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| Document: | Keynote Address for Tan Sri Abdul Wahid Omar Chairman, Bursa Malaysia |
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| Venue: | Web Conference |

Encik Ibrahim Sani, our MC for the day. Thank you for the kind introduction,

Puan Ruzi Rani

Chief Executive Officer, CGS-CIMB Securities

Our Distinguished Panel of Speakers,

Yang Berbahagia Datuk Muhamad Umar Swift

Chief Executive Officer, Bursa Malaysia

Ladies and Gentlemen,

Assalamualaikum warahmatullahi wabarakatuh and a very good morning.

1. It is my distinct honour to address you at today's inaugural Shariah Investing Virtual Conference 2020 ("SIVC 2020").
2. Today's theme, "Shariah Investing and Socially Responsible Investing: Meeting at the Midway", hopes to raise awareness of the opportunities for Shariah investment to capitalise on the growing popularity of sustainable investing. Please allow me to touch on three areas in my address this morning:-

First - The value proposition of Shariah investing

Second - Shariah investment opportunities at Bursa Malaysia

Third - Potentials and future prospects of Shariah investing

KEY MESSAGE 1: *The value proposition of Shariah investing*

3. Shariah-compliant investing and socially responsible investing, or sometimes referred to as ethical investing, have been two of the most rapidly growing approaches to investments over the past few decades.
4. While ethical investing is a broad approach that can mean very different things to different people, Shariah investing, on the other hand, is clearly demarcated, regulated and defined with standard-setting bodies setting clear guidelines based on acknowledged Shariah principles.
5. However, there is a high degree of overlap between the principles of Shariah investing and socially responsible investing (“SRI”).
6. As a result, the rise of social consciousness throughout many facets of life and the growth in the global Environmental, Social and Governance (ESG) investing landscape has resulted in the push for Shariah investing.
7. The similarities between the principles of Shariah and ESG open a wider choice for investors looking for opportunities in the broader socially responsible investment space.
8. There is also undoubtedly benefits to be gained by integrating the value-based orientation of Shariah investing with a greater focus on environmental and social impact.
9. Over the years, value-based and ESG investing have provided comparable returns, and in some cases, better financial returns than conventional investments. More recently, for all the downside that the COVID-19 pandemic has caused to the market, most ESG investments have outperformed their non-sustainable equivalents.
10. Several research studies have shown that companies that integrate ESG in their businesses are not just profitable, but are also financially sustainable over the long-term.

11. In addition, socially responsible investing within the Islamic proposition brings added advantages to the economy and society as a whole. They include -
 - (i) Reducing uncertainty and leverage levels in the business community;
 - (ii) Maintaining stability by removing businesses based on speculative ends; and
 - (iii) Promoting sustainable businesses and investment activities that entail positive results with stable prospects and the welfare of societies
12. Choosing investment activities anchored on Shariah and characterised by long-term socially responsible perspectives build greater stability and ensures the socio-economic wellbeing of our nation.
13. We believe this will considerably broaden the appeal for Shariah investing.

KEY MESSAGE 2: *Shariah investment opportunities at Bursa Malaysia*

14. Malaysia is widely acknowledged as being at the forefront of Islamic finance, taking the lead in promoting socially responsible proposition based on its shared values with Islamic finance.
15. Malaysia is the third-largest market for global Islamic finance products and the world's largest Sukuk issuer.
16. In 2019, Malaysia ranked first in terms of Islamic funds AUM with 34% of the global share.
17. Over the years, Bursa Malaysia is proud to firmly establish itself as a global leader for Shariah listing and investments.
18. Bursa Malaysia-*i*, our end-to-end Shariah-compliant investing platform offers a comprehensive range of exchange-related facilities including listing, trading, clearing, settlement and depository services.

19. Supported by 16 Islamic brokers, Bursa Malaysia-*i* offers both faith and ethical based investors access to a broad spectrum of opportunities listed on Bursa Malaysia.
20. Allow me to share some key statistics with you.
 - (i) As at May 2020, 732 out of 932 listed companies on the Exchange, or 79%, are Shariah-compliant;
 - (ii) Shariah market capitalisation makes up 70% of the total market capitalisation of RM1.6 trillion;
 - (iii) The average daily trading value of Shariah-compliant securities makes up 70% of the overall ADV of RM2.8 billion;
 - (iv) Two thirds or 71% of the companies on the FTSE4Good Bursa Malaysia index are both ESG and Shariah-compliant. This index measures the performance of Malaysia's PLCs demonstrating strong ESG practices, and part of our support towards ethical finance;
 - (v) Additionally, our Shariah indices have consistently outperformed its conventional counterparts over the last ten years. For example, the FTSE Bursa Malaysia Hijrah Shariah Index, comprising the 30 largest Shariah-compliant companies on the FTSE Bursa Malaysia EMAS Index, has consistently outperformed the FTSE Bursa Malaysia KLCI, growing about 32% between 2010 and May 2020.
21. These facts serve to suggest that Shariah-compliant investments are an attractive source of value for investors.

KEY MESSAGE 3: *Long Term Potentials and prospects of Shariah investing*

22. So what are the long term potentials and prospects of Shariah investing? The potential for the Islamic capital market remains promising, not only in Malaysia but also internationally.
23. In Malaysia, the Islamic funds' industry has demonstrated impressive growth. As of March 2020, Shariah funds of RM170 billion represents 23% of total industry AUM. Shariah unit trust fund's NAV of RM99 billion represented about 23% of the overall industry NAV.

24. Continued promotion by the asset management industry can help contribute to a greater awareness of Shariah investing to a broader group of investors.
25. Under the second Capital Market Masterplan, the country's Islamic financial sector is expected to sustain double-digit growth to reach almost RM3 trillion in 2020.
26. There are opportunities for further product innovation and development to provide a more extensive array of Shariah-based products for the industry. For example, real estate has been a significant part of asset allocation in the Islamic world and accounts for some of the largest Shariah-compliant funds.
27. The equity market's recovery can also help boost Islamic Exchange Traded Funds and capitalise on the growing global popularity of this asset class due to its easy accessibility, low-cost diversification and trading opportunities.

CLOSING REMARKS

Ladies and gentlemen

28. Islamic finance is no longer a domain that caters to Muslims only. Globally, it has grown to be a USD2 trillion industry.
29. The Malaysian Islamic capital market indeed has much to offer. It has a resilient financial system and an innovative ecosystem that is accessible globally, as well as a supportive government on initiatives that can enhance the country's proposition as a global Islamic finance hub.
30. Bursa Malaysia will continue to develop the Islamic capital market through continued product innovation and strengthening of the ecosystem to add further depth in our Shariah-compliant product and service offerings.
31. I look forward to hearing the holistic views of Shariah investing from our panelists shortly.

32. Before I conclude, allow me to congratulate CGS-CIMB Securities, our co-organiser of SIVC 2020 on their efforts in educating the public on Shariah investing.
33. This year, one of their initiatives will see the launch of “*Demi Barakah*” or “For a Blessing”, a Shariah financial literacy campaign which will be carried out on their brand new Facebook page. As such, I am delighted to officially launch the CGS-CIMB Islamic Facebook page called ‘iTradelIslamic’. I am confident this platform can bring many benefits to investors and hope to see more participation in Shariah investing through Bursa Malaysia-*i*.
34. I was told the iTradelIslamic page has already garnered over 2,500 likes. So once again, congratulations to CGS-CIMB on their efforts.
35. On that note, let us proceed to the next item on the agenda, and I wish you all an insightful day ahead.
36. Thank you.

Wabillahi taufiq wal hidayah wassalamualaikum warahmatullahi wabarakatuh.