

# KENANGA KLCI DAILY 2X LEVERAGED ETF

## ANNUAL REPORT

For the Financial Year Ended 31 December 2024

# kenanga

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



# KENANGA KLCI DAILY 2X LEVERAGED 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: [oneetf@kenanga.com.my](mailto:oneetf@kenanga.com.my)  
Website: [www.oneetf.com.my](http://www.oneetf.com.my)

### Board of Directors

Choy Khai Choon, Steven (**Chairman, Non-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

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: 03-2302 8252  
Fax: 03-2302 8298

### Business Office

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Tel: 03-2302 8264  
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Email: [rhbt.ut@rhbgroup.com](mailto:rhbt.ut@rhbgroup.com)  
Website: [www.rhbgroup.com](http://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. 225, Sec. 3, Nanjing E.Rd., Taipei City 104 Taiwan.

## DIRECTORY OF MANAGER'S OFFICES

### Regional Branch Offices:

#### **Kuala Lumpur**

Ground Floor, 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: 06-240 2310  
Fax: 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**

Lot 507 & Lot 508, Ground Floor  
Jalan Permaisuri  
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**

Suite 9 & 10, 3rd Floor, Yung Kong Abell  
Lot 365 Abell Road  
93100 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  
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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  
47810 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 2x Leveraged ETF (**KKL2X** or **the Fund**)

## 1.2 Fund Category / Type

Exchange-traded Fund / Leveraged 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 (1) 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 2x Daily Leveraged (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 2024

Size of holdings	No. of unit holders	No. of units held
Less than 100	-	-
100 - 1,000	1	500
1,001 - 10,000	4	9,700
10,001 - 100,000	4	115,200
100,001 - < 5% *	-	-
> = 5% *	1	874,600
<b>Total</b>	<b>10</b>	<b>1,000,000</b>

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

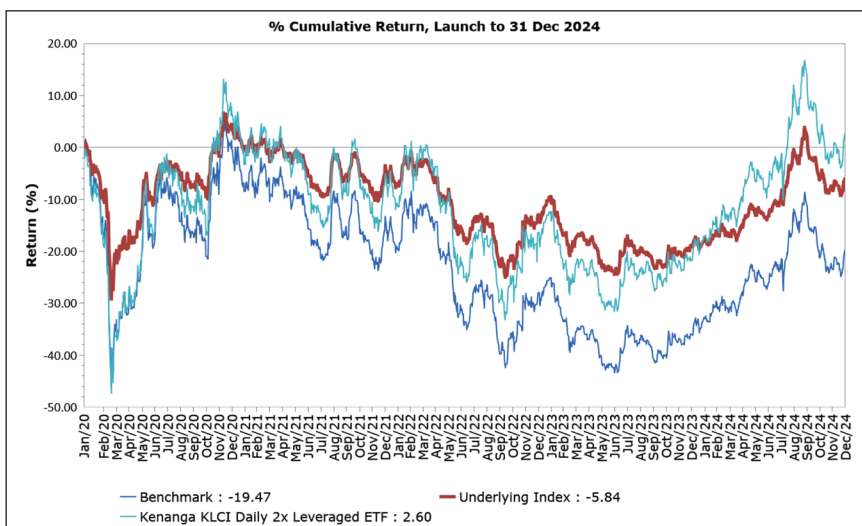
## 2. MANAGER'S REPORT

### 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 (20/09/2019 – 31/12/2024)**  
**Kenanga KLCI Daily 2x Leveraged ETF vs Benchmark\***



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 2024 and comparison with the previous financial year

Asset	31 Dec 2024	31 Dec 2023
Listed derivatives	0.5%	-0.4%
Cash in margin account	61.3%	52.7%
Short term deposits and cash	38.2%	47.7%

### Reason for the differences in asset allocation

As the market moved higher during the financial year under review, the value of listed derivatives increased to 0.5% from -0.4%, leading to a higher cash balance in the margin account, which rose to 61.3% from 52.7%. Meanwhile, short-term deposits and cash declined as a proportion of total fund assets, reflecting a shift in asset composition during the financial year.

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

	Year under review
KKL2X	27.58%
FTSE Bursa Malaysia KLCI 2x Daily Leveraged (Price) Index	22.54%

Source: Lipper

For the financial year under review, the Fund outperformed its benchmark by 5.04%. This outperformance was driven by the daily compounding effect inherent in the futures-based replication strategy. The strategy involved frequent rebalancing and rolling of underlying futures contracts to maintain the required exposure to the Benchmark, contributing to the Fund's relative performance.

## 2.6 Review of the market

### Market review

Global equity markets started 2024 on a positive note, continuing the momentum from the previous year. In the US, the S&P 500, Dow Jones, and Nasdaq gained 1.6%, 1.2%, and 1.0% month-on-month (MoM) in January, respectively. The S&P 500 and Dow Jones reached record highs, driven by optimism around a potential 'soft landing' scenario, which sustained the rally in the 'Magnificent Seven' stocks. Several strong economic indicators, including a robust Gross Domestic Product (GDP) print, solid jobs report, firm wage growth, and steady unemployment, highlighted the ongoing resilience of the US economy. The Federal Open Market Committee (FOMC) kept the policy rate steady at 5.25% to 5.50% but pushed back against expectations of an imminent rate cut at the upcoming March meeting. Locally, the market responded positively to the signing of the Memorandum of Understanding (MoU) for the Johor-Singapore Special Economic Zone (JS-SEZ) and Bank Negara Malaysia's (BNM) decision to maintain the Overnight Policy Rate (OPR) rate at 3.00%. These developments helped offset concerns over slower-than-expected GDP growth in 4Q2023 and the announcement of increased power and water tariffs. The FBM KLCI (+4.0% MoM) was the best performing market in Asia in January, outperforming both the MSCI Asean (-3.6% MoM) and MSCI Asia ex-Japan (-5.5% MoM). FBM100, FBM Shariah and FBM Small Cap each registered MoM gains of 4.0%, 2.6% and 2.2% respectively.



## 2.6 Review of the market (contd.)

### Market review (contd.)

In February, the Nasdaq, S&P 500, and Dow Jones rose 6.1%, 5.2%, and 2.2% MoM respectively. The US market was bolstered by stronger growth prospects and diminishing tail risks, with 2024 GDP now expected to increase by 2.1%. The US services labor market remained robust, with wage growth above trend, leading to a positive surprise in consumer spending. Additionally, the January US Producer Price Index (PPI) increased by 0.3% MoM, significantly higher than the forecasted 0.1% MoM, driven by strength in the services Purchasing Managers' Index (PMI). As a result, reported 4Q2023 earnings per share (EPS) grew 10.0% year-on-year (YoY), with earnings surpassing expectations by more than 7.0%, mainly due to the Technology sector's performance. On the home front, BNM kept the OPR unchanged at 3.00% following the March Monetary Policy Committee (MPC) meeting. The FBM KLCI fell by 1.0% MoM, while FBM Small Cap, FBM Shariah, and FBM 100 registered MoM gains of 3.1%, 1.0%, and 0.5% respectively. News flows in the month were centered around infrastructure related to data center.

In March, the S&P 500, Dow Jones, and Nasdaq continued to climb, posting gains of 3.1%, 2.1%, and 1.8% MoM, respectively, driven by ongoing optimism about the economy, potential rate cuts, and emerging business opportunities in the artificial intelligence (AI) space. The consensus anticipated 2024 GDP growth of 2.2%. The Federal Reserve (Fed) maintained interest rates at 5.25% to 5.5%, marking the fifth consecutive meeting with no changes. Fed Chair Jerome Powell reiterated the Fed's commitment to bringing inflation down to its 2.0% target. However, with the inflation rate rising to 3.2% YoY in February 2024, the path to achieving the Fed's target may be longer and more challenging than expected, given the strong labor market and economic growth, which continue to put upward pressure on prices. Locally, BNM kept the OPR unchanged at 3.0% following the March Monetary Policy Committee (MPC) meeting. The FBM KLCI fell by 1.0% MoM, while the FBM EMAS Shariah index ended the month 1.0% higher MoM.

US equities fell sharply in April, with the Dow Jones, S&P 500 and Nasdaq falling 5.0%, 4.2% and 4.4% respectively due to a higher-than-expected inflation print, which sparked fears of delays in interest rate cuts. The Consumer Price Index (CPI) rose 0.4% MoM, surpassing the consensus expectation of 0.3%. On a YoY basis, both headline and core CPI rose to 3.5% and 3.8%, respectively, exceeding economists' forecasts. Additionally, March saw the addition of 303,000 jobs, far ahead of the anticipated 200,000. With higher inflation and a strong job market, expectations for rate cuts have been pushed back, making a June cut unlikely, and the total number of expected cuts in 2024 reduced to one or two, down from six at the start of the year. In the local market, the FBM KLCI rallied by 2.6%, reaching a two-year high of 1,576 points despite the Middle East geopolitical concerns and persistent selling by foreign investors. The FBM EMAS Shariah index increased 3.8% MoM. The market was supported by a net buy of RM5.1 billion worth of equities by local institutional investors.

US equities rebounded in May, driven by better-than-expected corporate earnings, investor optimism about the economic outlook, and the expectation of interest rate cuts later in the year. The Dow Jones, S&P 500, and Nasdaq rose 2.3%, 4.8% and 6.9% MoM respectively. The US announced new tariffs on USD 18.0 billion of goods from China, including a quadruple increase in tariffs on Chinese electric vehicles (from 25.0% to 100%) to protect US manufacturers. The increase is seen as having little impact, as few electric vehicles are imported to the US from China. Tariffs were also increased on medical and solar supplies, as the Biden administration extended the Section 301 Tariffs on Imports from China, which began in 2018 and covers USD 300.0 billion of Chinese products. In Malaysia, BNM kept the OPR at 3.0% during its May MPC meeting. The FBM KLCI and FBM EMAS Shariah indices ended the month 1.3% and 2.5% higher MoM, respectively.

## 2.6 Review of the market (contd.)

### Market review (contd.)

Global equity markets continued to perform well in June 2024, with the US S&P 500, Nasdaq, and Dow Jones increasing by 3.5%, 6.0%, and 1.1% MoM, respectively. The US market finished the first half of 2024 strongly, with the S&P 500, Nasdaq, and Dow Jones up by 14.5%, 18.1%, and 3.8% respectively. The rally was primarily driven by better-than-expected corporate earnings, with Wall Street forecasting steady earnings growth through 2025. Even excluding mega-cap technology stocks, the earnings outlook remains solid. US inflation cooled slightly to 3.3% in May, compared to economists' expectations of 3.4%. The Fed decided to hold interest rates steady after its meeting in June. The Fed expected only one rate cut in 2024 amidst persistent inflation, with economists anticipating the first cut in September 2024. Locally, the FBMKLCI declined slightly by 0.4% MoM in June due to profit taking activities, while the FBM EMAS Shariah index rose 1.3% MoM.

Global equity markets were volatile in July 2024 amid rapidly changing macroeconomic and geopolitical environment. A weaker than expected US CPI, combined with weaker US labour market data, indicated that the Fed would soon begin cutting interest rates. Investors anticipated the first rate cut in September. Dow Jones and S&P 500 rose 4.4% and 1.1%, while the Nasdaq slipped 0.7% as investors rotated out of mega-caps tech names. Locally, the FBMKLCI remained the top performer in the region and Malaysia was the only country to see net foreign inflows in July. The 2Q2024 advanced estimates for GDP growth came in at 5.8%, which was above market expectations with the support of both domestic and export-driven factors. The FBM KLCI, FBM100, FBM Shariah and FBM Small Cap were up by 2.2%, 2.6%, 1.7%, and 0.6% MoM respectively.

In August 2024, volatility continued to be the key theme. US equity markets sold off sharply in the beginning of the month on the back of labour market weakness and unwinding of the Japanese Yen carry trade. However, major indices whipsawed higher by the end of the month as the Fed indicated the possibility of an interest rate cut soon and stronger than expected. July retail sales relieved investors of recession fears. The Dow Jones Industrial Average closed the month 1.8% higher, while the S&P 500 rose 2.3%, and the Nasdaq grew 0.6%. Investors continued to expect the first rate cut in September and a total of four cuts by the end of 2024. Locally, performances were mixed in August. The FBMKLCI and FBM100 were up 3.3% and 0.7% MoM, respectively, while the FBM Shariah and FBM Small Cap declined 3.7% and 10.1% respectively. Malaysia saw foreign net inflows of RM2.5 billion, the highest monthly foreign inflow in 2024, and since March 2022.

Equities in September 2024 saw moderate easing from last month's volatility, ultimately moving with upwards bias in most markets. The key headline was rate cuts as the Fed delivered its first cut of the cycle of 50bps, and the European Central Bank executed its second 25bps cut in the year. Concerns that the 'upsized' Fed move was led by weakening growth were brushed aside by two consecutive better-than-expected jobless claims reports. As such, all three major US indices pushed through positive gains of 2.0% to 3.0% for the month, with Dow Jones and S&P 500 also notching new record highs. While the Fed's 'dot-plot' indicated another 50bps reduction before end-2024 and further 100bps in 2025, markets were positioned slightly ahead with an additional 50bps reduction already priced in for that period. Asian equities saw diverging performance continue, as Korea and Japan recorded another monthly decline against surging China/Hong Kong markets, which rose over 17.0% to 21.0% to reach year-to-date (YTD) highs for the Hang Seng and CSI 300 respectively.

## 2.6 Review of the market (contd.)

### Market review (contd.)

Over the month, Asian currencies were also notable beneficiaries of the Fed rate cut, with leaders being the ringgit and Thai Baht appreciating almost 5.0% against the US dollar. Locally, markets took a breather with the KLCI and FBM100 declining 1.8% and 1.4% respectively, and the FBM Small Cap easing 0.6%. BNM kept the OPR steady at 3.0% in its September meeting and stable local inflation was echoed by the August CPI print of 1.9%. Profit taking activities were rife in September, though foreign flows remained net buy at RM0.5 billion, bringing the first nine months of 2024 net buying to RM3.6 billion. Investors were awaiting the tabling of Budget 2025 in October for cues on the pace of subsidy rationalisation and development expenditure deployment.

Equities slid in October as the 2024 US Presidential Elections approached. US equities traded higher for most of the month, but fell in the final days, with Dow Jones and S&P 500 ending the month down 1.3% and 1.0%. Economic activity remained robust, with Q3 GDP advancing 2.8%, despite a disappointing Jobs report and weaker than expected ISM data. The US economy added just 12,000 jobs in October, partly due to disruptions from hurricanes and port strikes. In Europe, inflation increased to 2.0% in October, up 20bps from the previous month, and the ECB remained data dependent in its approach to easing monetary policy. Locally, The Prime Minister unveiled the 2025 National Budget, totaling RM421 billion or 20.2% of the GDP. The proposed budget aims to reduce subsidies, cut fiscal deficit, and address demands for higher wages and improved social welfare. Among the budget measures, Malaysia is considering a tiered pricing mechanism for RON95 petrol subsidies, and proposing a 2.0% dividend income tax for publicly listed and privately held companies. The KLCI and FBM100 declined by 2.9% and 1.7% respectively, due to foreign investors' profit-taking. Foreigners sold a net RM1.77 billion of equities in October, reversing three consecutive months of net buying, which reduced year-to-date net inflows to RM1.8 billion.

November 2024 began with the US presidential elections, where Donald Trump won a sweeping victory over his rival, Kamala Harris. Trump's re-election as the 47th President, coupled with the widely expected 25bps cut in Fed Rate, led to optimism in US equities. US's 3 major indexes climbed higher with positive gains of 5.0% to 7.0%, with Dow Jones and S&P 500 finishing November at record highs. October's Headline CPI grew to 2.6%, marked the first annual rise since March 2024, whereas Core CPI rose to 3.3%. Nonetheless, these were within expectations, supporting Fed's easing path. Surge in job growth is anticipated in November as October's growth was disrupted by hurricanes (Helene and Milton) and strikes by some aerospace factory workers. Eurozone's inflation also rose to 2.3% YoY in November from 2.0% YoY in October, marking a slight departure from ECB's target. Nonetheless, it fell 0.3% MoM, steepest since January 2024, potentially paving the way for further rate cuts. The Euro STOXX slipped lower by 0.5% in November. Locally, BNM kept OPR at 3%, amidst stable inflation and steady growth. Foreign flows were negative particularly in the final week following the US Elections. This resulted in significant outflow of RM3.1bil for the month - the largest since March 2020 during the onset of Covid-19 lockdowns. YTD foreign flow recorded a negative RM1.3 billion. FBM Shariah and KLCI declined 0.2% and 0.4% MoM respectively, underperformed the FBM100 (+0.1% MoM) and FBM Small Cap (+2.0% MoM).

## 2.6 Review of the market (contd.)

### Market review (contd.)

Global equities posted mixed results in December to close out 2024. A Santa Claus rally didn't materialize this year, as The Dow Jones, S&P 500 fell 5.1% MoM and 2.5% MoM respectively while the Nasdaq rose 0.5% MoM. The Fed reduced interest rates by 25bps, bringing the current target range down to 4.25% to 4.50%, as the market expected. Core inflation remained between 3.31% and 3.33% across all three prints between September and November. The prospect of fewer rate cuts next year, combined with the potential for higher expected inflation, appeared to be a key focus for investors. In Asia, sentiment remained negative in China due to poor economic data and geopolitical concerns. China's November's retail sales fell 1.1% MoM and provided caution over the robustness of underlying recovery. Meanwhile geopolitical tensions continued as chip export controls stepped up as 140 names were added to the Entity List together with a new Section 301 investigation over China's legacy node chips. On the local front, December was relatively a quiet month. KLCI's increased 3.0% MoM, made it the best performer among the ASEAN markets. The broader indices performed better with FBM 100 (+3.7% MoM), FBM Small Cap (+3.9% MoM) and FBM Shariah (+4.6% MoM). Foreign investors stayed net sellers of Malaysian equities in December 2024 for the third consecutive month, to the tune of RM2.9 billion.

Overall, the Malaysian market ended 2024 on a strong note, recording its first annual gain after three consecutive years of negative returns. The FBMKLCI, FBM100, FBM EMAS Shariah, and FBM Small Cap indices rose by 12.9%, 17.0%, 14.6%, and 9.9%, respectively. Malaysia also saw a record-high issuance of Initial Public Offerings (IPOs) and, for the first time, its market capitalization surpassed the RM2 trillion mark in May. Despite the strong performance, cumulative net foreign outflows totaled RM4.2 billion in 2024, marking the highest annual net foreign outflow since 2020.

### Market outlook

Investors will focus on the Trump administration's stance on trade, fiscal policies and immigration, as well as possible shifts in the regulatory framework, which will emphasize the 'America First' philosophy. Hence this approach could come at the expense of other nations, especially those which run large trade surpluses with the US such as China. With regards to monetary policy, expectations of the number of federal rate cuts for 2025 has been reduced, but nonetheless remain supportive for equities.

Locally, we remain optimistic on growth in 2025, driven by rising investment in infrastructure and property, energy transition, rising foreign direct investment and low foreign shareholding.

## 2.7 Distributions

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

## 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 no significant changes in the state of affairs of the Fund during the financial year and up until the date of the Manager's report, not otherwise disclosed in the financial statements.

## **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 three financial years as at 31 December are as follow:

a. Distribution among industry sectors and category of investments:

	FY 2024 %	FY 2023 %	FY 2022 %
Listed derivatives	0.5	-0.4	2.2
Cash in margin account	61.3	52.7	50.9
Short term deposits and cash	38.2	47.7	46.9
	<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 2024

Rank	Constituent	Index Weight (%)
1	Malayan Banking Berhad	12.71
2	Tenaga Nasional Berhad	11.20
3	CIMB Group Holdings Berhad	11.18
4	Public Bank Berhad	11.08
5	Gamuda Berhad	3.94
6	IHH Healthcare Berhad	3.63
7	Telekom Malaysia Berhad	3.34
8	Press Metal Aluminium Holdings Berhad	2.96
9	SD Guthrie Berhad	2.95
10	Petronas Gas Berhad	2.79

Source: Bloomberg

Details of the Fund's quoted investments as at 31 December 2024 are disclosed under Note 4 of the financial statements.

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

	FY 2024	FY 2023	FY 2022	FY 2021	Period from 20.12.2019 (date of commencement) to 31.12.2020
Total asset value (RM Million)	2.26	1.78	1.81	1.95	2.15
Net asset value ("NAV") (RM Million) <sup>1</sup>	2.26	1.77	1.81	1.95	2.10
Units in circulation (Million)	1.00	1.00	1.00	1.00	1.00
NAV per unit (RM)	2.2585	1.7702	1.8127	1.9455	2.1047
Highest NAV per unit (RM)	2.3916	1.8339	2.0888	2.1216	2.2550
Lowest NAV per unit (RM)	1.7741	1.5615	1.5441	1.7478	1.1450
Listed price (RM) <sup>1</sup>	2.1650	1.7600	1.8350	1.8700	1.6000
Highest listed price (RM)	2.3600	1.8350	2.0700	2.0400	2.0000
Lowest listed price (RM)	1.8800	1.5600	1.6300	1.7500	1.2600
Total return (%)	27.59	(2.34)	(6.83)	-7.56	5.23
- Capital growth (%)	27.59	(2.34)	(6.83)	-7.56	5.23
- Income growth (%)	-	-	-	-	-
Gross distribution per unit (sen)	-	-	-	-	-
Net distribution per unit (sen)	-	-	-	-	-
Total expense ratio ("TER") (%) <sup>2</sup>	0.77	0.83	0.89	0.83	0.83
Portfolio turnover ratio ("PTR") (times) <sup>3</sup>	24.38	24.17	23.45	24.46	25.97
Tracking error	0.96	1.40	4.29	2.20	2.24

### 3.2 Performance details of the Fund for the last five financial years/period ended 31 December are as follows: (contd.)

Note: Total return is the actual return of the Fund for the 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 2024, the Fund has a net asset value of RM2.26 million and 1 million units in circulation. The KLCI demonstrated robust performance during the financial year, propelling the Fund's net asset value per unit to a peak of RM2.3916, before closing at RM2.2585. Similarly, the listed price reached an interim high of RM2.3600 before closing the review period at RM2.1650.
2. TER is lower against the previous financial year mainly due to higher expenses incurred during the financial year under review.
3. PTR is slightly higher due to the increase in daily rebalancing frequency of futures contracts in the Fund during the financial period under review.

### 3.3 Average total return of the Fund

	1 Year 31 Dec 23 - 31 Dec 24	3 Years 31 Dec 21 - 31 Dec 24	Since Inception 20 Dec 19 - 31 Dec 24
KKL2X	27.58%	7.03%	5.44%
FTSE Bursa Malaysia KLCI 2x Daily Leveraged (Price) Index	22.54%	2.22%	0.50%

Source: Lipper

### 3.4 Annual total return of the Fund

	Year under review 31 Dec 23 - 31 Dec 24	Financial years/since inception			
		31 Dec 22 - 31 Dec 23	31 Dec 21 - 31 Dec 22	31 Dec 20 - 31 Dec 21	20 Dec 19 - 31 Dec 20
KKL2X	27.58%	-2.34%	-6.83%	-7.56%	5.23%
FTSE Bursa Malaysia KLCI 2x Daily Leveraged (Price) Index	22.54%	-7.30%	-12.22%	-9.83%	-4.78%

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 2X LEVERAGED ETF**

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

**31 December 2024**

## **KENANGA KLCI DAILY 2X LEVERAGED ETF**

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**TRUSTEE'S REPORT  
TO THE UNIT HOLDERS OF KENANGA KLCI DAILY 2X LEVERAGED ETF ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 December 2024 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

25 February 2025

## **Independent auditors' report to the unit holders of Kenanga KLCI Daily 2x Leveraged ETF**

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

#### *Opinion*

We have audited the financial statements of Kenanga KLCI Daily 2x Leveraged ETF (the "Fund"), which comprise the statement of financial position as at 31 December 2024, 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 material accounting policy information, as set out on pages 8 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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"), as applicable to audits of financial statements of public interest entities 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 financial year then ended. 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 2x Leveraged ETF (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 RM10,775 as at 31 December 2024. The net gain on the portfolio was RM474,525 for the financial year ended 31 December 2024.

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 2x Leveraged ETF (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 MFRS Accounting Standards and IFRS Accounting 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 2x Leveraged ETF (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 judgement and maintain professional scepticism 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 2x Leveraged ETF (contd.)**

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Exchange-traded 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

Ahmad Siddiq Bin Ahmad Hasbullah  
No. 03675/07/2026 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
25 February 2025



## **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 2024 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 2024 together with notes thereto, are drawn up in accordance with MFRS Accounting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of **Kenanga KLCI Daily 2x Leveraged ETF** as at 31 December 2024 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

25 February 2025

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME</b>			
Interest income		43,917	36,800
Net gain/(loss) from investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	4	<u>474,525</u>	<u>(51,125)</u>
		<u>518,442</u>	<u>(14,325)</u>
<b>EXPENSES</b>			
Manager's fee	5	10,725	8,574
Trustee's fee	6	922	686
Index license fee	7	1,158	926
Administration expenses	8	3,901	4,156
Brokerage and other transaction costs		<u>9,759</u>	<u>8,501</u>
		<u>26,465</u>	<u>22,843</u>
<b>NET INCOME/(LOSS) BEFORE TAX</b>		491,977	(37,168)
Income tax	9	<u>(3,646)</u>	<u>(5,134)</u>
<b>NET INCOME/(LOSS) AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>488,331</u>	<u>(42,482)</u>
Net income/(loss) after tax is made up as follows:			
Realised gain		468,981	6,893
Unrealised gain/(loss)	4	<u>19,350</u>	<u>(49,375)</u>
		<u>488,331</u>	<u>(42,482)</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024**

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
<b>INVESTMENTS</b>			
Financial assets at FVTPL	4	10,775	-
Short term deposits	10	854,000	824,000
		<u>864,775</u>	<u>824,000</u>
<b>OTHER ASSETS</b>			
Amount due from Manager		-	19,493
Other receivables	11	1,779	5,618
Cash in margin account	12	1,386,158	921,827
Cash at bank		10,682	10,376
		<u>1,398,619</u>	<u>957,314</u>
<b>TOTAL ASSETS</b>		<u>2,263,394</u>	<u>1,781,314</u>
<b>LIABILITIES</b>			
Financial liabilities at FVTPL	4	-	8,575
Amount due to Manager		1,322	-
Amount due to Trustee		611	120
Amount due to Index Provider		1,882	724
Other payable		282	217
Tax payable		772	1,484
<b>TOTAL LIABILITIES</b>		<u>4,869</u>	<u>11,120</u>
<b>EQUITY</b>			
Unit holders' contribution		2,000,000	2,000,000
Retained earnings/(Accumulated losses)		258,525	(229,806)
<b>NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS</b>	13	<u>2,258,525</u>	<u>1,770,194</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>2,263,394</u>	<u>1,781,314</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>2.2585</u>	<u>1.7702</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 2024**

	<b>Unit holders' contribution RM</b>	<b>Retained earnings/ (Accumulated losses) RM</b>	<b>Total NAV RM</b>
<b>2024</b>			
At beginning of the financial year	2,000,000	(229,806)	1,770,194
Total comprehensive income	-	488,331	488,331
At end of the financial year	<u>2,000,000</u>	<u>258,525</u>	<u>2,258,525</u>
<b>2023</b>			
At beginning of the financial year	2,000,000	(187,324)	1,812,676
Total comprehensive loss	-	(42,482)	(42,482)
At end of the financial year	<u>2,000,000</u>	<u>(229,806)</u>	<u>1,770,194</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	<b>2024 RM</b>	<b>2023 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Net gain/(loss) from financial assets at FVTPL	455,176	(1,658)
Interest received	43,256	34,166
Reimbursable expenses received from Manager	34,509	-
Index license fee paid	-	(1,191)
Trustee's fee paid	(431)	(744)
Brokerage fee paid to financial institution	(9,759)	(8,501)
Manager's fee paid	(10,513)	(8,595)
Payment for other fees and expenses	(13,242)	(23,216)
Deposits to margin account	(464,331)	(826)
Cash generated from/(used in) operating and investing activities	34,665	(10,565)
Income tax paid	(4,359)	(1,965)
Net cash generated from/(used in) operating and investing activities	<u>30,306</u>	<u>(12,530)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	30,306	(12,350)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>834,376</u>	<u>846,906</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>864,682</u>	<u>834,376</u>
Cash and cash equivalents comprise:		
Cash at bank	10,682	10,376
Short term deposits	854,000	824,000
	<u>864,682</u>	<u>834,376</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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

Kenanga KLCI Daily 2x Leveraged 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”). On 13 July 2023, the First Supplemental Deed was entered between the Manager and the Trustee to modify the Principal Deed in order to incorporate recent changes to the relevant laws. The Fund commenced operations on 20 December 2019 and will continue to be in operation until terminated as provided under Clause 26 of the Deed.

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 2x Daily Leveraged (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.

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 financial statements were authorised for issue by the Chief Executive Officer of the Manager on 25 February 2025.

### **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 deposit 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>2024</b>				
<b>Assets</b>				
Financial assets at FVTPL	10,775	-	-	
Short term deposits	854,000	-	854,000	3.0
Other financial assets	-	1,398,619	1,398,619	
	<u>864,775</u>	<u>1,398,619</u>	<u>2,263,394</u>	

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

## 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>2024 (contd.)</b>				
<b>Liabilities</b>				
Other financial liabilities	-	3,815	3,815	
<b>Total interest rate sensitivity gap</b>	<b>864,775</b>	<b>1,394,804</b>	<b>2,259,579</b>	
<b>2023</b>				
<b>Assets</b>				
Short term deposits	824,000	-	824,000	2.9
Other financial assets	-	957,314	957,314	
	<u>824,000</u>	<u>957,314</u>	<u>1,781,314</u>	
<b>Liabilities</b>				
Financial liabilities at FVTPL	-	8,575	8,575	
Other financial liabilities	-	844	844	
	<u>-</u>	<u>9,419</u>	<u>9,419</u>	
<b>Total interest rate sensitivity gap</b>	<b>824,000</b>	<b>947,895</b>	<b>1,771,895</b>	

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



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

### a. Market risk (contd.)

#### 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.

#### Price risk sensitivity

The Manager's best estimate of the effect on the (loss)/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:

	<b>Changes in price Increase/(Decrease) Basis points</b>	<b>Effects on income/(loss) for the financial year Gain/(Loss) RM</b>
<b>2024</b>		
Financial assets at FVTPL	5/(5)	2,258/(2,258)
<b>2023</b>		
Financial liabilities at FVTPL	5/(5)	(1,779)/1,779

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.

	<b>Fair value</b>		<b>Percentage of NAV</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 %</b>	<b>2023 %</b>
Financial assets/(liabilities) at FVTPL	10,775	(8,575)	0.5	(0.5)

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

### 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.

#### 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	
	2024	2023	2024	2023
	RM	RM	%	%
P1/MARC-1	100.0	100.0	37.8	46.5

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	
	2024	2023	2024	2023
	RM	RM	%	%
Not rated	100.0	100.0	61.4	52.1

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

### 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.

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	No maturity RM	Up to 1 year RM	Total RM
<b>2024</b>				
<b>Assets</b>				
Financial assets at				
FVTPL		-	10,775	10,775
Short term deposits		-	854,000	854,000
Cash at bank		10,682	-	10,682
Cash in margin account		1,386,158	-	1,386,158
Other financial assets		-	1,779	1,779
	i.	<u>1,396,840</u>	<u>866,554</u>	<u>2,263,394</u>
<b>Liabilities</b>				
Other financial liabilities	ii.	<u>-</u>	<u>3,815</u>	<u>3,815</u>
Equity	iii.	<u>-</u>	<u>2,258,525</u>	<u>2,258,525</u>
Liquidity gap		<u>1,396,840</u>	<u>(1,395,786)</u>	<u>1,054</u>

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

### c. Liquidity risk (contd.)

	Note	No maturity RM	Up to 1 year RM	Total RM
<b>2023</b>				
<b>Assets</b>				
Short term deposits		-	824,000	824,000
Cash at bank		10,376	-	10,376
Cash in margin account		921,827	-	921,827
Other financial assets		-	25,111	25,111
	i.	<u>932,203</u>	<u>849,111</u>	<u>1,781,314</u>
<b>Liabilities</b>				
Financial liabilities at				
FVTPL		-	8,575	8,575
Other financial liabilities	ii.	-	844	844
		<u>-</u>	<u>9,419</u>	<u>9,419</u>
Equity	iii.	<u>-</u>	<u>1,770,194</u>	<u>1,770,194</u>
Liquidity gap		<u>932,203</u>	<u>(930,502)</u>	<u>1,701</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 realised. 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 assets, the analysis into maturity groupings 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 realised.

#### ii. Financial liabilities

Analysis of financial liabilities at FVTPL into maturity groupings is based on the expected date on which these liabilities will be realised. In the previous financial year, 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”. As a result, it appears that the Fund has a liquidity gap within “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 MFRS Accounting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS Accounting 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 MFRS and amended MFRS, which became effective for the Fund on 1 January 2024.

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

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

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

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

#### b. Standards and amendments to standards issued but not yet effective

As at the reporting date, the following new standards and 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 standards and amendments to standards when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments that are part of Annual Improvements—Volume 11: Amendments to MFRS 1, 7, 9, 10 and 107	1 January 2026
Amendments to MFRS 9 and MFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: <i>Disclosures</i>	1 January 2027
Withdrawal of MFRS 101: <i>Presentation of Financial Statements</i>	1 January 2027
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.

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

#### 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).

##### 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 bank, 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.

### 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

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.

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 the 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.



### **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**

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).

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 judgement 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.

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

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

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.

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.

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

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

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.

#### **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.

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

#### **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.

#### **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 judgements and estimates**

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

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

#### n. Significant accounting judgements and estimates (contd.)

##### i. Critical judgements made in applying accounting policies

There are no major judgements 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 (LIABILITIES)/ASSETS 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.

	2024 RM	2023 RM
Financial assets/(liabilities) held for trading, at FVTPL:		
Listed derivatives - KLCI futures contracts	<u>10,775</u>	<u>(8,575)</u>
Net gain/(loss) on financial assets/(liabilities) at FVTPL comprised:		
Realised gain/(loss) on disposals	455,175	(1,750)
Unrealised changes in fair values	<u>19,350</u>	<u>(49,375)</u>
	<u>474,525</u>	<u>(51,125)</u>

There were 55 futures contracts with notional principal amount of RM4,515,500 that remain outstanding as at 31 December 2024 (2023: 49 futures contracts with notional principal amount of RM3,557,400).

### 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 (2023: 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 (2023: 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 (2023: 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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Malaysian income tax:		
- Current year charge	4,440	5,314
- Over provision in prior financial year	(794)	-
	<u>3,646</u>	<u>5,314</u>

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

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.

## 9. INCOME TAX (CONTD.)

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net income/(loss) before tax	<u>491,977</u>	<u>(37,168)</u>
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	118,074	(8,920)
Tax effect of:		
Income not subject to tax	(119,728)	(3,313)
Losses not deductible for tax purposes	-	12,270
Expenses not deductible for tax purposes	3,778	3,425
Restriction on tax deductible expenses for exchange-traded fund	2,316	1,852
Over provision in prior financial year	<u>(794)</u>	<u>-</u>
Income tax for the financial year	<u>3,646</u>	<u>5,314</u>

## 10. SHORT TERM DEPOSITS

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

## 11. OTHER RECEIVABLES

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Interest receivable from short term deposits	69	66
Interest receivable from margin account	1,710	1,052
Registrar security deposits	<u>-</u>	<u>4,500</u>
	<u>1,779</u>	<u>5,681</u>

## 12. CASH IN MARGIN ACCOUNT

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

### 13. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

	Note	2024 RM	2023 RM
Unit holders' contribution	(a)	<u>2,000,000</u>	<u>2,000,000</u>
<u>Retained earnings/(Accumulated losses):</u>			
Realised reserves/(deficits)		247,750	(221,231)
Unrealised reserves/(deficits)		<u>10,775</u>	<u>(8,575)</u>
		<u>258,525</u>	<u>(229,806)</u>
		<u>2,258,525</u>	<u>1,770,194</u>

#### (a) Unit holders' contribution

	2024		2023	
	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 2024 (2023: nil). The number of units legally or beneficially held by the other parties related to the Manager were 874,600 units valued at RM1,975,284 as at 31 December 2024 (2023: 795,900 units valued at RM1,408,902).

### 14. PORTFOLIO TURNOVER RATIO ("PTR")

PTR for the financial year is 24.38 times (2023: 24.17 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 0.77% per annum (2023: 0.83% 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*	104,090,075	100.0	9,702	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:

	Listed derivatives RM	Other investments RM	Total RM
<b>2024</b>			
<b>Revenue</b>			
Segment income	494,098	24,344	
Segment expenses	(9,759)	-	
Net segment income			
representing segment results	484,339	24,344	508,683
Unallocated expenditure			(16,706)
Income before tax			491,977
Income tax			(3,646)
Net income after tax			488,331

## 17. SEGMENTAL REPORTING (CONTD.)

### a. Business segments (contd.)

	Listed derivatives RM	Other investments RM	Total RM
<b>2024 (contd.)</b>			
<b>Assets</b>			
Financial assets at FVTPL	10,775	-	
Short term deposits	-	854,000	
Cash in margin account	1,386,158	-	
Other segment assets	-	69	
Total segment assets	<u>1,396,933</u>	<u>854,069</u>	2,251,002
Unallocated assets			<u>12,392</u>
			<u>2,263,394</u>
<b>Liabilities</b>			
Unallocated liabilities			<u>4,869</u>
<b>2023</b>			
<b>Revenue</b>			
Segment (loss)/income	(37,511)	23,186	
Segment expenses	<u>(8,501)</u>	<u>-</u>	
Net segment (loss)/income representing segment results	<u>(46,012)</u>	<u>23,186</u>	(22,826)
Unallocated expenditure			<u>(14,342)</u>
Loss before tax			<u>(37,168)</u>
Income tax			<u>(5,314)</u>
Net loss after tax			<u>(42,482)</u>
<b>Assets</b>			
Short term deposits	-	824,000	
Cash in margin account	921,827	-	
Other segment assets	-	66	
Total segment assets	<u>921,827</u>	<u>824,066</u>	1,745,893
Unallocated assets			<u>35,421</u>
			<u>1,781,314</u>
<b>Liabilities</b>			
Financial liabilities at FVTPL	<u>8,575</u>	<u>-</u>	8,575
Unallocated liabilities			<u>2,545</u>
			<u>11,120</u>

## 17. SEGMENTAL REPORTING (CONTD.)

### 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 policies 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>2024</b>				
<b>Assets</b>				
Listed derivatives	10,775	-	-	10,775
Short term deposits	-	854,000	-	854,000
Other receivables	-	1,779	-	1,779
Cash in margin account	-	1,386,158	-	1,386,158
Cash at bank	-	10,682	-	10,681
	<u>10,775</u>	<u>2,252,619</u>	<u>-</u>	<u>2,263,394</u>
<b>Liabilities</b>				
Amount due to Manager	-	-	1,322	1,322
Amount due to Trustee	-	-	611	611
Amount due to Index Provider	-	-	1,882	1,882
	<u>-</u>	<u>-</u>	<u>3,815</u>	<u>3,815</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>2023</b>				
<b>Assets</b>				
Short term deposits	-	824,000	-	824,000
Amount due from Manager	-	19,493	-	19,493
Other receivables	-	5,618	-	5,618
Cash in margin account	-	921,827	-	921,827
Cash at bank	-	10,376	-	10,376
	-	1,781,314	-	1,781,314
<b>Liabilities</b>				
Listed derivatives	8,575	-	-	8,575
Amount due to Trustee	-	-	120	120
Amount due to Index Provider	-	-	724	724
	8,575	-	844	9,419

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

The Fund's financial assets/(liabilities) 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>2024</b>				
Listed derivatives	10,775	-	-	10,775
<b>2023</b>				
Listed derivatives	(8,575)	-	-	(8,575)

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

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

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

### **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, Steven</b>
<b>Age</b>	67
<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 (As at 31 December 2024)</b>	One (1) Year and Eight (8) Months
<b>Number of Board Meetings Attended in the Financial Year (1 January 2024 to 31 December 2024)</b>	Eight (8) / Eight (8) (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> </ul>

<b>Present Appointments (contd.)</b>	<ul style="list-style-type: none"> <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> <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>	58
<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 (As at 31 December 2024)</b>	Nine (9) Years and Seven (7) Months
<b>Number of Board Meetings Attended in the Financial Year (1 January 2024 to 31 December 2024)</b>	Four (4) / Four (4) (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>	64
<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 2024)	Five (5) Years and Nine (9) Months
<b>Number of Board Meetings Attended in the Financial Year</b> (1 January 2024 to 31 December 2024)	Eight (8) / Eight (8) (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> </ul>

<b>Past Relevant Experiences (contd.)</b>	<ul style="list-style-type: none"> <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>	60
<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 (As at 31 December 2024)</b>	Three (3) Years and Eight (8) Months
<b>Number of Board Meetings Attended in the Financial Year (1 January 2024 to 31 December 2024)</b>	Eight (8) / Eight (8) (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> </ul>

<b>Present Appointments (contd.)</b>	<ul style="list-style-type: none"> <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>	58
<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> </ul>

<b>Length of Tenure as Director</b> (As at 31 December 2024)	Eleven (11) months
<b>Number of Board Meetings Attended in the Financial Year</b> (1 January 2024 to 31 December 2024)	Eight (8) / Eight (8) (100%)
<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 Eq8 Capital Sdn Bhd (Formerly known as I-VCAP Management Sdn Bhd)</li> <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 Bank Pembangunan Malaysia Berhad</li> <li>• INED of Global Maritime Ventures Berhad</li> <li>• INED of BI Credit &amp; Leasing Berhad</li> <li>• INED of Pembangunan Leasing Corporation Sdn Bhd</li> <li>• INED of PLC Credit &amp; Factoring Sdn Bhd</li> <li>• INED of Etiqa Life Insurance Berhad</li> <li>• INED of Amanah Raya Berhad</li> <li>• INED AmanahRaya Trustees Berhad</li> <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 2024)</b>	Ten (10) Years and Four (4) Months
<b>Number of Board Meetings Attended in the Financial Year (1 January 2024 to December 2024)</b>	Eight (8) / Eight (8) (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> <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> </ul>

<b>Present Appointments (contd.)</b>	<ul style="list-style-type: none"> <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
<b>Choy Khai Choon, Steven</b>	Kenanga's Directors' In-House Training: Environmental, Social Governance ("ESG") by PwC	15 March 2024
	BNM-FIDE FORUM: Responsibility Mapping Engagement with Directors of Financial Institution by FIDE FORUM	24 April 2024
	Kenanga's Directors' In-House Training: Anti-Money Laundering, Countering the Financing of Terrorism & Countering Proliferation Financing by Nature of Life	3 July 2024
	Kenanga's Directors' In-House Training: ESG Training: Financed Emission Board Training by Enterprise Risk Management ("ERM")	6 August 2024
	Prevent Fraud: The Board's Roles and Responsibilities by FIDE FORUM	8 August 2024
	ESG Briefing by EY	30 September 2024
	Kenanga's Directors' In-House Training: Cyber Security - Cyber Threat Landscape 2024 by Ensign InfoSecurity	1 October 2024
	SCxSC Fintech Summit by Securities Commission	1 October 2024 to 2 October 2024
Singapore Fintech Festival 2024 (SFF2024)	6 November 2024 to 8 November 2024	
<b>Imran Devindran Bin Abdullah</b>	IIC Corporate Governance Conference 2024 - Countdown to 2030: Investing Towards Sustainable Development In Malaysia by Securities Industry Development Corporation ("SIDC")	5 March 2024
<b>Norazian Binti Ahmad Tajuddin</b>	IIC Corporate Governance Conference 2024 - Countdown to 2030: Investing Towards Sustainable Development In Malaysia by Securities Industry Development Corporation ("SIDC")	5 March 2024
	BNM-FIDE FORUM: Responsibility Mapping Engagement with Directors of Financial Institution by FIDE FORUM	24 April 2024
	Being Sued as and INED - A Personal Journey by Institute of Corporate Directors Malaysia ("ICDM")	10 May 2024

Director	Program Title and Organiser	Date
<b>Norazian Binti Ahmad Tajuddin (contd.)</b>	Kenanga's Directors' In-House Training: Anti-Money Laundering, Countering the Financing of Terrorism & Countering Proliferation Financing by Nature of Life	3 July 2024
	CGM Masterclass: Latest Developments in Climate-Aligned Executive Compensation by FIDE FORUM	17 July 2024
	Kenanga's Directors' In-House Training: ESG Training: Financed Emission Board Training by Enterprise Risk Management	6 August 2024
	Prevent Fraud: The Board's Roles and Responsibilities by FIDE FORUM	8 August 2024
	Kenanga's Directors' In-House Training: Cyber Security - Cyber Threat Landscape 2024 by Ensign InfoSecurity	1 October 2024
	Carbon Market: What Directors Need to Know by Asia School of Business (Iclif Executive Education Centre)	8 October 2024
	Leading the way: Developing Credible Transition Plans for Financial Institutions - FIDE Forum	10 October 2024
<b>Norazilla Binti Md Tahir</b>	Mandatory Accreditation Programme ("MAP")	13 March 2024 to 14 March 2024
	Capital Market Directors' Programme ("CMDP") - Module 1: Directors as Gatekeepers or Market Participants by SIDC.	13 May 2024
	CMDP Module 2B: Business Challenged and Regulatory Expectations – What Directors Need to Know (Fund Management) by SIDC.	15 May 2024
	CMDP Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors	16 May 2024
	CMDP Module 4: Emerging and Current Regulatory Issues in the Capital Market	17 May 2024
	Overview of Conflicts of Interest by Datin Yon See Ting, a Partner of Messrs Christopher & Lee Ong. Covering the following topics: * Common Law & Equity Principle * Companies Act 2016 Provision * Self-Dealing Rule * No Profit Rule * No Profit Rule Examples"	21 May 2024



<b>Director</b>	<b>Program Title and Organiser</b>	<b>Date</b>
<b>Norazilla Binti Md Tahir (contd.)</b>	Briefing on the latest global trends by Citibank, Hong Kong Covering the following topics: * MNC attitude to China * US China geopolitics * New global world order * Inflation * Interest rates * Rise of India * Day Zero for Industries especially automotive * Artificial intelligence * New ways in which tech will create equity value * Gov is the most important counter party in the world * Everything is a service * Large social changes	27 May 2024
	Kenanga's Directors' In-House Training: Anti-Money Laundering, Countering the Financing of Terrorism & Countering Proliferation Financing by Nature of Life	3 July 2024
	Kenanga's Directors' In-House Training: ESG Training: Financed Emission Board Training by Enterprise Risk Management	6 August 2024
	Mandatory Accreditation Programme Part II	18 September 2024 to 19 September 2024
	BCP is Out: Director Preparedness For AI Powered Attacks on People, Tech and Governance by ICDM	27 September 2024
	Kenanga's Directors' In-House Training: Cyber Security - Cyber Threat Landscape 2024 by Ensign InfoSecurity	1 October 2024
	SCxSC Fintech Summit by Securities Commission	1 October 2024 to 2 October 2024
	The 2024 Budget Seminar by Deloitte Tax Services Sdn Bhd	4 December 2024
<b>Luk Wai Hong, William</b>	Kenanga's Directors' In-House Training: Environmental, Social Governance ("ESG") by PwC	15 March 2024
	Kenanga's Directors' In-House Training: Anti-Money Laundering, Countering the Financing of Terrorism & Countering Proliferation Financing by Nature of Life	3 July 2024

<b>Director</b>	<b>Program Title and Organiser</b>	<b>Date</b>
<b>Luk Wai Hong, William (contd.)</b>	Kenanga's Directors' In-House Training: ESG Training: Financed Emission Board Training by Enterprise Risk Management	6 August 2024
	Kenanga's Directors' In-House Training: Cyber Security - Cyber Threat Landscape 2024 by Ensign InfoSecurity	1 October 2024
<b>Datuk Wira Ismitz Matthew De Alwis</b>	Business Continuity Management Awareness FY2023/2024 by Group Risk Management	20 December 2023
	Cybersecurity Awareness Training Part 1 - 2024 (Clean Desk Policy) by UES E-Solutions Sdn Bhd	11 January 2024
	Cybersecurity Awareness Training Part 2 - 2024 (Email Misdelivery) by UES E-Solutions Sdn Bhd	5 February 2024
	2024 Senior Management Retreat @ Shenzhen, China by GMCS, BYD, Ant Group	28 February 2024
	Cybersecurity Awareness Training Part 4 - 2024 (Blame Game) by UES E-Solutions Sdn Bhd	18 April 2024
	Annual Signature Financial Planning Symposium 2024 by FPAM	8 May 2024
	Cybersecurity Awareness Training Part 5 - 2024 (BEC Cyberattack) by UES E-Solutions Sdn Bhd	16 May 2024
	Operational Risk Management Module 2 by Skillcast Connect	13 May 2024
	Cybersecurity Awareness Training Part 7 - 2024 (Charity Case) by UES E-Solutions Sdn Bhd	18 July 2024
	Cybersecurity Awareness Training Part 8 - 2024 (Office Attachment) by UES E-Solutions Sdn Bhd	15-Aug-24
	FPAM Workshop - Tax Accounting for Small Business and Individual Owners by FPAM	3 October 2024
SCxSC Fintech Summit 2024 by Securities Commission Malaysia	1 October 2024	
Cybersecurity Awareness Training Part 10 - 2024 (Home VPN Security) by UES E-Solutions Sdn Bhd	17 October 2024	

Director	Program Title and Organiser	Date
<b>Datuk Wira Ismitz Matthew De Alwis (contd.)</b>	Cybersecurity Awareness Training Part 11 - 2024 (Dont Hate On The Update) by UES E-Solutions Sdn Bhd	14 November 2024
	Operational Risk Management Module 3 by Skillcast Connect	4 November 2024
	9th Annual Regulatory Seminar (ARS) by Group Regulatory & Corporate Services	19 November 2024
	Business Continuity Management Awareness E-learning Module FY2024/2025 by Group Risk Management	16 December 2024
	[Good Corporate Governance] Week 2: Data Governance by LinkedIn Learning	15 November 2024

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