



**MINORITY SHAREHOLDER WATCHDOG GROUP**  
*Shareholder Activism and Protection of Minority Interest*

**MEDIA RELEASE**

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**INSTITUTIONAL INVESTOR COUNCIL MALAYSIA REPORT ON INVESTOR STEWARDSHIP AND FUTURE KEY PRIORITIES 2016**

The Institutional Investor Council Malaysia (IIC) today launched the ***“Investor Stewardship and Future Key Priorities 2016”*** report. The report outlines the current state of play of institutional stewardship in Malaysia, the level of engagement undertaken by member organisations and the observations on the corporate governance of the investee companies. The report concludes with the strategic priorities of the IIC for the next five years (2016-2020).

**Dato’ Wan Kamaruzaman Wan Ahmad, Chairman of IIC said:**

“The release of this inaugural report marks a significant milestone in IIC’s journey towards enhancing governance and investor stewardship in Malaysia.

It is a collaborative effort among the member organisations to share their experience and observations in discharging their stewardship responsibilities which has further led to the formulation of strategic priorities to be undertaken by the IIC moving forward in the near to medium term. To make this Report holistic together with coverage of practical aspects, we have included not only the principles and policies adopted by the institutional investors but also disclosed the facts and figures pertaining to their CG activities.

Institutional investors, as major participants in the capital market as well as being emerging capital providers to the economy, are in a unique strategic position to influence the standard of corporate governance practices among their investee companies. Recognising this fact, it is imperative for the institutional investors to step up the manner in which they discharge their stewardship objectives.

Active stewardship also requires institutions to relook internally at their own governance processes and practices to ensure consistency with the stewardship objectives which they wish to achieve. This has led to institutional investors being more transparent in their disclosures of stewardship policies and voting guidelines. The launch of the Malaysian Code for Institutional Investors in 2014 was a significant starting point in driving effective stewardship, and it is hoped that more local institutional investors will lend support and become signatories as an endorsement of their commitments towards the stewardship agenda.”

**Rita Benoy Bushon, Council Member and Head of IIC Secretariat said:**

“As the market moves towards greater self and market discipline, this industry-led effort bodes well for the capital market and reflects the strong commitment by the IIC to push the investor stewardship agenda forward by playing a leadership role in shaping and influencing governance changes, both amongst institutional investors and in their investee companies. This Report will provide valuable insights to asset owners, asset managers and the whole investment chain, as well to public listed companies and the beneficiaries to better understand the stewardship roles and responsibilities of institutional investors in the currently demanding and challenging operating and economic environment. This would indeed bring more transparency which is the hallmark of corporate governance.”

**Report Highlights**

**Stewardship and Engagement**

The IIC conducted a survey among its member organisations to gauge the level of stewardship activities undertaken by institutional investors. The survey also sought to gauge whether institutional investors were behaving as responsible investors, addressing environmental, social and governance (ESG) issues with their investee companies in order to better manage risks. It also looked at how institutional investors embraced responsible investing practices and how they looked beyond financial aspects in their investment selection process. The findings have been summarised under the key themes of (i) Stewardship, (ii) Engagement and (iii) Resources for stewardship activities.

**Observations on the Corporate Governance of Investee Companies**

The observations of the members on the CG of investee companies have been summarised under the key themes of pre-investment considerations, observation of corporate governance of investee companies, areas which had shown progress and, areas which needed further improvement.

**Strategic Priorities**

Six key strategies priorities have been identified for implementation in the short to medium term (2016-2020) as follows:

1. Enhancing Governance in the Capital Market
2. Promoting Environmental, Social and Governance (ESG) Agenda
3. Advocacy Agenda
4. Platform for Institutional Investors
5. Developing the Structure and Funding of the IIC
6. Building Global Relationships

**-ENDS-**

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***Note to editors***

*The Institutional Investor Council Malaysia (IIC) was established on 3 July 2015 following the launch of the Malaysian Code for Institutional Investors (Code) on 27 June 2014. The Code which was jointly launched by the Securities Commission Malaysia (SC) and MSWG comprises a set of principles which will help institutional investors fulfill their stewardship responsibilities through influencing and promoting good corporate governance culture in their investee companies. The Code promotes greater leadership in governance and responsible ownership by institutional investors to ensure delivery of sustainable long-term value to their ultimate beneficiaries through adoption of the principles enshrined in the Code.*

*The Council will play an important role to represent the common interests of institutional investors in Malaysia. This industry-led initiative will be a platform to shape and influence a wider sphere of corporate governance culture through among others, the effective adoption of the Code. The establishment of the Council is also in line with the recommendations of the Corporate Governance Blueprint 2011 launched by the SC in July 2011.*

*The MSWG is the Secretariat to the Council and promoter of the Code.*