

Document:	Keynote Address for Datuk Muhamad Umar Swift Chief Executive Officer, Bursa Malaysia
Event:	Shariah Investing Corporate Conversation - Series 1
Date:	8 February 2021 2:00 pm - 4:30pm
Venue:	CGS-CIMB Zoom Platform

Good afternoon.

1. I would like to extend a very warm welcome to all our speakers and participants at the inaugural Shariah Investing Corporate Conversation, or SICC 2021.
2. Let me begin by thanking our partners:
 - Co-Organiser and one of the Exchange's registered Islamic PO: CGS-CIMB Securities;
 - Media Partners: REDMoney Group and Majalah Labur
3. It is rather unfortunate that we are unable to host you physically. Nevertheless, despite the current global health pandemic, continuity is essential.
4. The COVID-19 crisis has accelerated the trend for a more sustainable approach to investing. I am confident that SICC 2021 can be an effective platform to support this approach from a Shariah perspective during this unprecedented and challenging times.

The Resilience of the Malaysian Equity Market in 2020

Ladies and Gentlemen,

5. 2020 will go down in history as a very challenging year. However, despite the global pandemic, Malaysian equities have demonstrated resilience and were among the best-performing ASEAN markets.

6. Following the sharp fall of the FBMKLCI in the first half of 2020, the index recovered to close the year 2.4% higher, while total return in 2020 was 5.8%.
7. The strong domestic liquidity continued to support the market, and the funding needs of companies listed on the Exchange. Foreign shareholdings remained at a healthy level above 20%.
8. In ASEAN, the Malaysian equity market registered the highest gain in average daily trading value or ADV, reflecting the confidence and sentiment of investors in our market.
9. The re-emergence of the retail investor in our market had a positive impact on improving liquidity and depth. In 2020, retail ADV increased by 236% to RM1.6 billion, the highest level recorded in Bursa Malaysia's history.
10. More significantly, 65% of the total CDS accounts were opened by millennials. The increase in millennial investors is a positive development for the long-term sustainability of the market, as they are key drivers of socially responsible investing.

Bursa Malaysia, a Leading Emerging Market Exchange and Leader in Shariah-compliant Equity Market

Ladies and Gentlemen,

11. In a post-COVID era, where change and uncertainty seem to be the only constant, an increasing number of investors are taking on an approach towards responsible investments.
12. Similarly, COVID-19 has also brought the centrality of sustainability for business resilience. The realisation that the strategic approach of integrating sustainability and transparency into their business operations has given them more agility in responding to unexpected events.

13. There is much potential and opportunity to grow Shariah investing due to the profound similarities of Shariah Investing and socially responsible investing. They both focus on encouraging more ethical, responsible and transparent practices.
14. The global shift augurs well for Malaysia and our marketplace, having successfully establishing our leadership as the global marketplace for Shariah listing and investments.
15. Amongst our accolades, Bursa Malaysia has been named the Best Stock Exchange for Islamic Listings by Islamic Finance News in 2018 and 2019.
16. Supported by 16 Islamic brokers, Bursa Malaysia-*i*, the Exchange's end-to-end Shariah-compliant investing platform offers both faith and ethically based investors access to a broad spectrum of opportunities listed in our marketplace.
17. Allow me to share some key statistics and value propositions with you:
 - As of December 2020, 742 out of 936 listed companies, or 79% are Shariah-compliant.
 - Shariah market capitalisation of RM1.3 trillion makes up 69% of total market capitalisation.
 - The ADV of Shariah-compliant securities makes up 77% of the overall ADV of RM4.2 billion.
 - Two thirds or 71% of PLCs 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.
 - Additionally, Bursa Malaysia's 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 have consistently outperformed the FBMKLCI, growing about 30.8% between 2010 and 2020.

18. The Malaysia Islamic capital market has much to offer, and these are just some of the indications of the value that Shariah-compliant investments can provide to investors.

Launch of the Shariah Research Reports Scheme 2021

Ladies and Gentlemen,

19. In conjunction with today's conference, we are excited to launch the Shariah Research Reports Scheme 2021.
20. The Shariah Research Reports Scheme aims to bring a multitude of benefits, generating investor interest in Malaysia's Shariah-compliant equities market and increasing the visibility, transparency and investability of Malaysian Shariah PLCs.
21. Its content will reflect up-to-date and relevant information which includes:
 - In-depth analysis and performance of Malaysia's Shariah-compliant equity market;
 - Key thematic plays and stock picks; and
 - Investment strategies.
22. While research reports on PLCs are commonly available, there are far and few that focuses solely on Shariah PLCs. The Exchange aims to address this gap and committed to facilitating better value recognition and growth of Malaysia's Shariah-compliant equity market.

Closing Remarks

Ladies and Gentlemen,

23. As we transition into a new normal, Islamic finance's role as providers of responsible capital needs to be harnessed to contribute to the overall sustainability agenda.

24. Special thanks to our participating Shariah-compliant PLCs for today's conversion. They are:
 - Malaysian Pacific Industries Berhad;
 - AXIS Real Estate Investment Trust;
 - Top Glove Corporation Berhad; and
 - LSK Group Berhad.

25. We have been engaging with our Shariah-compliant PLCs, many of whom appreciate the prospect of receiving research coverage. Their role in ensuring this scheme's success is particularly important, especially in opening doors for investors to gain better value recognition of your company.

26. On that note, I wish everyone a productive and impactful day ahead.

27. Thank you.