population it is this segment of society which is the fastest growing and best positioned to be the main drivers of demand for today and tomorrow. It is our responsibility to encourage this higher order thinking in the minds of the young and help nurture a more sustainable culture in the long term.

Ladies and Gentlemen

10. Before I end, please allow me to reaffirm our journey, that sustainability is indeed a reality and that sustainable strategies are the way forward.

11. In a study by Morgan Stanley's Institute for Sustainable Investing done in March 2015, researchers found that investing in sustainability has usually met, and often exceeded, the performance of comparable traditional investments. The report found that long term annual returns of one index³ comprising firms scoring highly on ESG criteria, exceeded the S&P 500 by 45 basis points since its inception in 1990.

So ladies and gentlemen,

12. In conclusion, congratulations and all the best with the roll out of your product. I trust that the launch of Malaysia's first ESG fund will further encourage more companies to take action on sustainability.

Thank you.

Wabillahi taufiq wal hidayah Wassalamualaikum warahmatullahi wabarakatuh.

³ Benchmark performance of the MSCI KLD 400 Social Index, which includes firms meeting high ESG standards has outperformed the S&P 500 on an annualised basis by 45 basis points since its inception (10.14%, compared to 9.69% for the S&P; July 1990 - Dec 2014).