

KENANGA ACQUIRES VALUECAP ETF BUSINESS

Kuala Lumpur, 2 February 2021: Kenanga Investment Bank Berhad today announced its acquisition of i-VCAP Management Sdn Bhd (“i-VCAP”) via Kenanga Investors Bhd (“KIB”), its fully owned subsidiary, following approval by the Securities Commission of Malaysia. i-VCAP is an award-winning, Shariah-compliant investment management services provider primarily focused on Islamic exchange-traded funds (“ETFs”).

“We are constantly exploring ways to deliver new investment solutions for our clients. This is a natural step in our strategy to develop products for a wider audience. The ETFs market is one of the fastest growing segments in asset management. A number of long-term macro trends, including the increasing use of passive vehicles and the driving force of digitalisation will lead to a growing demand for ETF products,” says Datuk Chay Wai Leong, Group Managing Director of Kenanga Investment Bank. “The acquisition further expands our ability to build better, more diversified portfolios through our product capabilities across the Group, and enhances the range of solutions available. This addition strengthens our competitive edge in addressing client needs, which will further accelerate the growth of our business.”

The deal represents the financial group’s second bolt-on purchase of an asset management business within the last 14 months, following the acquisition of Libra Invest Berhad at end 2019. In recent months and years, the group has been actively participating in joint ventures, acquisition exercises as well as strategic stakes within synergistic businesses. These are expected to complement its various business lines with recent results positively reflected in the group’s strong financial performance in 2020.

The acquisition represents swift progression one year after Kenanga Group’s first foray into the ETF space where OneETF by Kenanga, Malaysia’s first KLCI-linked leveraged and inverse ETFs was introduced together with its strategic partner Yuanta Securities, the largest ETFs provider in Taiwan and a leading ETFs provider in Asia. The Chief Executive Officer of KIB, Ismitz Matthew De Alwis says, “i-VCAP’s ETFs business is highly complementary to OneETF by Kenanga as we foresee that it will broaden our geographical reach, product suite and investment expertise, enabling us to provide more solutions to help clients achieve their investment objectives. The exercise adds depth to the company’s ETFs and Islamic product offerings as well as accessibility to the US market. Simultaneously, KIB is set to leverage upon this opportunity to further build on its existing ETFs business with a higher degree of economic scale for a more diverse range of ETFs by working with its partners, regulators and other service providers to drive the ETFs and Islamic capital market.

As the asset and wealth management arm of Kenanga Investment Bank, Kenanga Investors provides investment solutions ranging from collective investment schemes, portfolio management services, ETFs, financial planning and alternative investments for retail, high net worth, corporate and institutional clients. It is a repeat recipient of distinguished industry



accolades such as Refinitiv Lipper, Morningstar, FSMOne Recommended Unit Trusts Awards and Asia Asset Management's Best of the Best Awards.

For more information about Kenanga Investment Bank Berhad and Kenanga Investors Berhad, please visit both www.kenanga.com.my & www.kenangainvestors.com.my.

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About Kenanga Investors Berhad 199501024358 (353563-P)

We provide investment solutions ranging from collective investment schemes, portfolio management services and alternative investments for retail, corporate, institutional and high net worth clients via a multi-distribution network.

Most recently, the Hong Kong-based Asia Asset Management's 2021 Best of the Best Awards awarded KIB under the following categories, Malaysia - Best Equity Manager, Malaysia CIO of the Year, Malaysia – Best Islamic Fund (Equity) and Malaysia Best House for Alternatives.

The Kenanga Growth Fund ("KGF") won Core Equity – Malaysia while the Kenanga Syariah Growth Fund ("KSGF") won Core Equity – Malaysia (Islamic) at the FSMOne Recommended Unit Trusts Awards 2020/2021. The Kenanga Balanced Fund was recognised under the Balanced – Malaysia category.

At the Refinitiv Lipper Fund Awards 2020, KIB won the "Best Mixed Asset Award – Malaysia Pension" and "Best Equity Award – Malaysia Islamic" titles. KSGF was awarded "Equity Malaysia – Malaysia Islamic" for 10-years while the Kenanga Diversified Fund was named "Mixed Asset MYR Flexible – Malaysia Pension" for 3-years and 5-years. KSGF was also named "Malaysia Best Equity over 10-years" at the Refinitiv Lipper Fund Awards 2020 for Global Islamic Markets.

For the fourth consecutive year, KIB was affirmed an investment manager rating of IMR-2 by Malaysian Rating Corporation Berhad since first rated in 2017. The IMR rating reflects the fund management company's well-established investment processes and sound risk management practices. For 2020, the average one-year, three-year and five-year annualised returns for its top 20 largest unit trust funds outperformed its benchmarks.

About Kenanga Investment Bank Berhad 197301002193 (15678-H)

Established for more than 45 years, Kenanga Investment Bank Berhad is a financial group in Malaysia with extensive experience in equity broking, investment banking, treasury, Islamic banking, listed derivatives, investment management, wealth management, structured lending, and trade financing.

The Group has garnered a host of awards and accolades reflecting its strong market position. It was awarded under the categories of Best Overall Equities Participating Organisation by Bursa Malaysia, Best Retail Equities Participating Organisation, Best Institutional Equities Participating Organisation; along with Best Trading Participant Equity and Financial Derivatives for 17 consecutive years. The Group was also accorded the title of Best Institutional Derivatives Trading category by Bursa Malaysia.

The Group continues to be a regular and repeat recipient of distinguished industry accolades, such as the Lipper, Fundsupermart and Morningstar awards. For its continued efforts towards community outreach and employee volunteerism, the Group was awarded the coveted company of the year award for environmental awareness and sustainability at the Sustainability & CSR Malaysia Awards 2020.

Today, Kenanga Investment Bank Berhad is an award-winning leading independent investment bank in the country with a continuous commitment towards driving collaboration, innovation, and digitalisation in the marketplace.

This Press Release was issued by Kenanga Group's Marketing & Communications department.

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