

# KENANGA KLCI DAILY (-1X) INVERSE ETF

## ANNUAL REPORT

For the Financial Year Ended 31 December 2023

# kenanga

**Kenanga Investors Berhad**  
Company No. 199501024358 (353563-P)



# KENANGA KLCI DAILY (-1X) INVERSE ETF

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## CORPORATE DIRECTORY

**Manager:** Kenanga Investors Berhad Company No. 199501024358 (353563-P)

### Registered Office

Level 17, Kenanga Tower  
237, Jalan Tun Razak  
50400 Kuala Lumpur, Malaysia.  
Tel: 03-2172 2888  
Fax: 03-2172 2999

### Business Office

Level 14, Kenanga Tower  
237, Jalan Tun Razak  
50400 Kuala Lumpur, Malaysia.  
Tel: 03-2172 3000  
Fax: 03-2172 3080  
E-mail: investorservices@kenanga.com.my  
Website: www.kenangainvestors.com.my

### Board of Directors

Choy Khai Choon (**Chairman, Non-Independent Non-Executive Director**)  
Imran Devindran Abdullah (**Independent Non-Executive Director**)  
Norazian Ahmad Tajuddin (**Independent Non-Executive Director**)  
Luk Wai Hong, William (**Non-Independent Non-Executive Director**)  
Norazilla Binti Md Tahir (**Independent Non-Executive Director**)  
Datuk Wira Ismitz Matthew De Alwis (**Chief Executive Officer, Executive Director**)

### Investment Committee

Imran Devindran Abdullah (**Independent Member**)  
Norazian Ahmad Tajuddin (**Independent Member**)  
Norazilla Binti Md Tahir (**Independent Member**)  
Luk Wai Hong, William (**Non-Independent Member**)  
Datuk Wira Ismitz Matthew De Alwis (**Non-Independent Member**)

**Company Secretary:** Norliza Abd Samad (MAICSA 7011089)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

**Trustee:** RHB Trustees Berhad Company No. 200201005356 (573019-U)

### Registered Office

Level 10, Tower 1  
RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur, Malaysia.  
Tel: 03-9287 3888  
Fax: 03-9281 9314

### Business Office

Level 11, Tower 3  
RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur, Malaysia.  
Tel: 03-9280 5933  
Fax: 03-9280 5934  
Email: rhbt.ut@rhbgroup.com  
Website: www.rhbgroup.com

**Auditor:** Ernst & Young PLT Company No. 202006000003 (LLP0022760-LCA) & AF 0039

Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.  
Tel: 03-7495 8000 Fax: 03-2095 5332

**Tax Adviser:** Ernst & Young Tax Consultants Sdn Bhd Company No. 198901002487 (179793-K)

Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.  
Tel: 03-7495 8000 Fax: 03-2095 5332

**Technical Advisor:** Yuanta Securities Investment Trust Co., Ltd.

11F, No. 219, Sect. 3, Nanjing E-Rd., Taipei, 104 Taiwan.

## DIRECTORY OF MANAGER'S OFFICES

### Regional Branch Offices:

#### **Kuala Lumpur**

Level 13, Kenanga Tower  
237, Jalan Tun Razak  
50400 Kuala Lumpur  
Tel: 03-2172 3123  
Fax: 03-2172 3133

#### **Melaka**

No. 43, Jalan KSB 11  
Taman Kota Syahbandar  
75200 Melaka  
Tel No. 06-240 2310  
Fax No. 06-240 2287

#### **Klang**

No. 12, Jalan Batai Laut 3  
Taman Intan  
41300 Klang, Selangor  
Tel: 03-3341 8818 / 03-3348 7889  
Fax: 03-3341 8816

#### **Penang**

5.04, 5th Floor  
Menara Boustead Penang  
No. 39, Jalan Sultan Ahmad Shah  
10050 Penang  
Tel : 04-210 6628  
Fax : 04-210 6644

#### **Miri**

2nd Floor, Lot 1264  
Centre Point Commercial Centre  
Jalan Melayu  
98000 Miri, Sarawak  
Tel: 085-416 866  
Fax: 085-322 340

#### **Seremban**

2nd Floor, No. 1D-2  
Jalan Tuanku Munawir  
70000 Seremban  
Negeri Sembilan  
Tel: 06-761 5678  
Fax: 06-761 2242

#### **Johor Bahru**

No. 63  
Jalan Molek 3/1, Taman Molek  
81100 Johor Bahru, Johor  
Tel: 07-288 1683  
Fax: 07-288 1693

#### **Kuching**

1st Floor, No 71  
Lot 10900, Jalan Tun Jugah  
93350 Kuching, Sarawak  
Tel: 082-572 228  
Fax: 082-572 229

#### **Kuantan**

Ground Floor Shop  
No. B8, Jalan Tun Ismail 1  
25000 Kuantan, Pahang  
Tel : 09-514 3688  
Fax : 09-514 3838

#### **Ipoh**

No. 1, Jalan Leong Sin Nam  
30300 Ipoh, Perak  
Tel: 05-254 7573 / 7570  
Fax: 05-254 7606

#### **Kota Kinabalu**

Level 8, Wisma Great Eastern  
No. 68, Jalan Gaya  
88000 Kota Kinabalu, Sabah  
Tel: 088-203 063  
Fax: 088-203 062

#### **Damansara Uptown**

44B, Jalan SS21/35  
Damansara Utama  
47400 Petaling Jaya, Selangor  
Tel: 03-7710 8828  
Fax: 03-7710 8830

#### **Kota Damansara**

C26-1, Dataran Sunway  
Jalan PJU 5/17  
Kota Damansara  
47510 Petaling Jaya, Selangor  
Tel: 03-6150 3612  
Fax: 03-6150 3906

#### **Kluang**

No. 1, Aras 1, Jalan Haji Manan  
Pusat Perniagaan Komersial Haji Manan  
86000 Kluang, Johor  
Tel: 07-710 2700  
Fax: 07-710 2150

# 1. FUND INFORMATION

## 1.1 Fund Name

Kenanga KLCI Daily (-1x) Inverse ETF (**KKL1X** or **the Fund**)

## 1.2 Fund Category / Type

Exchange-traded fund / Inverse exchange-traded fund

## 1.3 Investment Objective

The Fund aims to provide daily performance, before fees and expenses, which closely corresponds to the daily performance of the Benchmark.

The Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

## 1.4 Investment Strategy

The Manager intends to adopt a futures-based replication investment strategy to achieve the investment objective of the Fund. The Manager will invest directly in the Index Futures, to obtain the required exposure to the Benchmark.

## 1.5 Benchmark

FTSE Bursa Malaysia KLCI Daily Short (Price) Index.

## 1.6 Distribution Policy

Distribution of income, if any, will be on incidental basis.

## 1.7 Breakdown of unit holdings of the Fund as at 31 December 2023

Size of holdings	No. of unit holders	No. of units held
Less than 100	-	-
100 - 1,000	2	800
1,001 - 10,000	-	-
10,001 - 100,000	2	123,000
100,001 - < 5%*	-	-
> = 5%*	2	876,200
<b>Total</b>	<b>6</b>	<b>1,000,000</b>

5% \* - 5% of the units in circulation

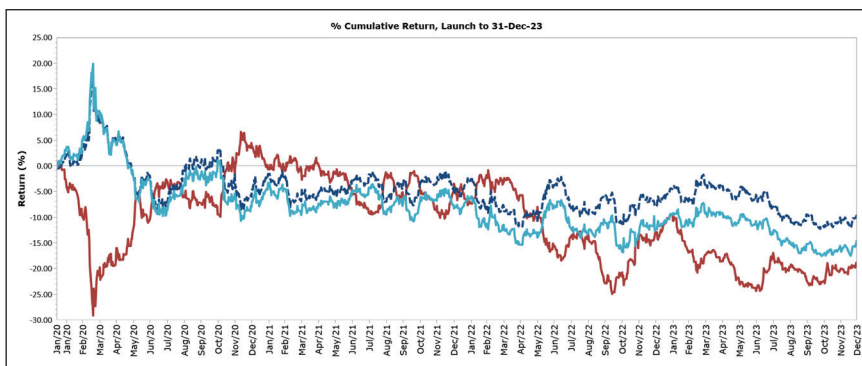
## 2. MANAGER'S REPORT

### 2.1 Explanation on whether the Fund has achieved its investment objective

The Fund achieved its stated investment objective by aiming to provide investment results that closely correspond to the daily performance of the Benchmark. However, for a period longer than one (1) Business Day, the pursuit of a daily investment objective resulted in daily compounding of the Fund. As such, the Fund's performance did not track the cumulative Benchmark return for the financial year under review that was greater than one (1) Business Day. Nevertheless, the Fund will continue to be managed in a manner to fulfil its stated investment objective.

### 2.2 Comparison between the Fund's performance and performance of the benchmark

Performance Chart Since Launch (20/12/2019 – 31/12/2023)  
Kenanga KLCI Daily (-1x) Inverse ETF



Source: Lipper

### 2.3 Investment strategies and policies employed during the financial year under review

The Fund adopted a futures-based replication investment strategy to achieve the investment objective of the Fund. The Fund invested directly in the Index Futures, subject to the rebalancing and rolling strategy below, to obtain the required exposure to the Benchmark.

To ensure the Fund's daily exposure to the Benchmark is consistent with the Fund's investment objective, the Fund rebalanced its portfolio on a daily basis, decreasing exposure in response to the Benchmark's daily gains or increasing exposure in response to the Benchmark's daily losses.

The Fund adopted rolling strategy by closing out existing futures position in the spot month and entering into the forward month before the last trading day of the spot month to ensure the Fund continues to replicate the required exposure to the Benchmark.

## 2.4 The Fund's asset allocation as at 31 December 2023 and comparison with the previous financial year

Asset	31 Dec 2023	31 Dec 2022
Listed derivatives	0.2%	-1.2%
Cash in margin account	28.7%	29.5%
Short term deposits and cash	71.1%	71.7%

### Reason for the differences in asset allocation

The lower percentage of cash in margin account as well as the short term cash and deposit during the financial year under review was a result of the decreased in value from the short positions of futures contracts in the Fund.

## 2.5 Fund performance analysis based on NAV per unit (adjusted for income distribution; if any) since last review year

	Year under review
KKL1X	1.83%
FTSE Bursa Malaysia KLCI Daily Short (Price) Index	2.26%

Source: Lipper

During the financial year in review, the Fund underperformed its benchmark returns by 0.43%. This underperformance was primarily attributed to operating costs and the daily compounding effect arising from the futures-based replication investment strategy. This strategy involved frequent rebalancing and rolling of underlying futures contracts to achieve the necessary exposure to the benchmark.

## 2.6 Review of the market

### Market review

Global equity markets were stronger after the turn of the year, with NASDAQ surging by 10.7%, followed by S&P 500, which gained 6.2% in January. The gains were primarily driven by stronger than expected economic data and 4Q2022 earnings results that exceeded expectations, resulting in mostly positive price reactions. In the US, 4Q Gross Domestic Product (GDP) growth reported a 2.9% quarter-on-quarter (QoQ) increase or a 1% year-on-year (YoY) rise, surpassing expectations. Locally, Bank Negara Malaysia (BNM) unexpectedly maintained the Overnight Policy Rate (OPR) at 2.75% during the January 2023 Monetary Policy Committee (MPC) meeting. Consensus expected zero or 25 basis points (bps) rate hike for OPR to reach 2.75%-3.00% by end 2023. Despite the strong performance of global equities, the FBM KLCI closed the period with a decrease of 0.7%.

In February, the US markets experienced significant declines, with the S&P 500 down by 2.61%, Nasdaq by 1.11%, and the Dow Jones Index by 4.19%. This sell-off was triggered by concerns over rising inflation, fueling expectations that the Federal Reserve (Fed) would maintain higher interest rates for an extended period. Stronger than expected economic data, including the addition of 517,000 jobs and an unemployment rate of 3.4%, heightened worries about inflationary pressures, with the US annual inflation rate reaching 6.4% YoY in January. Back in Malaysia, equity market was neutral to negative post-Budget 2023, with the biggest surprise was further taxes on high-income earners and high taxes on luxury goods along with discussions of a capital gains tax on disposal of non-listed shares. FBM KLCI and FBM EMAS Shariah ended the month 2.1% and 2.5% lower month-on-month (MoM), respectively.



## 2.6 Review of the market (contd.)

### Market review (contd.)

The US markets experienced a significant rebound in March, with the Nasdaq surging by 6.69%, the S&P 500 by 3.51%, and the Dow Jones Index by 1.89%. The market rebounded strongly amid the banking crisis caused by the collapse of Silicon Valley Bank. The Fed continued its trend of raising interest rates, announcing its ninth consecutive 25 bps hike on 23 March 2023, aimed at curbing inflation. This move signaled the Fed's commitment to maintaining price stability, even as inflation rates showed signs of moderation. Meanwhile, BNM held its OPR at 2.75% citing concerns over downside risks to the economy from 100bps of interest rate hike last year to tame the inflation. FBM KLCI ended the month down 0.5%.

Global equities were mixed in April, headlined by rising US indices with the Dow Jones Industrial 2.5%, S&P 500 1.5%, and the Nasdaq 0.04%. US market sentiment was soft for most of the month as several economic datapoints indicated less impetus for the Fed to pause its rate increases: flash composite Purchasing Managers Index (PMI) for April came in at 53.5, up from 52.6 in March and widely beating expectations of 51.2; and late April initial jobless claims of 230,000 also exceeded expectations of 248,000 after falling from the mid-month 245,000 read. However, stocks were lifted by a strong 1Q2023 results season, with 81% of S&P 500 companies beating expectations at end-April. Domestically, macroeconomic data was also less than favorable as March exports recorded its first YoY decline since late-2020 at -1.4%, albeit coming ahead of street expectations of -1.9%.

US equities mixed performance continues in May, with the Dow Jones falling 3.5% MoM while the S&P 500 slightly increased by 0.25% MoM. In stark contrast, the Nasdaq recorded a strong gain of 5.8% MoM as large tech companies outperformed the broader market, supported by better than expected earnings results and increasing investor attraction towards the future potential of Artificial Intelligence. The debt ceiling impasse between Republicans and Democrats was resolved with both the White House and Congress reaching an agreement to raise the federal debt limit and stave off a default on governmental obligations. The US services flash PMI survey for May rose to a 13-month high of 55.1 but the manufacturing PMI survey fell to 44.6 reaching its three-year low. The Fed also announced its tenth-straight rate hike of 25bps bringing rates to a target range of 5%-5.25%. Locally, BNM announced that 1Q2023 GDP grew 5.6% YoY outperforming economist' expectations of 5.1%. BNM also surprised with its announcement of a 25bps hike in the OPR, bringing rates to 3.0%. The FBM KLCI fell 2.0% at the end of May.

US equities turned strongly positive in June. The S&P 500 gained 6.5%, marking its best monthly performance since October, while Nasdaq advanced 6.6%. Both indexes notched a fourth consecutive positive month. The Dow Jones Index climbed 4.6%, its best month since November. This advance came amid moderating inflation and signs that the US economy remains resilient despite higher interest rates. May's inflation data came in at 4.05%, the lowest level in two years. Amid softening inflation, the Fed kept the Federal Funds Rate (FFR) target unchanged at 5.25%, the first meeting without an increase in the last 11 meetings. Domestically, Malaysian equities extended their negative trajectory with most indices recorded MoM declines, primarily attributed to foreign selling, driven by concerns over the global economy's slowdown, political uncertainties surrounding the six-state elections, and the weakness of the Ringgit. The government also announced the reduction of stamp duty rate from 0.15% to 0.10% in order to reduce the cost of securities transactions and make the Malaysian stock market more competitive. FBM KLCI ended 0.8% lower in June.

## 2.6 Review of the market (contd.)

### Market review (contd.)

July saw the global equity markets rise with US Dow Jones, S&P 500 and Nasdaq gained 3.4%, 3.1% and 4.1% MoM. US Consumer Price Index (CPI) moderated further to 3% YoY in June, down from 4% in May. As widely expected, the Fed raised interest rate by 25bps at July Federal Open Market Committee's (FOMC) meeting to 5.25-5.50%, the highest level in 22 years. Locally, Prime Minister Dato' Seri Anwar Ibrahim unveiled a plan for an economic stimulus named the Madani Economy Framework to boost the Malaysian economy and improve quality of life. Separately, the first phase of the National Energy Transition Roadmap (NETR) was officially launched on 27 July, marking the beginning of the Government's efforts to transition towards a more sustainable energy landscape with a higher reliance on renewable energy sources. FBMKLCI turned positive after 6 consecutive months of declines. FBMKLCI recorded MoM gains of 6.0%.

Global equity markets retraced in August with US S&P 500, Nasdaq and Dow Jones ended lower. US CPI rose 3.2% YoY in July which was slightly below expectations. Fitch Ratings downgraded US debt rating while Moody's downgraded several small to mid-sized US banks. Chinese equities were sharply lower on weaker economy economic activities including retail sales, industrial output and investment which came in below expectations. Heavily indebted Country Garden Holdings defaulted on bond coupon payments and was removed from the Hang Seng Stock Exchange. Locally, the six state elections concluded on 12<sup>th</sup> August with status quo being broadly maintained. The Government unveiled the second phase of NETR where RM2 billion "seed fund" is being allocated to serve as an energy transition facility. Malaysia's GDP growth slowed to 2.9% YoY in 2Q2023 (1Q2023: 5.6%), below market expectations of 3.3% YoY weighed mainly by slower external demand. FBMKLCI recorded MoM losses of 0.5%.

Global equity markets continue to retrace in September with notable declines in the US indices as S&P 500, Nasdaq, and Dow Jones registered drops of 4.9%, 5.1%, and 3.5% MoM, respectively. This market correction followed the FOMC's decision to maintain the FFR target range at 5.25% to 5.5%. In Europe, the Euro STOXX 50 reported a 2.8% MoM decline in September. The European Central Bank (ECB) took the unexpected step of raising its deposit facility rate by 25bps to 4.00%, signaled a potential end to its tightening cycle. The ECB cited the potential benefits of maintaining current interest rates for achieving its inflation target, albeit with a data-dependent approach. Locally, BNM maintained the OPR at 3.0% in its September policy meeting. The Monetary Policy Committee (MPC) statement indicated a shift away from a "slightly accommodative" stance and removed references to "financial imbalances", signaling an extended pause in OPR. FBMKLCI experienced MoM losses of 1.9%.

In October 2023, global equities, experienced a 3.0% MoM decline, primarily driven by significant drops in key US indices. The S&P 500, Nasdaq, and Dow Jones fell by 2.2%, 2.1%, and 1.4% MoM, respectively, their third consecutive negative month. The decline marked the first three-month losing streak for the Dow Jones and S&P 500 since 2020. The market downturn was also attributed to concerns that US policymakers might maintain high interest rates to curb inflation, potentially hampering economic growth. Malaysia's 2024 Budget was tabled in Parliament on 13 October. Few highlights include; maintaining fiscal consolidation with a reduced budget deficit to GDP ratio of 4.3% (compared to the 5% estimate for 2023), plan to implement a mix of tax and non-tax measures to support fiscal consolidation and aligning budget allocations and incentives with recently-announced policy frameworks. FBMKLCI recorded MoM gains of 1.3%.

## 2.6 Review of the market (contd.)

### Market review (contd.)

Global markets concluded November on a positive note as MSCI World rose 9.2% MoM, driven by promising indications of economic moderation in the US and a decline in inflation across developed markets. The released data consistently reinforced the perspective that central banks have likely reached the peak of their tightening phases, providing support to both equity and fixed income markets. Conversely, China underperformed as various catalysts related to China, including plans to address Local Government Financing Vehicle (LGFV) debts and property easing policies, failed to maintain upward momentum in equities. Both HSI and SHSZ300 fell in November by 0.4% and 2.1% respectively. Locally, BNM maintained the OPR at 3.0% in its November policy meeting. In other note, 3Q2023 saw real GDP growth surpassed expectations with a 3.3% YoY growth. After a decline in the previous quarter, the quarter saw a notable 5.2% non-seasonally adjusted increase. FBMKLCI ended the month 0.7% higher.

US equities ended the year on a high note as they achieved their most significant annual surge since 2019 with S&P 500, Nasdaq and Dow Jones gain 24.2%, 53.8% and 13.7%, respectively. The surge in worldwide stock markets during the last two months of 2023 was driven by anticipations of central bank interest rate reductions in the upcoming year, particularly in 2024. As widely anticipated, the Fed kept the overnight federal funds rate within the range of 5.25% to 5.5% during its latest policy meeting in December, marking its third consecutive meeting where the central bank has opted for stability, refraining from making any changes to monetary policy. Locally, Malaysian equity indices recorded positive results in December. Despite the overall decrease in export, Malaysia maintained a trade surplus valued at RM12.41 billion, marking the 43<sup>rd</sup> consecutive month of trade surplus since May 2020. Shifting to consumer prices, Malaysia observed a 1.5% YoY increase in November. This inflationary trend was attributed to lower increments in the categories of restaurants and hotels, food, and non-alcoholic beverages.

Overall, the Malaysian equity markets recorded a mixed performance in 2023, as key indices such as the FBMKLCI, FBM 100, and FBM EMAS Shariah index rebounded in the second half after posting a weaker first half performance. For the full year 2023, FBM100 and FBM Shariah gained by 0.6% and 0.5% respectively while FBM Small Cap improve significantly by 9.6%. The FBMKLCI on the other hand closed the year with a decrease of 2.7% YoY. Meanwhile, foreign investors recorded a net outflow of RM512.7 million in Malaysian equities for the year of 2023. On the currency front, Ringgit depreciated by 4.18% against the USD to RM4.5995/USD during the year.

### Market outlook

Globally, the market expects that the Fed is on hold and will possibly shift to cut rates in the second quarter of 2024, with a similar pattern expected in the Eurozone. Easier monetary conditions globally are expected to support growth and liquidity, thus improving the outlook for equities. However, markets could remain volatile as the growth slowdown takes hold in major regions such as the US, Europe and China.

On the home front, we maintain a positive outlook on the Malaysian equity market for 2024, anticipating a GDP growth of 4%-5% for 2024 and an improving in the momentum of policy execution. Market expects an increase in foreign direct investment due to a conducive policy environment and a strategic economic framework, positioning Malaysia as an appealing investment destination for investors.

## **2.7 Distributions**

For the financial year under review, the Fund did not declare any income distribution.

## **2.8 Details of any unit split exercise**

The Fund did not carry out any unit split exercise during the financial year under review.

## **2.9 Significant changes in the state of affairs of the Fund during the financial year**

There were significant changes in the state of affairs of the Fund during the financial year and unit holders have been notified via an announcement to Bursa Malaysia Securities Berhad on 1 September 2023.

The First Supplemental Master Prospectus was issued on 1 September 2023. The changes were effective on 1 September 2023.

## **2.10 Circumstances that materially affect any interests of the unit holders**

There were no circumstances that materially affected any interests of the unit holders during the financial year under review.

## **2.11 Rebates and soft commissions**

It is the policy of the Manager to credit any rebates received into the account of the Fund. Any soft commissions received by investment manager on behalf of the Fund are in the form of research and advisory services that assist in the decision making process relating to the investment of the Fund which are of demonstrable benefit to unit holders of the Fund. Any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund. As the Fund solely invested in listed derivatives, the Manager did not receive any rebates or soft commissions from its stockbrokers during the financial year under review.

## **2.12 Cross-trade**

During the financial year under review, no cross-trade transactions were undertaken by the Manager for the Fund.

## **2.13 Securities financing transactions**

Securities financing transactions are transactions consisting of securities lending or repurchase. During the financial year under review, the Fund had not undertaken any securities financing transactions.

### 3. FUND PERFORMANCE

#### 3.1 Details of portfolio composition of the Fund for the last four financial years/period as at 31 December are as follows:

##### a. Distribution among industry sectors and category of investments:

	FY 2023 %	FY 2022 %	FY 2021 %	As at 31.12.2020 %
Listed derivatives	0.2	-1.2	-1.5	0.9
Cash in margin account	28.7	29.5	25.7	22.0
Short term deposits and cash	71.1	71.7	75.8	77.1
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

*Note: The above mentioned percentages are based on total investment market value plus cash.*

##### b. Distribution among countries and markets

The Fund invests in Malaysia listed derivatives and short term deposits only.

##### c. Weightings of the top 10 constituents of the Underlying Index as at 31 December 2023

Rank	Constituent	Index Weight (%)
1	Malayan Banking Berhad	13.32
2	Public Bank Berhad	12.37
3	CIMB Group Holdings Berhad	9.41
4	Tenaga Nasional Berhad	7.49
5	Petronas Chemicals Group Berhad	4.11
6	IHH Healthcare Berhad	3.60
7	Press Metal Aluminium Holdings Berhad	3.44
8	CELCOMDIGI Berhad	3.25
9	Sime Darby Plantation Berhad	3.24
10	Telekom Malaysia Berhad	2.96

*Source: Bloomberg*

Details of the Fund's quoted Investments as at 31 December 2023 are disclosed under Note 4 of the financial statements.

**3.2 Performance details of the Fund for the last four financial years/period ended 31 December are as follows:**

	FY 2023	FY 2022	FY 2021	Period from 20.12.2019 (date of commencement) to 31.12.2020
Total asset value (RM Million)	1.94	1.92	1.91	1.85
Net asset value ("NAV") (RM Million) <sup>1</sup>	1.94	1.90	1.88	1.84
Units in circulation (Million)	1.00	1.00	1.00	1.00
NAV per unit (RM)	1.9351	1.9004	1.8809	1.8434
Highest NAV per unit (RM)	2.0554	2.0867	2.0029	2.6037
Lowest NAV per unit (RM)	1.8906	1.8029	1.8298	1.7815
Listed price (RM) <sup>1</sup>	1.9100	1.9150	1.9200	1.8450
Highest listed price (RM)	2.0500	2.0550	2.0000	2.6700
Lowest listed price (RM)	1.8400	1.8050	1.8200	1.8450
Total return (%)	1.83	1.04	2.03	-7.83
- Capital growth (%)	1.83	1.04	2.03	-7.83
- Income growth (%)	-	-	-	-
Gross distribution per unit (sen)	-	-	-	-
Net distribution per unit (sen)	-	-	-	-
Total expense ratio ("TER") (%) <sup>2</sup>	0.81	1.04	0.92	0.87
Portfolio turnover ratio ("PTR") (times) <sup>3</sup>	12.05	12.41	12.49	13.81
Tracking error	0.65	2.34	1.13	1.20

*Note: Total return is the actual return of the Fund for the respective financial years/period, computed based on NAV per unit and net of all fees.*

*TER is computed based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. PTR is computed based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.*

*Above NAV and NAV per unit are not shown as ex-distribution as there were no distribution declared by the Fund in the financial year under review.*

- 1. As at 31 December 2023, the Fund has a net asset value of RM1.94 million and 1 million units in circulation. KLCI was volatile during the financial year under review with the market rebounded in the second half of 2023 after posting a weaker performance in the first half of the year. The overall negative trend of KLCI continued and led to a rise in the Fund's net asset per unit during the year.*
- 2. TER is lower against the previous financial year mainly due to lower expenses incurred during the financial year under review.*
- 3. PTR is lower due to lesser daily rebalancing frequency of futures contracts in the Fund during the financial year under review.*

### 3.3 Average total return of the Fund

	<b>1 Year 31 Dec 22 - 31 Dec 23</b>	<b>3 Years 31 Dec 20 - 31 Dec 23</b>	<b>Since Inception 20 Dec 19 - 31 Dec 23</b>
KKL1X	1.83%	2.22%	-0.01%
FTSE Bursa Malaysia KLCI Daily Short (Price) Index	2.26%	3.37%	1.46%

Source: Lipper

### 3.4 Annual total return of the Fund

	<b>Year under review 31 Dec 22 - 31 Dec 23</b>	<b>31 Dec 21 - 31 Dec 22</b>	<b>31 Dec 20 - 31 Dec 21</b>	<b>Since Inception 20 Dec 19 - 31 Dec 20</b>
KKL1X	1.83%	1.04%	2.03%	-7.83%
FTSE Bursa Malaysia KLCI Daily Short (Price) Index	2.26%	3.27%	2.64%	-5.40%

Source: Lipper

**Investors are reminded that past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.**

# **KENANGA KLCI DAILY (-1X) INVERSE ETF**

**Audited Financial Statements Together with  
Trustee's Report, Independent Auditors' Report  
and Statement by the Manager  
31 December 2023**



## **KENANGA KLCI DAILY (-1X) INVERSE ETF**

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**TRUSTEE'S REPORT  
TO THE UNIT HOLDERS OF KENANGA KLCI DAILY (-1X) INVERSE ETF (“Fund”)**

We have acted as Trustee of the Fund for the financial year ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Kenanga Investors Berhad, has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Exchange-traded Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

**For RHB TRUSTEES BERHAD  
[Company No. : 200201005356 (573019-U)]**

MOHD SOFIAN BIN KAMARUDDIN  
VICE PRESIDENT

LIM BEE FANG  
ASSISTANT VICE PRESIDENT

Kuala Lumpur, Malaysia

29 February 2024

## **Independent auditors' report to the unit holders of Kenanga KLCI Daily (-1x) Inverse ETF**

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Kenanga KLCI Daily (-1x) Inverse ETF ("the Fund"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 6 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Fund for the current period. These matters were addressed in the context of our audit of the financial statements of the Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

## **Independent auditors' report to the unit holders of Kenanga KLCI Daily (-1x) Inverse (contd.)**

### *Key audit matters (contd.)*

#### Listed derivatives at fair value through profit or loss

##### Description

The investment portfolio of the Fund includes listed KLCI Index futures derivatives. These derivatives are recognised at fair value through profit or loss, and are valued at RM3,900 as at 31 December 2023. The net gain on the portfolio was RM11,973 for the financial year ended 31 December 2023.

The valuation, existence and measurement of the listed derivatives at fair value through profit or loss is the key driver of the Fund's net asset value and investment return. Incorrect pricing of listed derivatives or improper monitoring of the total amount of open future contract positions by the Fund could have a significant impact on its net asset value and, therefore, the return generated for unit holders.

The Fund's accounting policy on the listed derivatives at fair value through profit or loss is included in Note 3(c), and its disclosures about the fair values of the investments held at the reporting date are included in Notes 4 and 18 to the financial statements.

##### Our responses

Our audit work to address valuation, existence and measurement of the listed derivatives at fair value through profit or loss includes the following:

- Understanding processes and controls put in place by the Manager of the Fund ("the Manager") to assess compliance with relevant accounting standards and performing walkthrough procedures to understand the operating effectiveness of relevant controls over the listed derivatives at fair value through profit or loss;
- Testing the valuation and measurement of the listed derivatives at fair value through profit or loss as at and for the financial year then ended by independently agreeing the price used in the valuation and settlement of the listed derivatives at fair value through profit or loss to the quoted price and multiplier effect as published by the relevant stock exchange;
- Obtaining confirmation of the existence of the listed derivatives at fair value through profit or loss as at the reporting date directly from the Fund's broker; and
- Reviewing the adequacy of the disclosures on the listed derivatives at fair value through profit or loss in the Fund's financial statements.

## **Independent auditors' report to the unit holders of Kenanga KLCI Daily (-1x) Inverse (contd.)**

### *Information other than the financial statements and auditors' report thereon*

The Manager of the Fund ("the Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Manager and the Trustee for the financial statements*

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Independent auditors' report to the unit holders of Kenanga KLCI Daily (-1x) Inverse (contd.)**

### *Auditors' responsibilities for the audit of the financial statements (contd.)*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the unit holders of  
Kenanga KLCI Daily (-1x) Inverse (contd.)**

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Ng Sue Ean  
No. 03276/07/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia

29 February 2024

## **STATEMENT BY THE MANAGER**

I, Datuk Wira Ismitz Matthew De Alwis, being a director of Kenanga Investors Berhad, do hereby state that, in the opinion of the Manager, the accompanying statement of financial position as at 31 December 2023 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year ended 31 December 2023 together with notes thereto, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Kenanga Daily (-1x) Inverse ETF as at 31 December 2023 and of its financial performance and cash flows for the financial year then ended and comply with the requirements of the Deed.

For and on behalf of the Manager  
KENANGA INVESTORS BERHAD

DATUK WIRA ISMITZ MATTHEW DE ALWIS  
Executive Director/Chief Executive Officer

Kuala Lumpur, Malaysia

29 February 2024



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	2023 RM	2022 RM
<b>INVESTMENT INCOME</b>			
Interest income		46,677	29,429
Net gain from investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	4	11,973	14,960
		<u>58,650</u>	<u>44,389</u>
<b>EXPENSES</b>			
Manager's fee	5	9,769	9,555
Trustee's fee	6	782	829
Index license fee	7	1,055	1,032
Administration expenses	8	4,227	8,468
Brokerage and other transaction costs		4,843	4,653
		<u>20,676</u>	<u>24,537</u>
<b>NET INCOME BEFORE TAX</b>		37,974	19,852
Income tax	9	<u>(3,312)</u>	<u>(302)</u>
<b>NET INCOME AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<u>34,662</u>	<u>19,550</u>
Net income after tax is made up as follows:			
Realised gain		8,662	14,150
Unrealised gain	4	26,000	5,400
		<u>34,662</u>	<u>19,550</u>

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
<b>INVESTMENTS</b>			
Financial assets at FVTPL	4	3,900	-
Short term deposits	10	1,350,368	1,348,981
		<u>1,354,268</u>	<u>1,348,981</u>
<b>OTHER ASSETS</b>			
Amount due from Manager		18,870	298
Other receivables	11	5,183	4,597
Tax recoverable		-	1,034
Cash in margin account	12	549,113	558,852
Cash at banks		9,999	10,243
		<u>583,165</u>	<u>575,024</u>
<b>TOTAL ASSETS</b>		<u>1,937,433</u>	<u>1,924,005</u>
<b>LIABILITIES</b>			
Financial liabilities at FVTPL	4	-	22,100
Amount due to Trustee		126	329
Amount due to Index Provider		795	957
Other payable		233	173
Tax payable		1,171	-
<b>TOTAL LIABILITIES</b>		<u>2,325</u>	<u>23,559</u>
<b>EQUITY</b>			
Unit holders' contribution		2,000,000	2,000,000
Accumulated losses		(64,892)	(99,554)
<b>NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS</b>	13	<u>1,935,108</u>	<u>1,900,446</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>1,937,433</u>	<u>1,924,005</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	13(a)	<u>1,000,000</u>	<u>1,000,000</u>
<b>NAV PER UNIT (RM)</b>		<u>1.9351</u>	<u>1.9004</u>

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	Unit holders' contribution RM	Accumulated losses RM	Total NAV RM
<b>2023</b>				
At beginning of the financial year		2,000,000	(99,554)	1,900,446
Total comprehensive income		-	34,662	34,662
At end of the financial year		<u>2,000,000</u>	<u>(64,892)</u>	<u>1,935,108</u>
<b>2022</b>				
At beginning of the financial year		2,000,000	(119,104)	1,880,896
Total comprehensive income		-	19,550	19,550
At end of the financial year		<u>2,000,000</u>	<u>(99,554)</u>	<u>1,900,446</u>

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Interest received	46,091	29,614
Withdrawal from/(Deposit to) margin account	9,739	(77,339)
Trustee's fee paid	(985)	(694)
Index license fee paid	(1,319)	(951)
Brokerage fee paid to financial institution	(4,843)	(4,653)
Manager's fee paid	(9,792)	(9,682)
Net (loss)/gain from financial liabilities at FVTPL	(13,925)	9,560
Payment for other fees and expenses	(22,716)	(8,998)
Cash generated from/(used in) operating and investing activities	2,250	(63,143)
Income tax paid	(1,107)	(948)
Net cash generated from/(used in) operating and investing activities	1,143	(64,091)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,143	(64,091)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	1,359,224	1,423,315
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	1,360,367	1,359,224
Cash and cash equivalents comprise:		
Cash at banks	9,999	10,243
Short term deposits	1,350,368	1,348,981
	1,360,367	1,359,224

The accompanying notes form an integral part of the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

### **1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

Kenanga KLCI Daily (-1x) Inverse ETF (“the Fund”) was constituted pursuant to the executed Deed dated 4 September 2019 (“the Deed”) between Kenanga Investors Berhad (“the Manager”) and RHB Trustees Berhad (“the Trustee”). The Fund commenced operations on 20 December 2019 and listed on Bursa on 9 January 2020, and will continue to be in operation until terminated as provided under Clause 26 of the Deed.

Kenanga Investors Berhad is a wholly-owned subsidiary of Kenanga Investment Bank Berhad that is listed on the Main Market of Bursa Malaysia Securities Berhad. All of these companies are incorporated in Malaysia.

The principal place of business of the Manager is Level 14, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur.

The Fund is listed on the Main Market of Bursa Malaysia Securities Berhad from 13 January 2020 and aims to provide daily performance, before fees and expenses, which closely corresponds to the daily performance of the benchmark, the FTSE Bursa Malaysia KLCI Daily Short (Price) Index, as provided by FTSE International Limited (“the Index Provider”). The Manager intends to adopt a futures-based replication investment strategy to achieve the investment objective of the Fund.

The Manager intends to adopt a futures-based replication investment strategy to achieve the investment objective of the Fund.

### **2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks including market risk (which includes interest rate risk and price risk), credit risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund has an approved set of investment guidelines and policies as well as internal controls which sets out its overall business strategies to manage these risks to optimise returns and preserve capital for the unit holders, consistent with the long term objectives of the Fund.

#### **a. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and price risk.

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### a. Market risk (contd.)

Market risk arises when the value of the investments fluctuates in response to the activities of individual companies, general market or economic conditions. It stems from the fact that there are economy-wide perils, which threaten all businesses. Hence, investors are exposed to market uncertainties. Fluctuation in the investments' prices caused by uncertainties in the economic, political and social environment will affect the NAV of the Fund.

The Manager manages the risk of unfavourable changes in prices by cautious review of the investments and continuous monitoring of their performance and risk profiles.

### i. Interest rate risk

Interest rate risk refers to how the changes in the interest rate environment would affect the performance of Fund's investments. Rate offered by the financial institutions will fluctuate according to the Overnight Policy Rate determined by Bank Negara Malaysia and this has direct correlation with the Fund's investments in short term deposits.

The Fund is not exposed to significant interest rate risk as its deposits are short term in nature and have fixed interest rates.

#### Interest rate risk exposure

The following table analyses the Fund's interest rate risk exposure. The Fund's financial assets and other financial liabilities are disclosed at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

	Up to 1 year RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective interest rate* %
<b>2023</b>				
<b>Assets</b>				
Financial assets at FVTPL	-	3,900	3,900	
Short term deposits	1,350,368	-	1,350,368	2.6
Other financial assets	-	583,165	583,165	
	<u>1,350,368</u>	<u>587,065</u>	<u>1,933,533</u>	
<b>Liabilities</b>				
Other financial liabilities	-	921	921	
	<u>-</u>	<u>921</u>	<u>921</u>	
<b>Total interest rate sensitivity gap</b>	<u>1,350,368</u>	<u>590,044</u>	<u>1,936,512</u>	

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### a. Market risk (contd.)

#### i. Interest rate risk (contd.)

##### Interest rate risk exposure (contd.)

	Up to 1 year RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective interest rate* %
<b>2022</b>				
<b>Assets</b>				
Short term deposits	1,348,981	-	1,348,981	2.6
Other financial assets	-	573,990	573,990	
	<u>1,348,981</u>	<u>573,990</u>	<u>1,922,673</u>	
<b>Liabilities</b>				
Financial liabilities at FVTPL	-	22,100	22,100	
Other financial liabilities	-	1,286	1,286	
	<u>-</u>	<u>23,386</u>	<u>23,386</u>	
<b>Total interest rate sensitivity gap</b>	<u>1,348,981</u>	<u>528,504</u>	<u>1,899,585</u>	

\* Calculated based on assets with exposure to interest rate movement only.

#### ii. Price risk

Price risk is the risk of unfavourable changes in the fair values of listed derivatives. The Fund invests in listed derivatives which are exposed to price fluctuations. This may then affect the NAV of the Fund.

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### a. Market risk (contd.)

#### ii. Price risk

##### Price risk sensitivity

The Manager's best estimate of the effect on the income for the financial year due to a reasonably possible change in investments in listed derivatives with all other variables held constant is indicated in the table below:

	Changes in rate Increase/(Decrease) Basis points	Effects on income/ (loss) for the financial year Gain/(Loss) RM
<b>2023</b>		
Financial assets at FVTPL	5/(5)	944/(944)
<b>2022</b>		
Financial liabilities at FVTPL	5/(5)	(970)/970

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

##### Price risk concentration

The following table sets out the Fund's exposure and concentration to price risk based on its portfolio of financial instruments as at the reporting date.

	Fair value		Percentage of NAV	
	2023 RM	2022 RM	2023 %	2022 %
Financial assets/(liabilities) at FVTPL	3,900	(22,100)	0.2	(1.2)

### b. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

#### i. Credit risk exposure

As at the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statement of financial position.



## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### b. Credit risk (contd.)

#### ii. Financial assets that are either past due or impaired

As at the reporting date, there are no financial assets that are either past due or impaired.

#### iii. Credit quality of financial assets

The Fund invests in deposits with financial institutions licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013. The following table analyses the licensed financial institutions by rating category:

##### Short term deposits

Rating	Percentage of total short term deposits		Percentage of NAV	
	2023	2022	2023	2022
	%	%	%	%
P1/MARC-1	100.0	100.0	69.8	71.0

As the Fund invests in listed derivatives, the cash in margin account represents margin deposits held in respect of the open exchange-traded futures contracts. The following table analyses of these financial assets by rating category:

##### Cash in margin account

Rating	Percentage of total cash in margin account		Percentage of NAV	
	2023	2022	2023	2022
	%	%	%	%
Not rated	100.0	100.0	28.4	29.4

### c. Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or cancel its units earlier than expected. The Fund is exposed to cancellation of its units on a regular basis. Units sold to unit holders by the Manager are cancellable at the unit holders' option based on the Fund's NAV per unit at the time of cancellation calculated in accordance with the Deed.

The liquid assets comprise cash at bank, short term deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### c. Liquidity risk

The following table analyses the maturity profile of the Fund's financial assets and other financial liabilities in order to provide a complete view of the Fund's contractual commitments and liquidity.

	Note	Up to 1 year 2023 RM	2022 RM
<b>Assets</b>			
Financial assets at FVTPL		3,900	-
Short term deposits		1,350,368	1,348,981
Cash in margin account		549,113	558,852
Other financial assets		34,052	15,138
	i.	<u>1,937,433</u>	<u>1,922,971</u>
<b>Liabilities</b>			
Financial liabilities at FVTPL		-	22,100
Other financial liabilities		921	1,286
	ii.	<u>921</u>	<u>23,386</u>
Equity	iii.	<u>1,935,108</u>	<u>1,900,446</u>
Liquidity gap		<u>1,404</u>	<u>(861)</u>

#### i. Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realized. The Fund's investments in listed derivatives have been included in the "up to 1 year" category on the assumption that these are highly liquid investments which can be realized should all of the Fund's unit holders' equity be required to be redeemed. For other financial assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realized.

#### ii. Financial liabilities

Analysis of financial liabilities at FVTPL into maturity groupings is based on the expected date on which these assets will be realized. The Fund's investments in listed derivatives have been included in the "up to 1 year" category on the assumption that these are highly liquid investments which can be realised should all of the Fund's unit holders' equity be required to be redeemed. For other financial liabilities, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the date on which liabilities will be settled. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### c. Liquidity risk (contd.)

#### iii. Equity

As the unit holders can request for redemption of their units, they have been categorised as having a maturity of “up to 1 year”. However, the Fund believes that it would be able to liquidate its investments should the need arises to satisfy all the redemption requirements.

### d. Regulatory reportings

It is the Manager’s responsibility to ensure full compliance of all requirements under the Guidelines on Exchange-traded Funds issued by the Securities Commission Malaysia. Any breach of any such requirement has been reported in the mandatory reporting to the Securities Commission Malaysia on a quarterly basis.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

### a. Basis of accounting

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the amended MFRS, which became effective for the Fund on 1 January 2023.

Description	Effective for financial periods beginning on or after
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 — Comparative Information</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112: <i>International Tax Reform — Pillar Two Model Rules</i>	1 January 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

#### a. Basis of accounting (contd.)

The adoption of the amended MFRS did not have any material impact on the financial position or performance of the Fund.

#### b. Amendments to standards issued but not yet effective

As at the reporting date, the following amendments to standards that have been issued by MASB will be effective for the Fund in future financial periods. The Fund intends to adopt the relevant amendments to standards when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be announced by MASB

These pronouncements are not expected to have any material impact to the financial statements of the Fund upon their initial application.

#### c. Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instruments.

##### i. Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 3(c)(ii) and (iii).

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

#### c. Financial instruments (contd.)

##### ii. Measurement categories of financial assets and liabilities

The Fund classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income; and
- Fair value through profit or loss.

The Fund may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial assets are initially measured at their fair values plus, except in the case of financial assets recorded at FVTPL, transaction costs.

The Fund's other financial assets include cash at banks, short term deposits, trade receivables and other receivables.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

The Fund's other financial liabilities include trade payables and other payables.

Other financial liabilities are recognised and initially measured at fair values, net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate ("EIR"). Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### iii. Due from banks, short term deposits, trade receivables and other receivables at amortised cost

The Fund only measures the cash at banks, short term deposits, trade receivables and other receivables at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

#### c. Financial instruments (contd.)

##### iii. Due from banks, short term deposits, trade receivables and other receivables at amortised cost (contd.)

The details of these conditions are outlined below.

#### **Business model assessment**

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales are also important aspects of the Fund's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward, unless it has been determined that there has been a change in the original business model.

#### **The SPPI test**

As a second step of its classification process, the Fund assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation/accretion of the premium/discount).

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)**

#### **c. Financial instruments (contd.)**

##### **iii. Due from banks, short term deposits, trade receivables and other receivables at amortised cost (contd.)**

###### **The SPPI test (contd.)**

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

##### **iv. Financial investments**

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under MFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

#### **d. Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Fund also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Fund has transferred the financial asset if, and only if, either:

- The Fund has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

#### d. Derecognition of financial assets (contd.)

Pass-through arrangements are transactions whereby the Fund retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Fund has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates;
- The Fund cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Fund has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Fund is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Fund has transferred substantially all the risks and rewards of the asset; or
- The Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Fund considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Fund has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Fund's continuing involvement, in which case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Fund could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Fund would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.



### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

#### e. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis and to realise the assets and settle the liabilities simultaneously.

#### f. Impairment of financial assets

##### i. Overview of the expected credit loss (“ECL”) principles

The Fund measures its receivables impairment using the forward-looking ECL approach in accordance with the requirements of MFRS 9.

##### ii. Write-offs

Financial assets are written off either partially or in their entirety only when the Fund has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

#### g. Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Interest income is recognised using the effective interest method.

The realised gain or loss on sale of investments is measured as the difference between the net disposal proceeds and the carrying amount of the investments.

#### h. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash at banks and short term deposits with licensed financial institutions with maturities of three months or less, which have an insignificant risk of changes in value.

#### i. Income tax

Income tax on the profit or loss for the financial year comprises current tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year.

As no temporary differences have been identified, no deferred tax has been recognised.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)**

#### **j. Unrealised reserves**

Unrealised reserves represent the net gain or loss arising from carrying investments at their fair values at reporting date. This reserve is not distributable.

#### **k. Unit holders' contribution – NAV attributable to unit holders**

The unit holders' contribution to the Fund is classified as equity instruments.

#### **l. Functional and presentation currency**

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

#### **m. Distributions**

Distributions are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from retained earnings.

#### **n. Significant accounting judgement and estimates**

The preparation of financial statements requires the use of certain accounting estimates and exercise of judgment. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

##### **i. Critical judgments made in applying accounting policies**

There are no major judgments made by the Manager in applying the Fund's accounting policies.

##### **ii. Key sources of estimation uncertainty**

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 4. FINANCIAL ASSETS/(LIABILITIES) AT FVTPL

The Fund invests in listed derivatives – KLCI futures contracts. Futures contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash.

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Financial assets/(liabilities) held for trading, at FVTPL:		
Listed derivatives - KLCI futures contracts	3,900	(22,100)
Net gain/(loss) on financial assets/(liabilities) at FVTPL comprised:		
Realised (loss)/gain on disposals	(14,027)	9,560
Unrealised changes in fair values	26,000	5,400
	<u>11,973</u>	<u>14,960</u>

There were 26 futures contracts with notional principal amount of RM1,891,500 that remain outstanding as at 31 December 2023 (2022: 26 futures contracts with notional principal amount of RM1,939,600).

#### 5. MANAGER'S FEE

The Manager's fee is calculated on a daily basis at a rate not exceeding 3.00% per annum of the NAV of the Fund as provided under Division 15.1 of the Deed.

The Manager is currently calculated at 0.50% per annum of the NAV of the Fund (2022: 0.50% per annum).

#### 6. TRUSTEE'S FEE

The Trustee's fee is calculated on a daily basis at a rate not exceeding 0.10% per annum of the NAV of the Fund as provided under Division 15.2 of the Deed.

The Trustee's fee is currently calculated at 0.04% per annum of the NAV of the Fund (2022: 0.04% per annum).

#### 7. INDEX LICENSE FEE

The index license fee is calculated based on the NAV accrued daily for every quarter and is payable to the Index Provider.

The index license fee is currently calculated at 0.05% per annum of the NAV of the Fund (2022: 0.05% per annum).

## 8. AUDITORS' REMUNERATION, TAX AGENT'S FEE AND OTHER ADMINISTRATION EXPENSES

The auditors' remuneration, tax agent's fee and certain other administration expenses for the current and previous financial years were borne by the Manager.

## 9. INCOME TAX

	2023 RM	2022 RM
Malaysian income tax:		
Current year charge	3,293	245
Over provision in prior financial year	19	57
	<u>3,312</u>	<u>302</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the current and previous financial periods.

Income tax is calculated on investment income less partial deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2023 RM	2022 RM
Net income before tax	<u>37,974</u>	<u>19,852</u>
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	9,114	4,764
Tax effect of:		
Income not subject to tax	(13,914)	(10,122)
Losses not deductible for tax purposes	3,366	-
Expenses not deductible for tax purposes	2,617	3,029
Restriction on tax deductible expenses for exchange traded fund	2,110	2,574
Under provision in prior financial year	19	57
Income tax for the financial year	<u>3,312</u>	<u>302</u>

## 10. SHORT TERM DEPOSITS

Short term deposits are held with licensed financial institutions in Malaysia at the prevailing interest rates.

## 11. OTHER RECEIVABLES

	2023 RM	2022 RM
Interest receivable from short term deposits	105	97
Interest receivable from margin account	578	-
Registrar security deposits	4,500	4,500
	<u>5,183</u>	<u>4,597</u>

## 12. CASH IN MARGIN ACCOUNT

Cash in margin account represents margin deposits held in respect of the open exchange-traded futures contract.

## 13. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

	Note	2023 RM	2022 RM
Unit holders' contribution	(a)	<u>2,000,000</u>	<u>2,000,000</u>
<u>Accumulated losses:</u>			
Realised deficits		(68,792)	(77,454)
Unrealised reserves/(deficits)		<u>3,900</u>	<u>(22,100)</u>
		<u>(64,892)</u>	<u>(99,554)</u>
		<u>1,935,108</u>	<u>1,900,446</u>

### (a) Unit holders' contribution

	2023		2022	
	No. of units	RM	No. of units	RM
At beginning/end of the financial year	<u>1,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>

The Manager, Kenanga Investors Berhad, did not hold any units in the Fund, either legally or beneficially, as at 31 December 2023 (2022: nil). The number of units legally or beneficially held by the other parties related to the Manager were 651,200 units valued at RM1,260,131 as at 31 December 2023 (2022: 788,200 units valued at RM1,497,932).

#### 14. PORTFOLIO TURNOVER RATIO (“PTR”)

PTR for the financial year is 12.05 times (2022: 12.41 times).

PTR is the ratio of average sum of acquisitions and disposals of investments of the Fund for the financial year to the average NAV of the Fund, calculated on a daily basis.

#### 15. TOTAL EXPENSE RATIO (“TER”)

TER for the financial year is 0.81% per annum (2022: 1.04% per annum).

TER is the ratio of total fees and recovered expenses of the Fund expressed as a percentage of the Fund’s average NAV, calculated on a daily basis.

#### 16. TRANSACTIONS WITH LICENSED FINANCIAL INSTITUTIONS

	Transaction value RM	Percentage of total %	Brokerage, stamp duty and clearing fee RM	Percentage of total %
Kenanga Futures Sdn Bhd*	47,213,000	100.0	4,843	100.0

\* Kenanga Futures Sdn Bhd is a related party of Kenanga Investors Berhad.

The above transaction values are in respect of listed derivatives (future contracts).

The directors of the Manager are of the opinion that the transactions with the related party have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The Manager is of the opinion that the above dealings have been transacted on an arm’s length basis.

## 17. SEGMENTAL REPORTING

### a. Business segments

In accordance with the objective of the Fund, up to 70% of the Fund's NAV is to be committed as margin for futures contracts with the remaining balance in other liquid assets. The following table provides an analysis of the Fund's revenue, results, assets and liabilities by business segments:

	<b>Listed derivatives RM</b>	<b>Other investments RM</b>	<b>Total RM</b>
<b>2023</b>			
<b>Revenue</b>			
Segment income	11,973	46,677	
Segment expenses	<u>(4,843)</u>	<u>-</u>	
Net segment income representing segment results	<u>7,130</u>	<u>46,677</u>	53,807
Unallocated expenditure			<u>(15,833)</u>
Income before tax			37,974
Income tax			<u>(3,312)</u>
Net Income after tax			<u>34,662</u>
<b>Assets</b>			
Financial assets at FVTPL	3,900	-	
Short term deposits	-	1,350,368	
Other segment assets	<u>-</u>	<u>105</u>	
Total segment assets	<u>3,900</u>	<u>1,350,473</u>	1,354,373
Unallocated assets			<u>583,060</u>
			<u>1,937,433</u>
<b>Liabilities</b>			
Unallocated liabilities			<u>2,325</u>
			<u>2,325</u>

## 17. SEGMENTAL REPORTING (CONTD.)

### a. Business segments (contd.)

	Listed derivatives RM	Other investments RM	Total RM
<b>2022</b>			
<b>Revenue</b>			
Segment income	14,960	29,429	
Segment expenses	<u>(4,653)</u>	<u>-</u>	
Net segment income representing segment results	<u>10,307</u>	<u>29,429</u>	39,736
Unallocated expenditure			<u>(19,884)</u>
Income before tax			19,852
Income tax			<u>(302)</u>
Net income after tax			<u>19,550</u>
<b>Assets</b>			
Short term deposits	-	1,348,981	
Cash in margin account	558,852	-	
Other segment assets	<u>-</u>	<u>97</u>	
Total segment assets	<u>558,852</u>	<u>1,349,078</u>	1,907,930
Unallocated assets			<u>16,075</u>
			<u>1,924,005</u>
<b>Liabilities</b>			
Financial liabilities at FVTPL	<u>22,100</u>	<u>-</u>	22,100
Unallocated liabilities			<u>1,459</u>
			<u>23,559</u>

### b. Geographical segments

As all of the Fund's investments are located in Malaysia, disclosure by geographical segments is not relevant.



## 18. FINANCIAL INSTRUMENTS

### a. Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The material accounting policy information in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position by the class of financial instruments to which they are assigned and therefore, by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
<b>2023</b>				
<b>Assets</b>				
Listed derivatives	3,900	-	-	3,900
Short term deposits	-	1,350,368	-	1,350,368
Amount due from Manager	-	18,870	-	18,870
Other receivables	-	5,183	-	5,183
Cash in margin account	-	549,113	-	549,113
Cash at banks	-	9,999	-	9,999
	<u>3,900</u>	<u>1,933,533</u>	<u>-</u>	<u>1,937,433</u>
<b>Liabilities</b>				
Amount due to Trustee	-	-	126	126
Amount due to Index Provider	-	-	795	795
	<u>-</u>	<u>-</u>	<u>921</u>	<u>921</u>

## 18. FINANCIAL INSTRUMENTS (CONTD.)

### a. Classification of financial instruments (contd.)

	Financial liabilities at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
<b>2022</b>				
<b>Assets</b>				
Short term deposits	-	1,348,981	-	1,348,981
Amount due from Manager	-	298	-	298
Other receivables	-	4,597	-	4,597
Cash in margin account	-	558,852	-	558,852
Cash at banks	-	10,243	-	10,243
	-	<u>1,922,971</u>	-	<u>1,922,971</u>
<b>Liabilities</b>				
Listed derivatives	22,100	-	-	22,100
Amount due to Trustee	-	-	329	329
Amount due to Index Provider	-	-	957	957
	<u>22,100</u>	-	<u>1,286</u>	<u>23,386</u>

### b. Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value.

The following table shows the fair value measurements by level of the fair value measurement hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Investments:</b>				
<b>2023</b>				
Listed derivatives	<u>3,900</u>	<u>-</u>	<u>-</u>	<u>3,900</u>
<b>2022</b>				
Listed derivatives	<u>(22,100)</u>	<u>-</u>	<u>-</u>	<u>(22,100)</u>

Level 1: Listed prices in active market

Level 2: Model with all significant inputs which are observable market data

Level 3: Model with inputs not based on observable market data

## **18. FINANCIAL INSTRUMENTS (CONTD.)**

### **b. Financial instruments that are carried at fair value (contd.)**

The fair values of listed derivatives are determined by reference to Bursa Malaysia Securities Berhad's market closing prices at reporting date.

### **c. Financial instruments not carried at fair value and for which their carrying amounts are reasonable approximations of fair value**

The carrying amounts of the Fund's other financial assets and financial liabilities are not carried at fair value but approximate fair values due to the relatively short term maturity of these financial instruments.

## **19. CAPITAL MANAGEMENT**

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- a. To invest in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- b. To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- c. To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial years.

## DIRECTORS' PROFILE

<b>Name</b>	<b>Choi Khai Choon</b>
<b>Age</b>	66
<b>Gender</b>	Male
<b>Nationality</b>	Malaysian
<b>Position</b>	Chairman/ Non-Independent Non-Executive Director ("NINED")
<b>Date of Appointment</b>	1 April 2023
<b>Membership of Board Committee(s)</b>	Nil
<b>Directorship of Other Public Companies</b>	<ul style="list-style-type: none"> <li>• Kenanga Investment Bank Berhad ("KIBB")</li> <li>• Zurich Life Insurance Malaysia Berhad</li> <li>• Zurich General Insurance Malaysia Berhad</li> <li>• MSM Malaysia Holdings Berhad</li> <li>• Hap Seng Plantation Holdings Berhad</li> </ul>
<b>Length of Tenure as Director</b> (As at 31 December 2023)	Eight (8) Months
<b>Number of Board Meetings Attended in the Financial Year</b> (January 2023 to December 2023)	Six (6)/ Six (6) (100%)
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Master in Business Administration, Oklahoma University, USA</li> <li>• Bachelor Degree in Commerce, University New South Wales, Australia</li> <li>• Attended the General Management Programme, INSEAD, France</li> <li>• Fellow Member, Certified Practising Accountant, Australia</li> <li>• Member, Malaysian Institute of Accountants</li> </ul>
<b>Present Appointments</b>	<ul style="list-style-type: none"> <li>• NINED of KIBB</li> <li>• Member the Group Governance, Nomination &amp; Compensation Committee, KIBB</li> <li>• Member of the Group Board Risk Committee of KIBB</li> <li>• Member of the Group Board Digital Innovation &amp; Technology Committee of KIBB</li> <li>• Chairman/ NINED of Zurich Life Insurance Malaysia Berhad ("Zurich Life Insurance"), a Member of the Audit Committee ("AC"), Board Investment Committee, Risk Management and Sustainability Committee, and Nomination and Remuneration ("NRC") Committee of Zurich Life Insurance</li> <li>• Chairman/ NINED of Zurich General Insurance Malaysia Berhad ("Zurich General Insurance"), a Member of the AC, Board Investment Committee, Risk Management and Sustainability Committee and NRC of Zurich General Insurance</li> <li>• Independent Non-Executive Director ("INED") of MSM Malaysia Holdings Berhad ("MSM Malaysia"), the Chairman of the Audit, Governance and Risk Committee and a member of the Investment Tender of MSM Malaysia</li> <li>• INED of Hap Seng Plantations Holdings Berhad ("HSP") and a member of the Audit Committee of HSP</li> </ul>

<b>Present Appointments (contd.)</b>	<ul style="list-style-type: none"> <li>• NINED Chairman of Asian Banking School Sdn Bhd</li> <li>• Non-Executive Director of Bond &amp; Sukuk Information Platform Sdn Bhd</li> <li>• Authority Member and Chairman of the Audit Risk Management Committee of the Labuan Financial Services Authority</li> </ul>
<b>Past Relevant Experiences</b>	<ul style="list-style-type: none"> <li>• Senior INED, the Chairman of the Board AC and a Member of the Nomination &amp; Remuneration Committee of Malaysia Marine and Heavy Engineering Holding Berhad</li> <li>• Public Interest Director, the Chairman of the Nomination and Remuneration Committee and the Chairman of the Private Retirement Scheme Sub-Committee of Federation of Investment Managers Malaysia</li> <li>• Deputy Chairman/INED and the Chairman of the AC and the NRC, of Deutsche Bank (Malaysia) Berhad</li> <li>• President/Chief Executive Officer (“CEO”) of Cagamas Berhad</li> <li>• Senior General Manager of RHB Banking Group</li> <li>• CEO of Morley Fund Management Ltd, Singapore</li> <li>• Regional Finance &amp; Planning Director, Asia of Aviva Insurance Asia Ltd</li> <li>• General Manager (“GM”) and Assistant GM of Commercial Union Assurance Berhad</li> <li>• Senior Manager, Strategic Planning and Manager, Commercial Division of Credit Corporation Malaysia Berhad</li> <li>• Operations Manager of Pizza Hut Division of Ben &amp; Company Ltd</li> <li>• Liaison Officer of Clark Credit Equipment Ltd, Sydney, Australia</li> </ul>
<b>Family relationship with any Director and/or major shareholder</b>	Nil
<b>Conflict of interest with the Fund</b>	Nil
<b>List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences</b>	Nil

<b>Name</b>	<b>Imran Devindran Abdullah</b>
<b>Age</b>	57
<b>Gender</b>	Male
<b>Nationality</b>	Malaysian
<b>Position</b>	Independent Non-Executive Director (“INED”)
<b>Date of Appointment</b>	1 June 2015
<b>Membership of Board Committee(s)</b>	<ul style="list-style-type: none"> <li>• Chairman of the Audit and Risk Committee</li> <li>• Member of the Investment Committee (“IC”)</li> </ul>

<b>Directorship of Other Public Companies</b>	Nil
<b>Length of Tenure as Director</b> (As at 31 December 2023)	Nine (9) Years and Two (2) Months
<b>Number of Board Meetings Attended in the Financial Year</b> (January 2023 to December 2023)	Seven (7)/ Seven (7) (100%)
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>Admitted to the Malaysian Bar, High Court Malaya</li> <li>Certificate of Legal Practice, University of Malaya</li> <li>Honours Bachelor of Law (1988), University of Buckingham, England</li> <li>GCE A-Levels, Raffles Junior College, Singapore</li> </ul>
<b>Present Appointments</b>	<ul style="list-style-type: none"> <li>INED of I-VCAP Management Sdn Bhd</li> <li>Senior Associate of BH Lawrence &amp; Co, Advocates and Solicitors</li> </ul>
<b>Experience</b>	<ul style="list-style-type: none"> <li>INED of Libra Invest Berhad (“LIB”)</li> <li>Member of the Investment Committee of LIB</li> <li>Partner in Imran Shahareen &amp; Co.</li> <li>Legal Assistant of Messrs. Miranda &amp; Co.</li> <li>Legal Assistant of Dass, Jainab &amp; Associate</li> <li>Legal Assistant of Messrs. Riza, Leong &amp; Partners</li> </ul>
<b>Family relationship with any Director and/or major shareholder</b>	Nil
<b>Conflict of interest with the Fund</b>	Nil
<b>List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences</b>	Nil

<b>Name</b>	<b>Norazian Binti Ahmad Tajuddin</b>
<b>Age</b>	63
<b>Gender</b>	Female
<b>Nationality</b>	Malaysian
<b>Position</b>	Independent Non-Executive Director (“INED”)
<b>Date of Appointment</b>	1 March 2019
<b>Membership of Board Committee(s)</b>	<ul style="list-style-type: none"> <li>Member of the Investment Committee</li> <li>Member of the Audit and Risk Committee</li> </ul>
<b>Directorship of Other Public Companies</b>	<ul style="list-style-type: none"> <li>Kenanga Investment Bank Berhad (“KIBB”)</li> <li>Kenanga Islamic Investors Berhad (“KIIB”)</li> </ul>
<b>Length of Tenure as Director</b> (As at 31 December 2023)	Four (4) Years and Nine (9) Months
<b>Number of Board Meetings Attended in the Financial Year</b> (January 2023 to December 2023)	Seven (7)/ Seven (7) (100%)

<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor of Science (Honours) in Mathematics from the University of Leeds, United Kingdom</li> <li>• Master of Business Administration (Finance) from the Edith Cowan University, Australia</li> </ul>
<b>Present Appointments</b>	<ul style="list-style-type: none"> <li>• INED of KIBB</li> <li>• Member of the Group Governance, Nomination &amp; Compensation Committee, KIBB</li> <li>• Chairman of the Group Board Risk Committee, KIBB</li> <li>• Member of the Audit Committee, KIBB</li> <li>• Member of the Employees' Share Scheme Committee, KIBB</li> <li>• INED of KIIB, a wholly owned subsidiary of KIB</li> <li>• INED of I-VCAP Management Sdn Bhd, a wholly owned subsidiary of KIB</li> </ul>
<b>Past Relevant Experiences</b>	<ul style="list-style-type: none"> <li>• Chairman of the Board of KIB</li> <li>• Chairman of the Group Governance, Nomination &amp; Compensation Committee and the Employees' Share Scheme Committee as well as Member of the Group Board Digital Innovation &amp; Technology Committee, KIBB</li> <li>• Chairman and Independent Non-Executive Director of Pacific &amp; Orient Insurance Co. Berhad ("POI"), a subsidiary of Pacific &amp; Orient Berhad</li> <li>• Member of the Nomination Committee, Remuneration Committee, as well as the Audit Committee and Risk Management Committee of POI</li> <li>• Non-Independent Non-Executive Director and Member of the Risk Management Committee and Nomination &amp; Remuneration Committee of Prudential BSN Takaful Bhd</li> <li>• Deputy Chief Executive Officer of Bank Simpanan Nasional Berhad</li> <li>• Manager, Treasury of Daimlerchrysler (M) Sdn Bhd</li> <li>• Assistant General Manager, Treasury of KAF Discount Bhd</li> <li>• Deputy Chief Operating Officer, Group Treasury &amp; International Banking of EON Bank Berhad Group</li> <li>• Senior Dealer, Treasury of Bank Bumiputra (M) Bhd</li> </ul>
<b>Family relationship with any Director and/or major shareholder</b>	Nil
<b>Conflict of interest with the Fund</b>	Nil
<b>List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences</b>	Nil

<b>Name</b>	<b>Luk Wai Hong, William</b>
<b>Age</b>	59
<b>Gender</b>	Male
<b>Nationality</b>	Hong Kong

<b>Position</b>	Non-Independent Non-Executive Director (“NINED”)
<b>Date of Appointment</b>	<ul style="list-style-type: none"> <li>• 12 April 2021 (Independent Non-Executive Director (“INED”))</li> <li>• 1 November 2022 (Re-Designated as a NINED)</li> </ul>
<b>Membership of Board Committee(s)</b>	<ul style="list-style-type: none"> <li>• Chairman of the Investment Committee</li> <li>• Member of the Audit and Risk Committee</li> </ul>
<b>Directorship of Other Public Companies</b>	<ul style="list-style-type: none"> <li>• Kenanga Investment Bank Berhad (“KIBB”)</li> <li>• Cotton Tree Capital Ltd</li> </ul>
<b>Length of Tenure as Director</b> (As at 31 December 2023)	Two (2) Years and Eight (8) Months
<b>Number of Board Meetings Attended in the Financial Year</b> (January 2023 to December 2023)	Seven (7)/ Seven (7) (100%)
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Executive Fellowship awarded by the State of Washington, United States of America (“USA”)</li> <li>• Master of Urban Planning from University of Michigan, USA</li> <li>• Bachelor of Arts (Honors) from Concordia University, Canada</li> </ul>
<b>Present Appointments</b>	<ul style="list-style-type: none"> <li>• NINED of KIBB</li> <li>• Member of the Group Board Risk Committee, KIBB</li> <li>• Member of the Group Board Digital Innovation &amp; Technology Committee, KIBB</li> <li>• Chairman / NINED of i-VCAP Management Sdn Bhd</li> <li>• Non-Executive Director of 1.57 Pte Ltd</li> <li>• Director of Investment of Cotton Tree Capital Ltd</li> <li>• Non-Executive Director of Far East Mining Pte Ltd</li> </ul>
<b>Past Relevant Experiences</b>	<ul style="list-style-type: none"> <li>• Member of the Employees’ Share Scheme Committee, KIBB</li> <li>• Member of the Group Governance, Nomination &amp; Compensation Committee, KIBB</li> <li>• Member of the Audit Committee, KIBB</li> <li>• INED, K &amp; N Kenanga Holdings Berhad</li> <li>• Non-Executive Director of Rakuten Trade Singapore Pte Ltd (Formerly known as Kenanga Singapore Pte Ltd)</li> <li>• Principal and Portfolio Manager of Pacific Advantage Capital, Hong Kong and Singapore</li> <li>• Managing Director and Co-Head of Saba Proprietary Trading Group Asia, Deutsche Bank AG, Hong Kong</li> <li>• Managing Director and Co-Head of Global Credit Trading and Principal Finance Asia, Deutsche Bank AG, Singapore</li> <li>• Director and Head of Structured Credit Trading and Principal Finance Asia, Deutsche Bank AG, Singapore</li> <li>• Senior Associate Director and Senior Credit and Derivatives Trader, Deutsche Bank AG, Singapore</li> <li>• Senior Fixed Income Trader, HSBC Markets, Hong Kong</li> <li>• Fixed Income and Credit Trader, Lehman Brothers Asia, Hong Kong and Japan</li> <li>• Executive Fellow and Transportation Finance Specialist, Office of Financial Management, State of Washington, USA</li> </ul>
<b>Family relationship with any Director and/or major shareholder</b>	Nil



<b>Conflict of interest with the Fund</b>	Nil
<b>List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences</b>	Nil

<b>Name</b>	<b>Norazilla Binti Md Tahir</b>
<b>Age</b>	57
<b>Gender</b>	Female
<b>Nationality</b>	Malaysian
<b>Position</b>	Independent Non-Executive Director (“INED”)
<b>Date of Appointment</b>	2 January 2024
<b>Membership of Board Committee(s)</b>	<ul style="list-style-type: none"> <li>Member of the Audit and Risk Committee</li> <li>Member of the Investment Committee</li> </ul>
<b>Directorship of Other Public Companies</b>	<ul style="list-style-type: none"> <li>Citibank Bank Berhad (“Citibank”)</li> <li>Genting Malaysia Berhad (“Genting Malaysia”)</li> <li>Bank Pembangunan Malaysia Berhad (“BPMB”)</li> <li>Global Maritime Ventures Berhad (“Global Maritime”)</li> <li>BI Credit &amp; Leasing Berhad (“BI Credit &amp; Leasing”)</li> </ul>
<b>Length of Tenure as Director</b> (As at 31 December 2023)	Not Applicable
<b>Number of Board Meetings Attended in the Financial Year</b> (January 2023 to December 2023)	Not Applicable
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>Bachelor of Arts (Honours) in Accountancy, University of Stirling, Scotland, United Kingdom</li> <li>Fellow Chartered Accountant, Institute of Chartered Accountants in England and Wales, United Kingdom</li> <li>Chartered Accountant, Malaysian Institute of Accountants, Malaysia</li> </ul>
<b>Present Appointments</b>	<ul style="list-style-type: none"> <li>INED of Citibank</li> <li>Chairman of the Audit Committee of Citibank</li> <li>Member of the Nominations and Compensation Committee of Citibank</li> <li>Member of the Risk Management Committee of Citibank</li> <li>INED of Genting Malaysia</li> <li>INED of BPMB</li> <li>INED of Global Maritime</li> <li>INED of BI Credit &amp; Leasing</li> <li>INED of Pembangunan Leasing Corporation Sdn Bhd</li> <li>INED of PLC Credit &amp; Factoring Sdn Bhd</li> </ul>
<b>Past Relevant Experiences</b>	<ul style="list-style-type: none"> <li>INED of Etiqa Life Insurance Berhad</li> <li>INED of Amanah Raya Berhad</li> <li>INED AmanahRaya Trustees Berhad</li> </ul>

<b>Past Relevant Experiences (contd.)</b>	<ul style="list-style-type: none"> <li>• Chief Financial Officer (“CFO”) of Cagamas Berhad</li> <li>• Head of Finance of RHB Islamic Bank Berhad</li> <li>• CFO of Scomi Marine Berhad</li> <li>• Head of Finance of Asian Finance Bank Berhad</li> <li>• CFO of Al Rajhi Banking &amp; Investment Corporation (Malaysia)</li> <li>• Finance Director of Universal Music Sdn Bhd</li> </ul>
<b>Family relationship with any Director and/or major shareholder</b>	Nil
<b>Conflict of interest with the Fund</b>	Nil
<b>List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences</b>	Nil

<b>Name</b>	<b>Datuk Wira Ismitz Matthew De Alwis</b>
<b>Age</b>	50
<b>Gender</b>	Male
<b>Nationality</b>	Malaysian
<b>Position</b>	Executive Director/Chief Executive Officer
<b>Date of Appointment</b>	12 August 2014
<b>Membership of Board Committee(s)</b>	Member of the Investment Committee (“IC”)
<b>Directorship of Other Public Companies</b>	<ul style="list-style-type: none"> <li>• Kenanga Islamic Investors Berhad (“KIIB”)</li> <li>• Kenanga Trustees Berhad (Formerly Known as Kenanga Fund Berhad) (“KTB”)</li> <li>• Federation of Investment Managers Malaysia (“FIMM”)</li> </ul>
<b>Length of Tenure as Director (As at 31 December 2023)</b>	Nine (9) Years and Four (4) Months
<b>Number of Board Meetings Attended in the Financial Year (January 2023 to December 2023)</b>	Seven (7)/ Seven (7) (100%)
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Islamic Financial Planner, Islamic Business &amp; Finance Institute Malaysia</li> <li>• Cambridge Summer School Programme-Executive Programme, Asian Banking School, University of Cambridge</li> <li>• Advanced Business Management Program, International Institute of Management Development, Lausanne, Switzerland</li> <li>• Capital Markets Services Representative’s Licence for Fund Management, Securities Commission Malaysia</li> <li>• Certified Financial Planner, U.S.</li> <li>• Person Dealing Unit Trust, Federation of Malaysian Unit Trust Manager</li> </ul>

<b>Academic Qualifications (contd.)</b>	<ul style="list-style-type: none"> <li>• Master in Business Administration with Distinction, Southern Cross University Australia</li> <li>• Graduate Diploma in Marketing (UK), Chartered Institute of Marketing, United Kingdom</li> </ul>
<b>Present Appointments</b>	<ul style="list-style-type: none"> <li>• Non-Executive Director of I-VCAP Management Sdn Bhd</li> <li>• Non-Executive Director of KIIB</li> <li>• Non-Executive Director of KTB</li> <li>• Non-Executive Director of KUT Nominees (Asing) Sdn Bhd</li> <li>• Non-Executive Director of KUT Nominees (Tempatan) Sdn Bhd</li> <li>• Board Member of FIMM</li> <li>• Chairperson of the Malaysia Association of Asset Managers (MAAM)</li> <li>• Vice Chairman of the Institutional Investors Council Malaysia (IIC)</li> <li>• Member of Securities Market Consultative Panel, Bursa Malaysia Berhad</li> <li>• Member of the Joint Committee (Bank Negara Malaysia and Securities Commission Malaysia) on Climate Change (JC3)</li> <li>• Member of the Sustainable Investment Platform Steering Committee – Malaysia Sustainable Investment Initiative</li> <li>• Member of the Industry Competency Framework Advisory Panel for the Malaysian Capital Market, Security Industry Development Corporation</li> <li>• Member of the Licensing Examinations Review Committee for the Securities Commission Malaysia’s Licensing Examination Module 10: Asset &amp; Funds Management</li> <li>• Investment Adviser for the Olympic Council of Malaysia’s Trust Management Committee</li> <li>• Investment Adviser to Kebawah Duli Yang Teramat Mulia Tengku Mahkota Pahang Children Trust</li> <li>• Chairman of the Investment Advisory Committee for Ericsenz Capital Pte Ltd (Singapore) on Ericsenz-K2 Global Unicorn Fund II</li> <li>• Chairman of the Investment Advisory Committee for Ericsenz Capital Pte Ltd (Singapore) on Ericsenz Frontier Fund</li> </ul>
<b>Past Relevant Experiences</b>	<ul style="list-style-type: none"> <li>• President of the Board of Governors for the Financial Planning Association of Malaysia</li> <li>• Member of the FTSE Bursa Malaysia Index Advisory Committee</li> <li>• Non-Executive Director of Libra Invest Berhad (“LIB”)</li> <li>• Member of the IC of LIB</li> <li>• Deputy Chief Executive Officer of KIB</li> <li>• Executive Director/Country Head of ING Investment Management Malaysia/ ING Funds Berhad</li> <li>• Senior Vice President, Head, Business Development of ING Funds Berhad</li> <li>• Vice President-Head, Retail Distribution of ING Funds Berhad</li> <li>• Assistant Vice President – Head, Agency Channel of ING Funds Berhad</li> </ul>

<b>Past Relevant Experiences (contd.)</b>	<ul style="list-style-type: none"> <li>• Senior Manager – Marketing and Business Development of ING Insurance Berhad/ING Funds Berhad</li> <li>• Head Sales &amp; Marketing of MBF Unit Trust Management Berhad</li> <li>• Senior Manager, Investment Services of MBF Cap/MBF Asset Management</li> <li>• Asia Pacific Relationship Manager/ Account Director of ARA (Asia Research &amp; Consultancy) Consultancy Ltd</li> </ul>
<b>Family relationship with any Director and/or major shareholder</b>	Nil
<b>Conflict of interest with the Fund</b>	Nil
<b>List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences</b>	Nil

## DIRECTORS' TRAINING

Director	Program Title and Organiser	Date
Choy Khai Choon	Can America Stop China's Rise? Will ASEAN Be Damaged by FIDE FORUM	12 January 2023
	Fatca Professional Services Briefing For Kenanga Investment Bank Berhad	10 May 2023
	Understanding the impact of Digital Transformation in the Financial Industry: What Board Members Need to Know by FIDE FORUM	13 June 2023
	Kenanga's Directors' In-House Training - ESG: Principles of Responsible Investment and Carbon Market by AGV Sustainability	7 July 2023
	Bursa 2023 Market Intermediaries and Advocacy Programme: Understanding Cybersecurity by Bursa Academy	11 July 2023
	Anti Money Laundering, Anti Terrorism Financing & Anti Proliferation Financing – Board of Directors Briefing – Kenanga Group by Nature of Life Trading Sdn Bhd	3 August 2023
	CMDP Module 2B: Business Challenged and Regulatory Expectations – What Directors Need to Know (Fund Management) by Securities Industry Development	21 August 2023
	Navigating Sustainability Reporting in Corporate Malaysia by PWC.	4 September 2023
	Sharing Session with Directors of Kenanga Group on Latest Developments and Trends of Anti-Money Laundering in Malaysia by Datuk Mohamad Zamri Zainul Abidin, Director of Anti-Money Laundering Division, Malaysian Anti-Corruption Commission	7 September 2023
	Mandatory Accreditation Programme Part II: Leading for Impact	19 - 20 September 2023
	Distinguished Board Leadership Series 2023 - Empowering Change Through Diversity, Equity and Inclusion (DEI) by FIDE Forum	2 November 2023
	Directors' In-House Training - Cybersecurity Awareness for Kenaga Group's Board of Directors by Netassist	6 November 2023
	Singapore Fintech Festival 2023	15 - 17 November 2023

<b>Director</b>	<b>Program Title and Organiser</b>	<b>Date</b>
<b>Norazian Binti Ahmad Tajuddin</b>	Can America Stop China's Rise? Will ASEAN Be Damaged by FIDE FORUM	12 January 2023
	Suite Talk: Governing into the Future by Securities Industry Development Corporation ("SIDC")	8 March 2023
	A 60-Minute Crisis Management - A guide for Board Members - Institute of Corporate Directors Malaysia ("ICDM")	22 March 2023
	Transformational Governance: Driving Responsible Business Conduct by UN Global Compact ("UNGC") Academy	27 March 2023
	The Net-Zero Standard by UNGC Academy	7 April 2023
	Navigating The ESG Risk In the Supply Chain by ICDM	11 April 2023
	FATCA Professional Services Briefing for Kenanga Investment Bank Berhad	10 May 2023
	Board Audit Committee ("BAC") Dialogue & Networking 2023 by ICDM	6 June 2023
	Understanding the impact of Digital Transformation in the Financial Industry: What Board Members Need to Know by FIDE FORUM	13 June 2023
	Kenanga's Directors' In-House Training - ESG: Principles of Responsible Investment and Carbon Market by AGV Sustainability	7 July 2023
	Bursa 2023 Market Intermediaries and Advocacy Programme: Understanding Cybersecurity by Bursa Academy	11 July 2023
	Anti Money Laundering, Anti Terrorism Financing & Anti Proliferation Financing – Board of Directors Briefing – Kenanga Group by Nature of Life Trading Sdn Bhd	3 August 2023
	Sharing Session with Directors of Kenanga Group on Latest Developments and Trends of Anti-Money Laundering in Malaysia by Datuk Mohamad Zamri Zainul Abidin, Director of Anti-Money Laundering Division, Malaysian Anti-Corruption Commission	7 September 2023
	In-house training for Directors on the topic of Sukuk Mudharabah Structure and Purchase Undertaking Mechanism	11 October 2023
Mandatory Accreditation Programme Part II: Leading for Impact	16 - 17 October 2023	

<b>Director</b>	<b>Program Title and Organiser</b>	<b>Date</b>
<b>Norazian Binti Ahmad Tajuddin(contd.)</b>	JC3 Journey to Zero Conference 2023 by Joint Committee on Climate Change (“JC3”) the event which has been co chaired by Bank Negara Malaysia and Securities Commission Malaysia	23 - 25 October 2023
	Directors’ In-House Training - Cybersecurity Awareness for Kenaga Group’s Board of Directors by Netassist	6 November 2023
	BNM-FIDE FORUM Virtual Dialogue	22 November 2023
<b>Luk Wai Hong, William</b>	Fatca Professional Services Briefing For Kenanga Investment Bank Berhad	10 May 2023
	Understanding the impact of Digital Transformation in the Financial Industry: What Board Members Need to Know by FIDE FORUM	13 June 2023
	Kenanga’s Directors’ In-House Training - ESG: Principles of Responsible Investment and Carbon Market by AGV Sustainability	7 July 2023
	Anti Money Laundering, Anti Terrorism Financing & Anti Proliferation Financing – Board of Directors Briefing – Kenanga Group by Nature of Life Trading Sdn Bhd	3 August 2023
	Sharing Session with Directors of Kenanga Group on Latest Developments and Trends of Anti-Money Laundering in Malaysia by Datuk Mohamad Zamri Zainul Abidin, Director of Anti-Money Laundering Division, Malaysian Anti-Corruption Commission	7 September 2023
	Mandatory Accreditation Programme Part II: Leading for Impact	19 - 20 September 2023
	Directors’ In-House Training - Cybersecurity Awareness for Kenaga Group’s Board of Directors by Netassist	6 November 2023
	Singapore Fintech Festival 2023	15 - 17 November 2023
<b>Imran Devindran Bin Abdullah</b>	Suite Talk: Governing into the Future by Securities Industry Development Corporation (“SIDC”)	8 March 2023
	Suite Talk: Inside Stories of Sustainability Champions by SIDC	10 May 2023
	Kenanga’s Directors’ In-House Training - ESG: Principles of Responsible Investment and Carbon Market by AGV Sustainability	7 July 2023

<b>Director</b>	<b>Program Title and Organiser</b>	<b>Date</b>
<b>Imran Devindran Bin Abdullah (contd.)</b>	Anti Money Laundering, Anti Terrorism Financing & Anti Proliferation Financing – Board of Directors Briefing – Kenanga Group by Nature of Life Trading Sdn Bhd	3 August 2023
	Sharing Session with Directors of Kenanga Group on Latest Developments and Trends of Anti-Money Laundering in Malaysia by Datuk Mohamad Zamri Zainul Abidin, Director of Anti-Money Laundering Division, Malaysian Anti-Corruption Commission	7 September 2023
	Directors' In-House Training - Cybersecurity Awareness for Kenanga Group's Board of Directors by Netassist	6 November 2023
<b>Datuk Wira Ismitz Matthew De Alwis</b>	Cybersecurity Awareness Training Part 1- 2023 (Fake Profile Friend Request) by UES E-Solutions Sdn Bhd	11 January 2023
	Cybersecurity Awareness Training Part 2- 2023 (Insider Threats) by UES E-Solutions Sdn Bhd	15 February 2023
	Monday Must-Know Quiz 01/2023: Business Ethics by Group Regulatory & Corporate Services	6 March 2023
	Invest Malaysia - Reshaping Malaysia's Narrative (Series 1: Strengthening Resilience & Sustaining Growth) by Bursa Malaysia	8 March 2023
	Cybersecurity Awareness Training Part 4- 2023 (Identity Protection) by UES E-Solutions Sdn Bhd	13 April 2023
	Monday Must-Know Quiz 02/2023: What is Financial Crime? by Group Regulatory & Corporate Services	8 May 2023
	Cybersecurity Awareness Training Part 5- 2023 (Catphishing) by UES E-Solutions Sdn Bhd	16 May 2023
	International Institutional Investor Series (IIIS) 2023 by MAAM	15 June 2023
	Sustainable And Responsible Investment (SRI) Virtual Conference 2023 by Securities Industry Development Corporation	21 June 2023
	13th PhillipCapital Investment Conference 2023 by Philip Capital	15 July 2023
	Cybersecurity Awareness Training Part 7- 2023 (401 Chaos) by UES E-Solutions Sdn Bhd	17 July 2023
Monday Must-Know Quiz 03/2023: Kenanga Group's Speak Up Framework by Group Regulatory & Corporate Services	7 August 2023	



<b>Director</b>	<b>Program Title and Organiser</b>	<b>Date</b>
<b>Datuk Wira Ismitz Matthew De Alwis (contd.)</b>	Cybersecurity Awareness Training Part 8 - 2023 (Bad Passwords) by UES E-Solutions Sdn Bhd	11 August 2023
	SIDC Business Foresight Forum (BFF) 2023 By SIDC	13 September 2023
	Monday Must-Know Quiz 04/2023: Group Gifts, Entertainment or Hospitality ("GEH") Policy by Group Regulatory & Corporate Services	2 October 2023
	Cybersecurity Awareness Training Part 10 - 2023 (Clone Fishing) by UES E-Solutions Sdn Bhd	16 October 2023
	Operational Risk Management E-learning Module 1 by Skillcast Connect	8 November 2023
	The Virtual Industry: Professional & Ethics Forum 2023 by MFPC	8 November 2023
	8th Annual Regulatory Seminar by Group Regulatory & Corporate Services	14 November 2023
	Cybersecurity Awareness Training Part 11- 2023 (Credential Hygiene) by UES E-Solutions Sdn Bhd	20 November 2023
	MFPC Webinar: Retirement Planning by MFPC	23 November 2023
How to avoid Scams & Get Rich Quick Schemes by FPAM	25 November 2023	

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