

The Sun Daily
27 July 2021

■ BY **AMIR IMRAN HUSAIN SAFRI**
sunbiz@thesundaily.com

PETALING JAYA: Movement towards environmental, social and governance (ESG) investing will be a positive step for Bursa Malaysia and the Malaysian equity market in general, according to Nomura Asset Management Malaysia head of investment Leslie Yap.

He said statistics indicate the world - led by the developed markets - is actually shifting to ESG investments, and not doing so will be an issue in the longer term as investors seek out good quality companies with good practices.

"I believe Malaysian companies following the sustainable principles and practices will definitely attract capital and investments," Yap told the media at the launch of Nomura's Global Sustainable Equity Fund yesterday.

"Another concern is that if ESG practices are not observed, capital that is already here may decide to leave for other parts of the world where the practices are better known and of higher standards."

Given the rise in sustainability concerns among investors, he acknowledged that there is a premium for ESG counters, as the chase for quality ESG assets by investors has led to such companies trading at a premium.

Against this backdrop, the head of investment pointed out that the asset management firm has adopted a disciplined approach by utilising its discounted valuation models to pick companies for it to invest in. For example, renewable energy is one of the areas that investors have been chasing globally, for their sustainable portfolios.

"However, valuation has been excessive. We will not just invest because they are a theme within ESG, but we will still look at the valuation and if we believe there is an upside, we will invest," he said.

"Nomura will not just chase the latest green theme as some others may do."

Acknowledging the appetite for sustainable investment domestically, the firm has introduced its first ESG offering in Malaysia, the Nomura Global Sustainable Equity Fund, which will feed into Nomura Funds Ireland - Global Sustainable Equity Fund. It is available for subscription online to Malaysians at a minimum initial investment of RM1,000.

Nomura Malaysia country head Rejina Rahim remarked that the fund is brought to investors in Malaysia who actively seek to make a positive impact on society and the environment, and embrace socially

ESG investing is here to stay

➤ Embrace environmental, social and governance practices or be left behind as investors seek out companies with green policies, Malaysian firms told

responsible investing.

"We have prioritised affordability as anyone can begin their investing journey with this fund regardless of income level," she said.

Rejina said the companies that the fund invests in are evaluated based on Nomura's impact goals of mitigating climate change, natural capital depreciation and obesity epidemic; eliminating communicable diseases; and providing global access to clean drinking water and basic financial services - which are aligned to the United Nations' Sustainable Development Goals.

To make the fund more accessible, the firm has partnered with Sun Life Malaysia

Assurance Bhd to offer the fund to the insurer's clients.

Sun Life Malaysia CEO & president Raymond Lew observed a growing concern on sustainability by his clients, particularly with the increase in natural disasters, along with sustainability and governance issues that are happening now. Furthermore, he noted that Bank Negara Malaysia has encouraged insurance and takaful operators to integrate ESG initiatives into their business plans.

"This is going to be the way forward as all the stakeholders are going to benefit from this, from clients and distributors to shareholders and our employees at large," said Lew.



The NAMM and Sun Life Malaysia media briefing in progress.