

# KWAP holding on to overseas investments

**OOI TEE CHING**

**KUALA LUMPUR:** Kumpulan Wang Persaraan (KWAP), the country's second largest pension manager with assets of some RM115 billion, is yielding good overseas rentals via wise hedging of foreign currencies, says chief executive officer Wan Kamaruzaman Wan Ahmad.

"We're taking advantage of the weak ringgit by increasing our hedging activities to lock up foreign exchange gains. We have no immediate plans to sell our overseas as-

sets, which make up 11 per cent of our total assets," he said after the launch of Institutional Investor Council Malaysia, here, yesterday.

KWAP made its first overseas property purchase in 2010. Today, its real estate investment in Australia and the United Kingdom is worth around RM12 billion.

"We are getting good recurring income from these assets as all of our properties in the UK have rental yields of above six per cent," he said.

Wan Kamaruzaman was respond-

ing to a question on whether KWAP may follow the Employees Provident Fund's move in selling assets in London and bringing the money back to Malaysia.

He acknowledged that while KWAP was keeping its investments in the UK and Australia, it was not looking to increase overseas investments for the time being, even though it had identified a few good assets in the United States.

"We abide by the Finance Ministry's instructions."

Earlier this year, the Finance Min-

istry directed government-linked companies and statutory bodies to temporarily halt purchases of foreign assets, in response to falling commodity prices and a bid to contain capital outflows.

Wan Kamaruzaman said KWAP had so far invested RM1.2 billion in environmental, social and governance-themed (ESG) investments.

"We've appointed three asset managers to look into ESG-qualified stocks that had been benchmarked by Bursa Malaysia.

"This year, we're topping up our

ESG-qualified investments by another RM100 million," he said.

He added that increasing exposure to these type of assets was KWAP's current diversification strategy.

"We're going to focus a bit of attention currently towards the ESG space and socially responsible investing."

KWAP, which was corporatised in 2007 with a fund size of just RM48.08 billion, saw its total fund rise to RM115 billion as of last month.