



MALAYSIAN RATING CORPORATION BERHAD
199501035601 (364803-V)

P R E S S A N N O U N C E M E N T

FOR IMMEDIATE RELEASE

MARC AFFIRMS INVESTMENT MANAGER RATING OF IMR-2 ON KENANGA INVESTORS AND KENANGA ISLAMIC INVESTORS

MARC has affirmed its investment manager rating (IMR) of **IMR-2** on Kenanga Investors Berhad (KIB) and KIB's wholly-owned subsidiary Kenanga Islamic Investors Berhad (KIIB).

The IMR rating on KIB reflects the fund management company's well-established investment processes and sound risk management practices. These factors are moderated by KIB's modest assets under management (AUM) size and adequate financial profile. The IMR rating on KIIB incorporates the significant integration with parent KIB through shared resources and infrastructure.

KIB offers investment products focusing mainly on domestic investments: fixed income constituted 47.5% of total AUM, equity 40.2% and money market funds 4.5%. MARC views the fund manager, as part of the Kenanga Group, to have relevant expertise and adequate resources to execute fund strategies and meet its objectives.

KIB's AUM remained unchanged at RM12.6 billion as at end-September 2020, although with a notable increase in fixed-income funds which offset the decline in equity funds. Its overall market share remains modest at about 1.5% of total AUM in Malaysia. For 2020, KIB's average one-year, three-year and five-year annualised returns for its top 20 largest unit trust funds outperformed its benchmarks. In terms of financial performance, KIB recorded pre-tax profit of RM7.5 million as at end-September 2020 (9M2019: RM2.5 million) on the back of a 35.7% y-o-y increase in revenue to RM100.3 million.

Contacts:

Farhan Darham, +603-2717 2945/ farhan@marc.com.my;
Mohd Izazee Ismail, +603-2717 2947/ izazee@marc.com.my.

December 24, 2020

[This announcement is available on MARC's corporate website at www.marc.com.my]

---- DISCLAIMER ----

This communication is provided by Malaysian Rating Corporation Berhad (MARC) based on information believed by MARC to be accurate and reliable as derived from publicly available sources or provided by the rated entity or its agents. MARC, however, has not independently verified such information and makes no representation as to the accuracy or completeness of such information. Any assignment of an investment manager rating by MARC is solely to be construed as a statement of its opinion and not a statement of fact. A credit rating is not a recommendation to buy, sell, or hold any security.

© 2020 Malaysian Rating Corporation Berhad