

# KENANGA PREMIER FUND

## ANNUAL REPORT

For the Financial Year Ended 28 February 2025

**kenanga**

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



# KENANGA PREMIER FUND

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## CORPORATE DIRECTORY

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

### Registered Office

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

### Business Office

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

### Board of Directors

Choy Khai Choon, 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: CIMB Commerce Trustee Berhad** Company No. 199401027349 (313031-A)

### Registered Office

Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur.  
Tel: 03-2261 8888  
Fax: 03-2261 0099  
Website: www.cimb.com

### Business Office

Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur.  
Tel: 03-2261 8888  
Fax: 03-2261 9894

**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

**Membership: Federation of Investment Managers Malaysia (FIMM)**

19-06-1, 6th Floor, Wisma Capital A, 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.  
Tel: 03-7890 4242 Website: www.fimm.com.my

## 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  
Tel: 05-254 7573 / 05-254 7570  
Fax: 05-254 7606

#### **Kota Kinabalu**

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

#### **Damansara Uptown**

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

#### **Kota Damansara**

C26-1, Dataran Sunway  
Jalan PJU 5/17  
Kota Damansara  
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 Premier Fund (**KPF** or **the Fund**)

## **1.2 Fund Category / Type**

Equity / Growth

## **1.3 Investment Objective**

The Fund aims to provide consistent annual returns and medium to long-term capital appreciation.

## **1.4 Investment Strategy**

The Fund seeks to maximise total returns by providing investors with a combination of capital appreciation and income distribution, if any, while reducing risk through diversified investments mainly in equities.

## **1.5 Duration**

The Fund was launched on 26 November 1996 and shall exist as long as it appears to the Manager and the Trustee that it is in the interests of the unit holders for it to continue.

## **1.6 Performance Benchmark**

FTSE Bursa Malaysia Top 100 Index (FBM 100)

## **1.7 Distribution Policy**

The Fund intends to pay income by way of distributions or by the creation of additional units after the end of each Accrual Period (i.e. 12-month period ending on the last day of December of each year) or any specified period, where possible.

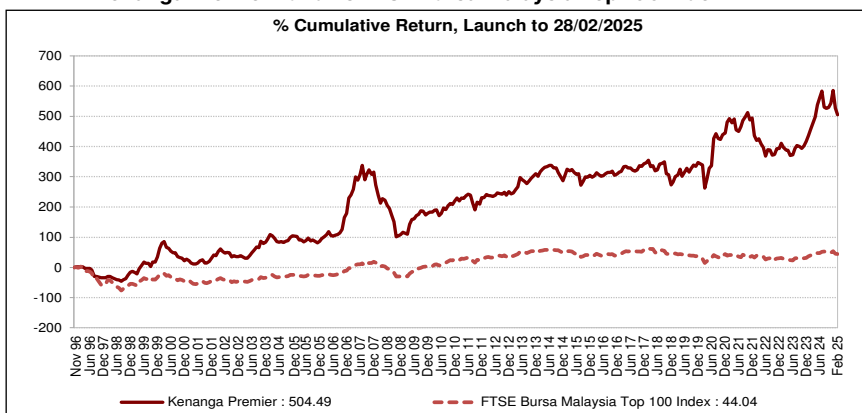
## 2. MANAGER'S REPORT

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

Since inception, the Fund has appreciated by 504.49% in Net Asset Value terms, outperforming its benchmark increase of 44.40%. The Fund's performance has therefore satisfied the objective for consistent annual returns and medium to long-term capital appreciation.

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

**Performance Chart Since Launch (26/11/1996 – 28/02/2025)**  
**Kenanga Premier Fund vs FTSE Bursa Malaysia Top 100 Index**



Source: Novagni Analytics and Advisory

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

For the financial year under review, the Fund continued with its strategy of investing in companies with strong fundamentals and positive long-term growth prospects. The strategy employed was in line with that disclosed in the master prospectus.

### 2.4 The Fund's asset allocation as at 28 February 2025 and comparison with the previous financial year

Asset	28 Feb 2025	29 Feb 2024
Listed investment securities	92.1%	91.2%
Unlisted options	1.6%	2.1%
Short term deposit and cash equivalents	6.3%	6.7%

Note: The above mentioned percentages are based on total net asset value (NAV)

#### Reason for the differences in asset allocation

As of 28 February 2025, the Fund's equity allocation was increased to 92.1% from 91.2%. The Fund had tactically increased its invested level to capture opportunities given improved market conditions and performance.

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

	Year under review
KPF	8.47%
FTSE Bursa Malaysia Top 100 Index	3.03%

Source: Lipper

For the financial year under review, the Fund had registered a return of 8.47%, outperforming its benchmark by 5.44%. The outperformance was attributed to favourable stock and sector allocation amidst positive market conditions.

## 2.6 Review of the market

### Market review

In March 2024, S&P 500, Dow Jones, and Nasdaq rose 3.1%, 2.1% and 1.8% month-on-month (MoM) respectively, fuelled by the continued optimism over the economy, potential rate cuts, and business opportunities in the artificial intelligence (AI) space. The street now expects Gross Domestic Product (GDP) to grow at 2.2% in 2024. The US Federal Reserve (Fed) maintained rates at 5.25% to 5.50%, keeping rates steady for the fifth consecutive meeting. Fed Chair Jerome Powell emphasized the Fed remains “fully committed” to bring inflation down to its 2.0% target. However, the inflation rate which rose to 3.2% year-on-year (YoY) in February 2024 suggests that the path to the Fed’s target could be longer and bumpier than expected as the labour market and economic growth remain strong, elevating prices. Locally, FBM Small Cap, FBM Shariah, and FBM 100 registered MoM gains of 3.1%, 1.0%, and 0.5% respectively, whereas FBM KLCI fell 1.0% MoM. Foreigners turned net sellers after strong net foreign inflows in January to February and foreign ownership eased to 19.6% at end-March, from 19.9% at end-February. For the month, Bank Negara Malaysia (BNM) kept the Overnight Policy Rate (OPR) unchanged at 3.00%, the government and Malaysia Airports Holdings inked new operating agreements for the next 45 years, Sime Darby completed their acquisition of UMW Holdings, and Penang LRT was approved, with Gamuda’s 60% owned subsidiary bagging the civil works contract on the first segment. The implementation of High Value Goods tax has been postponed amidst calls to further study its impact.

US equities fell sharply in April – Dow Jones (-5.0%), S&P 500 (-4.2%) and Nasdaq (-4.4%) – as higher-than-expected inflation print, and strong job market data sparked fears of delays for rate cuts. Expectations for rate cuts are now pushed back, with a June cut appearing unlikely and total number of cuts expected in 2024 reduced to one or two from six at the start of the year. The 10-year US Treasury (UST) Yield rose steeply 11.0% to 4.68%, close to levels last seen in November last year. Locally, the FBMKLCI rallied by 2.6%, reaching a two-year high of 1,576 basis points (bps) despite the Middle East geopolitical concerns and persistent selling by foreign investors. The broader market rallied as well with FBM100, FBM Shariah and FBM Small Cap rising 2.5%, 3.8% and 3.4% respectively. While foreign selling continued for the second consecutive month at RM1.37 billion, net selling momentum fell by 52.0% MoM. Overall, year-to-date (YTD) net outflow of RM2.25 billion, close to 2023’s full-year outflow of RM2.33 billion. That being said, market was supported by net buy of RM5.1 billion worth of equities by local institutional investors. Sector wise, utilities were the best performer alongside Industrials with strong gains seen in YTL Power, YTL Corp and Press Metal.



## 2.6 Review of the market (contd.)

### Market review (contd.)

US equities rose in May driven by better-than-expected corporate earnings, investors' optimism on better than economic outlook and expectation of rate cut later this year. US consumer prices increased less than expected in April. On an annual basis, both headline and core Consumer Price Index (CPI) rose to 3.4% and 3.6% respectively. The core 12-month inflation reading was the lowest since April 2021 while the monthly increase of 0.3% was the smallest since December. US Dow Jones, S&P 500 and Nasdaq rose 2.3%, 4.8% and 6.9% MoM respectively. US announced new tariffs on USD 18 billion of goods from China, including quadruple tariffs on Chinese electric vehicles (to 100% from the current 25%) 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 supplies and solar supplies as the Biden administration extended the Section 301 Tariffs on Imports from China, which started in 2018 and covers USD 300 billion of Chinese products. Locally, FBMKLCI was up 1.3% driven by the return of foreign investors and strong 1Q earnings results. The broader market rallied, with FBM100, FBM Shariah and FBM Small Cap rising 2.3%, 2.5% and 4.1% respectively. The technology sector was up 11.5% in May on expectation of better earnings prospects, net purchase from foreign investors responding positively to the launch of Malaysia's National Semiconductor Strategy (NSS) and the US' decision to impose higher tariffs rate on Chinese semiconductors from 25% to 50% in 2025.

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 1H2024 strongly, with the S&P 500, Nasdaq and Dow Jones up by 14.5%, 18.1%, and 3.8% respectively. The rally in US market was mainly driven by better-than-expected corporate earnings. US inflation cooled slightly to 3.3% in May, compared to the economists' expectation of 3.4%. The Fed has decided to hold interest rates steady and expects only one cut in 2024 amidst sticky inflation, while economists anticipating the first cut in September 2024. Locally, the FBMKLCI was down slightly by 0.4% MoM, but the FBM100, FBM Shariah, and FBM Small Cap were up by 0.24%, 1.29%, and 3.64% MoM respectively. The Malaysian market finished 1H2024 strongly, with the FBMKLCI, FBM100, FBM Shariah, and FBM Small Cap up by 9.3%, 12.5%, 14.2%, and 18.0% respectively. Construction was the best performer, increasing by 8.4% MoM due to the rollout of infrastructure projects in Malaysia. Technology was the second-best performing sector, increasing by 5.1% MoM due to better earnings prospects in 2H2024. The Malaysian economy grew at a higher rate of 4.2% in the 1Q2024 (4Q2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. The Prime Minister announced an increase in civil servant's remuneration of more than 13%, to take effect from 1 December 2024. Meanwhile, the Employees Provident Fund (EPF) approved more than RM5.5 billion in the new Account 3 withdrawals, which could support consumer spending.

Global equity markets were highly volatile in July 2024 amidst the rapidly changing macroeconomic and geopolitical environment. A weaker-than-expected US CPI reading early in the month, combined with weaker US labour market data, reassured that Fed will soon begin cutting interest rates. Investors now expect the first Fed rate cut in September and are currently pricing almost three US rate cuts this year, with around 150bps worth of cuts by June 2025. Overall, 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.

## 2.6 Review of the market (contd.)

### Market review (contd.)

Locally, the FBM KLCI, FBM100, FBM Shariah and FBM Small Cap were up by 2.23%, 2.64%, 1.67% and 0.63% MoM respectively. The FBMKLCI remained the top performer in the region and Malaysia was the only country to see net foreign inflows in July, albeit marginal. Sector-wise, construction was the best performer in July, increasing by 14.4% MoM amidst positive news flow and contract awards. Property was the second-best performing sector for July, increasing by 4.9% MoM with expectations of more data centre related projects and land sales. In Malaysia, the OPR remained stable at 3.00% as expected. This was followed by 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.

In August, volatility was 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, the index whipsawed higher by the end of the month as the Fed indicated the possibility of a rate cut soon and stronger-than-expected July retail sales relieved investors of recession fears. The Dow Jones Industrial Average, S&P 500, and Nasdaq closed 1.8%, 2.3%, and 0.6% higher. Investors continue to expect the first rate cut in September and a total of four cuts by the end of 2024. Locally, FBMKLCI and FBM100 were up 3.27% and 0.65% MoM, respectively, while the FBM Shariah and FBM Small Cap declined 3.73% and 10.07%, respectively. Sector-wise, only financial and plantation posted gains with the former was the best performing sector in August, up 8.5% MoM benefiting from foreign inflows, while the Plantation sector was up 1.5% MoM. The technology sector was the worst performing sector down 14.9% MoM. Some notable developments include Icon Offshore's slew of acquisitions totaling RM437.5 million which will more than double its fleet size, worse-than-expected Battersea losses affecting SP Setia and Sime Darby Property, and the weakness in the technology sector, partially attributed to the overall ringgit's strength against the US dollar which came on the back of ongoing expectations of the Fed's rate cut, coupled with foreign inflows into Malaysia. The USDMYR closed the month at 4.32, from 4.59 as at end-July.

Equities in September saw moderate easing from last month's volatility, ultimately moving with an upward bias in most markets. The key headline was rate cuts, as the US Federal Reserve delivered its first cut of the cycle of 50bps, and the European Central Bank (ECB) 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' indicates another 50bps reduction before end-2024 and a further 100bps in 2025, markets are positioned slightly ahead with an additional 50bps reduction already priced in for that period. Asian equities saw diverging performance continue, as Korea and Japan saw another monthly decline against the surging China/Hong Kong markets, which rose over 17% to 21.0% to reach YTD highs for the Hang Seng Index (HSI) and CSI 300 respectively. The exuberance in China was driven by a slew of stimulus measures announced following a non-regular Politburo meeting after mid-September. Locally, markets took a breather with the FBMKLCI, FBM100 and FBM Shariah declining 1.8%, 1.4% and 0.3% respectively, and the FBM Small Cap easing 0.6%. BNM kept the OPR steady at 3.00%, and stable local inflation was echoed by the August CPI print of 1.9%, coming below an expected 2.0%. Profit taking activities were rife in both August and September, though foreign flows remained net buy at RM0.5 billion, bringing 9 months of 2024 net buying to RM3.6 billion.

## 2.6 Review of the market (contd.)

### Market review (contd.)

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%. The MSCI Asia Ex-Japan declined by 4.5% amidst a global equity sell-off. Market sentiment was influenced by shifting poll results suggesting a potential Trump presidency, with investors likely pricing in risks such as universal tariffs and higher tariffs on China. China's strong rally in September lost momentum in October, with the HSI and the Hang Seng China Enterprise Index (HSCEI) both down 3.9% and 3.3% respectively. Taiwan was the only emerging market to post a positive return in October, gaining 2.7% driven by strength in the tech sector and AI adoption. Both Korea and Thailand cut policy rates by 25bps each in October, while India and Indonesia kept rates unchanged. However, disappointing earnings results particularly from Samsung Electronics, weighed on the Korean market, making it the worst-performing market in Asia YTD. Locally, the FBMKLCI, FBM100, FBM Shariah and FBM Small Cap declined by 2.9%, 1.7%, 1.5% and 2.3% 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 YTD net inflows to RM1.8 billion. The construction, real estate investment trust (REIT), and healthcare sectors were the top performing indices in October, while the utilities, telecom and consumer sectors lagged. On 18 October, 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% dividend income tax for publicly listed and privately held companies.

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 47<sup>th</sup> President, coupled with the widely expected 25bps cut in federal rate, led to optimism in US equities. US' 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. Over in Asia, equities were largely influenced by concerns over potential tariffs following Trumps' return to the White House. MSCI Asia ex-Japan saw a 3.4% MoM decline, led by Philippines (PCOMP: -7.4% MoM), Indonesia (JCI: -6.1% MoM), Hong Kong (HSI & HSCEI: -4.4% MoM), and South Korea (KOSPI: -3.9% MoM), while Singapore (STI: +5.1% MoM), and China (SHCOMP: +1.4% MoM; SHSZ300: +0.7% MoM) managed to stay in the positive territory. Singapore's strong gains came as foreign investors shifted their focus from China and Hong Kong to Singapore, drawn by its political stability and relative neutrality amid ongoing US-China tensions. Locally, FBM Shariah (-0.2% MoM) and KLCI (-0.4% MoM) underperformed FBM100 (+0.1% MoM) and FBM Small Cap (+2.0% MoM). For the 9<sup>th</sup> consecutive meeting, BNM kept the OPR at 3.00% amidst stable inflation and steady growth. Foreign flows were negative particularly in the final week following the presidential elections. This resulted in significant outflow of RM3.1 billion for the month - the largest since March 2020 during the onset of COVID-19 lockdowns - turning YTD foreign flow negative at RM1.3 billion.

## 2.6 Review of the market (contd.)

### Market review (contd.)

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% 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. In Asia, the MSCI Asia ex-Japan index saw a marginal 0.1% MoM gain. Sentiment remained negative in China due to poor economic data and geopolitical concerns. Meanwhile geopolitical tensions continued as chip export controls stepped up – 150 names were added to the Entity List together with a new Section 301 investigation over China's legacy node chips. With December being a relatively quiet month for most markets, KLCI's (+3.0% MoM) gain 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. The net sell flows widened the cumulative net foreign outflow to RM4.2 billion in 2024, making it the highest annual net foreign outflow since 2020.

January 2025 kicked off with cautious optimism in global equity markets, with the Dow Jones, S&P 500 and Nasdaq rising 4.7%, 2.7% and 1.6% MoM respectively. However, Technology and related stocks came under pressure due to a knee-jerk reaction following the Biden administration's release of the Interim Final Rule (IFR) on Artificial Intelligence Diffusion. Global stocks rose as investors reacted positively to US President Trump's inauguration on 20 January, who hinted at a potentially softer approach toward tariffs on China. Subsequently towards the end of the month, stock markets retreated following the release of DeepSeek, an open-source large language model (LLM) developed by a Chinese quant fund. DeepSeek's strong performance against other LLMs raised concerns on the need for large global AI capex. Meanwhile, the Fed held its policy rate steady at 4.25% to 4.50% during its first Federal Open Market Committee (FOMC) meeting of the year on 28-29 January. In Asia, the MSCI Asia ex-Japan index recorded a marginal 0.6% MoM gain. January 2025 marked Malaysia's worst start to a year since 1995, with the FBM Small Cap, KLCI, FBM 100 and FBM Shariah declining 5.1%, 5.2%, 5.6% and 6.8% MoM respectively, making Malaysia one of the worst performing markets in ASEAN. Rising external risks triggered a sharp selloff in Malaysia's data centre-related stocks and AI-linked proxies. Malaysia's advance 4Q2024 GDP growth moderated to 4.8% YoY (3Q2024: 5.3% YoY), below the consensus estimate of 5.2% YoY. Meanwhile, Malaysia recorded the largest net foreign outflows among Emerging ASEAN markets in January totaling USD 702 million, marking the fourth consecutive month of outflows.

February 2025 saw a shift in global equity markets, with mixed performances across regions. The Dow Jones, S&P 500, and Nasdaq posted declines of 1.6%, 1.4%, and 4.0% MoM respectively, as investor sentiment turned cautious amid a lackluster earnings season and stretched valuations in mega-cap technology stocks. Trump's recent tariff measures began in early February 2025, with a 10% tariff on Chinese imports taking effect on 4 February. Additional tariffs on Canada and Mexico were announced but delayed until March. These actions created uncertainty in the markets, contributing to the cautious sentiment in February. Meanwhile, the Fed continued to signal a cautious approach amid persistent economic uncertainties. Previously, the policy rate had been maintained at 4.25% to 4.50%. February 2025 saw continued challenges for Malaysia's equity markets, with the FBM 100, FBM Shariah and FBM Small Cap declining 0.7%, 2.8%, and 6.6% MoM respectively but FBM KLCI increasing by 1.1% MoM.

## **2.6 Review of the market (contd.)**

### **Market review (contd.)**

The announcement of new US tariffs on Chinese imports further dampened sentiment, leading to a selloff in export-oriented and technology-linked stocks. Malaysia recorded foreign outflow of RM2.2 billion worth of equities in February 2025, slightly lower than RM3.1 billion outflow in January 2025.

### **Market outlook**

Investors will focus on the Trump administration's stance on trade, fiscal policies, and immigration, as well as potential shifts in the regulatory framework, which will emphasize the 'America First' philosophy and deficit reduction. This approach could result in some short term pain including a hit to growth due to impact of the tariffs and budget cuts. On monetary policy, the Fed remains cautious and has adopted a wait and see approach. The interest rate cut expectations for 2025 is maintained at 50bps, bringing the Fed funds rate to 3.9% towards the end of the year. Any further cuts would likely require real progress on inflation or signs of weakness in the labour market. In Malaysia, domestic growth outlook continues to be strong driven by an investment upcycle in infrastructure and property. However, the external environment is challenging, with tariffs and trade restrictions potentially impacting growth and exports.

### **Strategy**

We anticipate taking a nimbler approach in light of rising external risks, such as heightened global tariffs and trade restrictions, potential downside to global growth, and rising inflationary pressure in developed markets. Given the overall outlook, we are focused more on stock picking for 2025. We still like sectors such as financials, construction, property, new energy, utilities and healthcare.

## **2.7 Distributions**

For the financial year under review, the Fund did not declared 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 under review 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.

During the financial year under review, the Manager received soft commissions from its stockbrokers who have also executed trades for other funds or investments managed by the Manager. The soft commissions were utilised for research and advisory services that assist in the investment decision making process. The soft commissions received were for the benefit of the Fund and there was no churning of trades.

## **2.12 Cross-trade**

During the financial year under review, no cross-trade transaction 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 28/29 February are as follows:

a. Distribution among industry sectors and category of investments:

	FY 2025	FY 2024	FY 2023
	%	%	%
Industrial Products and Services	26.3	28.4	18.8
Financial Services	11.0	6.8	12.2
Construction	10.0	6.4	4.4
Technology	9.1	17.0	24.9
Consumer Products and Services	7.6	5.4	10.4
Utilities	6.3	8.1	2.5
Energy	6.0	4.2	3.5
Telecommunications and Media	5.7	3.7	5.8
Health Care	4.3	0.7	4.2
Property	3.9	3.4	0.3
Plantation	0.3	1.9	0.7
Real Estate Investment Trusts	1.6	2.2	-
Transportation and Logistics	-	3.0	2.6
Unlisted options	1.6	2.1	2.3
Short term deposit and cash equivalents	6.3	6.7	7.4
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Note. The above mentioned percentages are based on total net asset value (NAV)

b. Distribution among markets

The Fund invests in local listed investment securities, unlisted options, and short term deposits and cash equivalents only.

**3.2 Performance details of the Fund for the last three financial years ended 28/29 February are as follows:**

	<b>FY 2025</b>	<b>FY 2024</b>	<b>FY 2023</b>
Net asset value ("NAV") (RM Million)	88.93	67.29	66.60
Units in circulation (Million)	213.61	175.29	194.81
NAV per unit (RM)	0.4163	0.3838	0.3419
Highest NAV per unit (RM)	0.4831	0.3863	0.4091
Lowest NAV per unit (RM)	0.3773	0.3190	0.3096
Total return (%)	8.47	12.26	-4.65
- Capital growth (%)	8.47	12.26	-14.38
- Income growth (%)	-	-	9.72
Gross distribution per unit (sen)	-	-	4.00
Net distribution per unit (sen)	-	-	4.00
Total expense ratio ("TER") (%) <sup>1</sup>	1.61	1.63	1.59
Portfolio turnover ratio ("PTR") (times) <sup>2</sup>	0.52	0.61	0.33

*Note: Total return is the actual return of the Fund for the respective financial years, 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. TER is lower against the previous financial year mainly due to increase in average fund size during the financial year under review.*
- 2. PTR is lower against the previous financial year due to slight decreased trading and rebalancing activities during the financial year under review.*



### 3.3 Average total return of the Fund

	1 Year 29 Feb 24 - 28 Feb 25	3 Years 28 Feb 22 - 28 Feb 25	5 Years 29 Feb 20 - 28 Feb 25
KPF	8.47%	5.79%	8.06%
FTSE Bursa Malaysia Top 100 Index	3.03%	1.62%	2.96%

Source: Lipper

### 3.4 Annual total return of the Fund

	Year under review 29 Feb 24 - 28 Feb 25	1 Year			
		28 Feb 23 - 29 Feb 24	28 Feb 22 - 28 Feb 23	28 Feb 21 - 28 Feb 22	29 Feb 20 - 28 Feb 21
KPF	8.47%	12.26%	-4.65%	-12.14%	35.09%
FTSE Bursa Malaysia Top 100 Index	3.03%	8.63%	-7.51%	-1.74%	9.72%

Source: Lipper

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

# **KENANGA PREMIER FUND**

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

**28 February 2025**

## **KENANGA PREMIER FUND**

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**TRUSTEE'S REPORT  
TO THE UNIT HOLDERS OF KENANGA PREMIER FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 28 February 2025 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 Unit Trust 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 and on behalf of  
**CIMB Commerce Trustee Berhad**

**Tok Puan Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia

28 April 2025

## **Independent auditors' report to the unit holders of Kenanga Premier Fund**

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

#### *Opinion*

We have audited the financial statements of Kenanga Premier Fund (the "Fund"), which comprise the statement of financial position as at 28 February 2025, 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 7 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 28 February 2025, 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *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.

## **Independent auditors' report to the unit holders of Kenanga Premier Fund (contd.)**

### *Information other than the financial statements and auditors' report thereon (contd.)*

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 Premier Fund (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 Premier Fund (contd.)**

**Other matters**

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

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

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

Kuala Lumpur, Malaysia  
28 April 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 28 February 2025 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year ended 28 February 2025 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 Premier Fund** as at 28 February 2025 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

28 April 2025

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

	Note	2025 RM	2024 RM
<b>INVESTMENT INCOME</b>			
Dividend income		1,678,793	1,550,374
Interest income		147,223	148,606
Net gain from investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	4	4,462,776	7,393,751
		<u>6,288,792</u>	<u>9,092,731</u>
<b>EXPENSES</b>			
Manager's fee	5	1,281,552	974,111
Trustee's fee	6	42,718	32,470
Auditors' remuneration		13,300	9,300
Tax agent's fee		6,500	1,500
Administration expenses		32,901	43,065
Brokerage and other transaction costs		298,993	422,753
		<u>1,675,964</u>	<u>1,483,199</u>
<b>NET INCOME BEFORE TAX</b>		4,612,828	7,609,532
Income tax	7	(8,675)	(5,975)
<b>NET INCOME AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<u>4,604,153</u>	<u>7,603,557</u>
Net gain after tax is made up as follows:			
Realised gain/(loss)		4,879,331	(138,349)
Unrealised (loss)/gain		(275,178)	7,741,906
		<u>4,604,153</u>	<u>7,603,557</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 28 FEBRUARY 2025**

	Note	2025 RM	2024 RM
<b>ASSETS</b>			
<b>INVESTMENTS</b>			
Financial assets at FVTPL	4	83,356,781	62,777,352
Short term deposit	8	5,296,000	4,056,000
		<u>88,652,781</u>	<u>66,833,352</u>
<b>OTHER ASSETS</b>			
Amount due from Manager		180,090	107,902
Amount due from licensed financial institutions	9	249,365	2,197,856
Other receivables	10	54,816	56,581
Cash at bank		11,421	30,881
		<u>495,692</u>	<u>2,393,220</u>
<b>TOTAL ASSETS</b>		<u>89,148,473</u>	<u>69,226,572</u>
<b>LIABILITIES</b>			
Amount due to Trustee		7,558	5,503
Amount due to licensed financial institutions	9	172,796	1,903,877
Other payables	11	37,716	31,911
<b>TOTAL LIABILITIES</b>		<u>218,070</u>	<u>1,941,291</u>
<b>EQUITY</b>			
Unit holders' contribution		66,222,683	49,181,714
Retained earnings		22,707,720	18,103,567
<b>NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS</b>	12	<u>88,930,403</u>	<u>67,285,281</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>89,148,473</u>	<u>67,322,695</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	12(a)	<u>213,608,902</u>	<u>175,294,583</u>
<b>NAV PER UNIT (RM)</b>		<u>0.4163</u>	<u>0.3838</u>

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

**STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

	Note	Unit holders' contribution RM	Retained earnings RM	Total NAV RM
<b>2025</b>				
At beginning of the financial year		49,181,714	18,103,567	67,285,281
Total comprehensive income		-	4,604,153	4,604,153
Creation of units	12(a)	23,127,582	-	23,127,582
Cancellation of units	12(a)	(6,086,613)	-	(6,086,613)
At end of the financial year		<u>66,222,683</u>	<u>22,707,720</u>	<u>88,930,403</u>
<b>2024</b>				
At beginning of the financial year		56,103,528	10,500,010	66,603,538
Total comprehensive income		-	7,603,557	7,603,557
Creation of units	12(a)	2,237,598	-	2,237,598
Cancellation of units	12(a)	(9,159,412)	-	(9,159,412)
At end of the financial year		<u>49,181,714</u>	<u>18,103,567</u>	<u>67,285,281</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets at FVTPL	38,729,096	40,829,999
Dividends received	1,671,985	1,507,985
Interest from deposit received	147,121	149,163
Tax agent's fee paid	-	(3,500)
Auditors' remuneration paid	(12,300)	(11,300)
Payment for other fees and expenses	(34,596)	(35,213)
Trustee's fee paid	(40,663)	(32,444)
Manager's fee paid	(1,253,987)	(973,809)
Purchase of financial assets at FVTPL	(54,927,332)	(35,215,940)
Net cash (used in)/generated from operating and investing activities	<u>(15,720,676)</u>	<u>6,214,941</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	23,027,829	2,051,313
Cash paid on units cancelled	(6,086,613)	(9,202,239)
Net cash generated from/(used) in financing activities	<u>16,941,216</u>	<u>(7,150,926)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,220,540	(935,985)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>4,086,881</u>	<u>5,022,866</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>5,307,421</u>	<u>4,086,881</u>
Cash and cash equivalents comprise:		
Cash at bank	11,421	30,881
Short term deposit	5,296,000	4,056,000
	<u>5,307,421</u>	<u>4,086,881</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025**

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

Kenanga Premier Fund (the "Fund") was constituted pursuant to the executed Deed dated 21 November 1996 (collectively, together with deeds supplemental thereto, referred to as the "Deed") between the Manager, Kenanga Investors Berhad, and Universal Trustee (Malaysia) Berhad (the "Trustee" prior to 15 April 2005). Pursuant to the executed Fourth Supplemental Deed dated 15 April 2005, the Fund changed its trustee to HSBC (Malaysia) Trustee Berhad (the "Trustee" for the period from 15 April 2005 to 2 December 2013). The Fund has subsequently changed its trustee to CIMB Commerce Trustee Berhad (the "Trustee" with effect from 3 December 2013). The aforesaid change was effected on 3 December 2013 via a Fourth Master Supplemental Deed dated 19 November 2013. The Fund commenced operations on 26 November 1996 and will continue to be in operation until terminated in accordance to Part 12 of the Deed.

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

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

The Fund seeks to provide consistent annual returns and medium to long term capital appreciation.

The financial statements were authorised for issue by the Chief Executive Officer of the Manager on 28 April 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 deposit.

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

#### Interest rate risk exposure

The following table analyses the Fund's interest rate risk exposure. The Fund's financial assets and 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>2025</b>				
<b>Assets</b>				
Financial assets at FVTPL	-	83,356,781	83,356,781	
Short term deposit	5,296,000	-	5,296,000	3.0
Other financial assets	-	495,692	495,692	
	<u>5,296,000</u>	<u>83,852,473</u>	<u>89,148,473</u>	
<b>Liabilities</b>				
Other financial liabilities	-	180,354	180,354	

## 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>2025 (contd.)</b>				
<b>Total interest rate sensitivity gap</b>	<u>5,296,000</u>	<u>83,762,119</u>	<u>88,968,119</u>	
<b>2024</b>				
<b>Assets</b>				
Financial assets at FVTPL	-	62,777,352	62,777,352	
Short term deposit	4,056,000	-	4,056,000	3.0
Other financial assets	-	2,393,220	2,393,220	
	<u>4,056,000</u>	<u>65,170,572</u>	<u>69,226,572</u>	
<b>Liabilities</b>				
Other financial liabilities	-	1,909,380	1,909,380	
	<u>4,056,000</u>	<u>63,261,192</u>	<u>67,317,192</u>	

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

#### ii. Price risk

Price risk is the risk of unfavourable changes in the fair values of listed equity securities and listed collective investment scheme. The Fund invests in listed equity securities and listed collective investment scheme which are exposed to price fluctuations. This may then affect the NAV per unit of the Fund.



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

### a. Market risk (contd.)

#### ii. Price risk (contd.)

##### Price risk sensitivity

The Manager's best estimate of the effect on the income for the financial year due to a reasonably possible change in investments in listed equity securities and listed collective investment scheme 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 for the financial year Gain/(Loss) RM</b>
<b>2025</b>		
Financial assets at FVTPL	5/(5)	40,949/(40,949)
<b>2024</b>		
Financial assets at FVTPL	5/(5)	30,678/(30,678)

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>2025 RM</b>	<b>2024 RM</b>	<b>2025 %</b>	<b>2024 %</b>
Financial assets at FVTPL	81,898,533	61,356,605	92.1	91.2

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

### a. Market risk (contd.)

#### ii. Price risk (contd.)

##### Price risk concentration (contd.)

The Fund's concentration of investment security price risk from the Fund's listed equity securities and listed collective investment scheme analysed by sector is as follows:

	Fair value		Percentage of NAV	
	2025 RM	2024 RM	2025 %	2024 %
Industrial Products and Services	23,365,832	19,110,617	26.3	28.4
Financial Services	9,814,144	4,568,091	11.0	6.8
Construction	8,893,679	4,316,789	10.0	6.4
Technology	8,062,324	11,442,877	9.1	17.0
Consumer Products and Services	6,755,191	3,611,539	7.6	5.4
Utilities	5,579,540	5,484,620	6.3	8.1
Energy	5,308,239	2,815,980	6.0	4.2
Telecommunications and Media	5,118,166	2,475,891	5.7	3.7
Health Care	3,834,318	514,915	4.3	0.7
Property	3,464,200	2,264,378	3.9	3.4
Plantation	283,500	1,273,668	0.3	1.9
Listed collective investment scheme	1,419,400	1,470,660	1.6	2.2
Transportation and Logistics	-	2,006,580	-	3.0
	<u>81,898,533</u>	<u>61,356,605</u>	<u>92.1</u>	<u>91.2</u>

### 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.

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

### b. Credit risk (contd.)

#### iii. Credit quality of financial assets

The following table analyses the Fund's portfolio of unlisted options by rating category:

##### Unlisted options

	Percentage of total unlisted options		Percentage of NAV	
	2025 %	2024 %	2025 %	2024 %
<b>Rating</b>				
Not rated	100.0	100.0	1.6	2.1

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 deposit

	Percentage of total short term deposit		Percentage of NAV	
	2025 RM	2024 RM	2025 %	2024 %
<b>Rating</b>				
P1/MARC-1	100.0	100.0	6.0	6.0

#### iv. Credit risk concentration

Concentration risk is monitored and managed based on sectoral distribution. The table below analyses the Fund's portfolio of unlisted options by sectoral distribution:

##### Unlisted options

	Percentage of total unlisted options		Percentage of NAV	
	2025 RM	2024 RM	2025 %	2024 %
Telecommunications and Media	100.0	100.0	1.6	2.1

## 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' options 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 banks, 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 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>2025</b>				
<b>Assets</b>				
Financial assets at				
FVTPL		-	83,356,781	83,356,781
Short term deposit		-	5,296,000	5,296,000
Cash at bank		11,421	-	11,421
Other financial assets		-	484,271	484,271
	i.	<u>11,421</u>	<u>89,137,052</u>	<u>89,148,473</u>
<b>Liabilities</b>				
Other financial liabilities	ii.	<u>-</u>	<u>180,354</u>	<u>180,354</u>
Equity	iii.	<u>-</u>	<u>89,930,403</u>	<u>89,930,403</u>
Liquidity gap		<u>11,421</u>	<u>26,295</u>	<u>37,716</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>2024</b>				
<b>Assets</b>				
Financial assets at				
FVTPL		-	62,777,352	62,777,352
Short term deposit		-	4,056,000	4,056,000
Cash at bank		30,881	-	30,881
Other financial assets		-	2,362,339	2,362,339
	i.	<u>30,881</u>	<u>69,195,691</u>	<u>69,226,572</u>
<b>Liabilities</b>				
Other financial liabilities	ii.	<u>-</u>	<u>1,909,380</u>	<u>1,909,380</u>
Equity	iii.	<u>-</u>	<u>67,285,281</u>	<u>67,285,281</u>
Liquidity gap		<u>30,881</u>	<u>1,030</u>	<u>31,911</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 equity securities and listed collective investment scheme 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. The unlisted options is also expected to be realised within a year. 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

The 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.

#### 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".

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

### d. Regulatory reportings

It is the Manager's responsibility to ensure full compliance of all requirements under the Guidelines on Unit Trust 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 monthly 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 amended MFRS, which became effective for the Fund on 1 March 2024.

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 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 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.

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

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

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>Contracts Referencing Nature-dependent Electricity</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.

#### 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.

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

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

##### **ii. Measurement categories of financial assets and liabilities (contd.)**

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

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

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

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

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

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

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

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;



### 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.)

###### Business model assessment (contd.)

- 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.

###### 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 judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

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

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

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

##### iv. Financial investments

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

#### d. Derecognition of financial assets

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

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

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

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.

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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

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

#### **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.

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

#### **f. Impairment of financial assets (contd.)**

##### **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.

Dividend income is recognised on declared basis, when the right to receive the dividend is established. The income is presented gross of withholding tax which is disclosed separately.

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

#### **h. Cash and cash equivalents**

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

#### **i. Income tax**

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

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

The Fund may also incur withholding taxes on income received on the financial instrument.

#### **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.

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

#### 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

In the process of applying the Fund's accounting policies, management has made the following judgements and 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. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Fund's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

Where the financial instruments are not traded in an active market, fair value may be established by using a valuation technique which includes, but is not limited to, using option prices, benchmarking to recent arm's length transactions between knowledgeable willing parties, and reference to the current fair value of another instrument that is substantially the same. The Fund uses valuation techniques which involves making assumptions based on market conditions and other factors as of reporting date.

### 4. FINANCIAL ASSETS AT FVTPL

	2025 RM	2024 RM
Financial assets held for trading, at FVTPL:		
Listed equity securities	80,479,133	59,885,945
Listed collective investment scheme	1,419,400	1,470,660
Unlisted options	1,458,248	1,420,747
	<u>83,356,781</u>	<u>62,777,352</u>

#### 4. FINANCIAL ASSETS AT FVTPL (CONTD.)

	2025 RM	2024 RM
Net gain on financial assets at FVTPL comprised:		
Realised gain/(loss) on disposals	4,737,954	(348,155)
Unrealised changes in fair values	(275,178)	7,741,906
	<u>4,462,776</u>	<u>7,393,751</u>

#### Details of financial assets at FVTPL as at 28 February 2025:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<b>Listed equity securities</b>				
<b>Industrial Products and Services</b>				
Ancom Nylex Berhad	1,024,187	1,031,558	1,013,945	1.1
Aurelius Technologies Berhad	342,200	944,819	1,050,554	1.2
CPE Technology Berhad	695,800	769,486	580,993	0.7
Critical Holdings Berhad	1,325,900	874,671	1,087,238	1.2
Dufu Technology Corporation Berhad	1,004,964	1,598,954	1,316,503	1.5
EG Industries Berhad	391,800	434,085	850,206	1.0
Feytech Holdings Berhad	338,400	375,942	179,352	0.2
Kelington Group Berhad	1,188,500	781,152	4,147,865	4.7
Kinergy Advancement Berhad	2,747,700	821,257	906,741	1.0
KJTS Group Berhad	576,200	274,689	581,962	0.7
MCE Holdings Berhad	557,300	824,804	852,669	1.0
Nationgate Holdings Berhad	650,000	1,100,007	1,202,500	1.3
Pecca Group Berhad	578,800	773,700	839,260	0.9
P.I.E Industrial Berhad	320,000	1,121,684	1,248,000	1.4
Sam Engineering & Equipment (M) Berhad	251,800	1,045,813	914,034	1.0
Samaiden Group Berhad	800,900	702,417	961,080	1.1
Solarvest Holdings Berhad	905,300	1,445,912	1,584,275	1.8
Southern Cabel Group Berhad	722,500	672,715	830,875	0.9
Sunway Berhad	698,000	1,193,038	3,217,780	3.6
		<u>16,786,703</u>	<u>23,365,832</u>	<u>26.3</u>

#### 4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<b>Listed equity securities(contd.)</b>				
<b>Financial Services</b>				
AEON Credit Service (M) Berhad	294,300	1,861,697	1,706,940	1.9
Affin Bank Berhad	317,900	894,523	906,015	1.0
Alliance Bank Malaysia Berhad	370,000	1,498,413	1,942,500	2.2
AMMB Holdings Berhad	240,000	966,250	1,382,400	1.5
CIMB Group Holdings Berhad	330,037	1,732,011	2,577,589	2.9
Well Chip Group Berhad	1,170,000	1,686,122	1,298,700	1.5
		<u>8,639,016</u>	<u>9,814,144</u>	<u>11.0</u>
<b>Construction</b>				
Gamuda Berhad	269,998	982,678	1,177,191	1.3
IJM Corporation Berhad	818,000	2,373,918	1,717,800	1.9
MGB Berhad	1,150,000	1,324,629	753,250	0.9
MN Holdings Berhad	1,197,100	810,862	1,256,955	1.4
UUE Holdings Berhad	1,719,400	1,173,183	1,194,983	1.4
WCT Holdings Berhad	3,700,000	2,023,085	2,793,500	3.1
		<u>8,688,355</u>	<u>8,893,679</u>	<u>10.0</u>
<b>Technology</b>				
Frontken Corporation Berhad	855,000	998,142	3,197,700	3.6
Greatech Technology Berhad	1,086,800	889,356	1,814,956	2.1
My E.G. Services Berhad	507,445	452,498	444,014	0.5
Notion VTEC Berhad	734,300	869,833	572,754	0.6
Oppstar Berhad	250,000	441,877	120,000	0.1
Pentamaster Corporation Berhad	260,000	941,923	803,400	0.9
VSTECS Berhad	350,000	1,355,177	1,109,500	1.3
		<u>5,948,806</u>	<u>8,062,324</u>	<u>9.1</u>

#### 4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<b>Listed equity securities (contd.)</b>				
<b>Consumer Products and Services</b>				
99 Speed Mart Retail Holdings Berhad	750,000	1,434,671	1,582,500	1.8
AEON Co. (M) Berhad	860,000	1,115,465	1,221,200	1.4
Carlsberg Brewery Malaysia Berhad	98,000	2,205,199	1,832,600	2.0
Farm Fresh Berhad	518,900	924,284	861,374	1.0
MBM Resources Berhad	63,700	257,150	344,617	0.4
PPB Group Berhad	85,000	1,073,471	912,900	1.0
		<u>7,010,240</u>	<u>6,755,191</u>	<u>7.6</u>
<b>Utilities</b>				
Taliworks Corporation Berhad	1,100,000	1,021,461	803,000	0.9
Tenaga Nasional Berhad	198,900	2,496,274	2,705,040	3.1
YTL Corporation Berhad	140,000	284,494	264,600	0.3
YTL Power International Berhad	570,000	1,152,170	1,806,900	2.0
		<u>4,954,399</u>	<u>5,579,540</u>	<u>6.3</u>
<b>Energy</b>				
Dayang Enterprise Holdings Berhad	150,000	302,149	264,000	0.3
Dialog Group Berhad	476,200	1,117,273	752,396	0.8
Hibiscus Petroleum Berhad	430,000	845,745	675,100	0.8
Northern Solar Holdings Berhad	1,196,800	901,212	610,368	0.7
Pekati Group Berhad	1,780,900	883,320	2,226,125	2.5
Perdana Petroleum Berhad	2,471,300	638,321	531,330	0.6
T7 Global Berhad	508,000	203,399	248,920	0.3
		<u>4,891,419</u>	<u>5,308,239</u>	<u>6.0</u>



#### 4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<b>Listed equity securities (contd.)</b>				
<b>Telecommunications and Media</b>				
Axiata Group Berhad	940,348	2,981,581	1,965,327	2.2
CelcomDigi Berhad	190,000	662,893	701,100	0.8
OCC Group Berhad	3,147,900	1,777,639	1,290,639	1.4
Telekom Malaysia Berhad	170,000	1,049,467	1,161,100	1.3
		<u>6,471,580</u>	<u>5,118,166</u>	<u>5.7</u>
<b>Health Care</b>				
Alpha IVF Group Berhad	1,117,700	357,664	335,310	0.4
Duopharma Biotech Berhad	903,900	1,135,263	1,102,758	1.2
Hartalega Holdings Berhad	320,000	1,036,765	720,000	0.8
IHH Healthcare Berhad	225,000	1,515,821	1,676,250	1.9
		<u>4,045,513</u>	<u>3,834,318</u>	<u>4.3</u>
<b>Property</b>				
Mah Sing Group Berhad	705,000	1,062,505	874,200	1.0
Sime Darby Property Berhad	1,850,000	1,489,199	2,590,000	2.9
		<u>2,551,704</u>	<u>3,464,200</u>	<u>3.9</u>
<b>Plantation</b>				
Genting Plantations Berhad	50,000	304,172	283,500	0.3
<b>Total listed equity securities</b>		<u>70,291,907</u>	<u>80,479,133</u>	<u>90.5</u>
<b>Listed collective investment scheme</b>				
Pavilion Real Estate Investment Trust	940,000	1,146,800	1,419,400	1.6
<b>Total listed collective investment scheme</b>		<u>1,146,800</u>	<u>1,419,400</u>	<u>1.6</u>

#### 4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 28 February 2025 (contd.):

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV
<b>Unlisted options</b>				
Call/Put – Seni Jaya Corporation Berhad maturing on 18/8/2025	2,855,200	<u>1,416,179</u>	<u>1,458,248</u>	<u>1.6</u>
<b>Total unlisted options</b>		<u>1,416,179</u>	<u>1,458,248</u>	<u>1.6</u>
<b>Total financial assets at FVTPL</b>		<u>72,854,886</u>	<u>83,356,781</u>	<u>93.7</u>
<b>Unrealised gain on financial assets at FVTPL</b>			<u>10,501,895</u>	

#### 5. MANAGER'S FEE

The Manager's fee is calculated on a daily basis at a rate not exceeding 2.00% per annum of the NAV of the Fund as provided under Division 13.1 of the Deed.

The Manager is currently charging Manager's fee of 1.50% per annum of the NAV of the Fund (2024: 1.50% per annum).

#### 6. TRUSTEE'S FEE

Pursuant to the Fifth Master Supplemental Deed dated 25 July 2014, the Trustee's fee is calculated at a rate not exceeding 0.05% per annum of the NAV of the Fund effective from 1 August 2014.

The Trustee's fee is currently calculated at 0.05% per annum of the NAV of the Fund (2024: 0.05% per annum)

## 7. INCOME TAX

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Current income tax expense		
- Local withholding tax	<u>8,675</u>	<u>5,975</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.

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

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Net income before tax	<u>4,612,828</u>	<u>7,609,532</u>
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	1,107,079	1,826,288
Tax effect of:		
Income not subject to tax	(1,575,353)	(2,265,813)
Losses not deductible for tax purposes	66,043	83,557
Expenses not deductible for tax purposes	85,048	111,309
Restriction on tax deductible expenses for unit trust fund	317,183	244,659
Local withholding tax	<u>8,675</u>	<u>5,975</u>
Income tax for the financial year	<u>8,675</u>	<u>5,975</u>

## 8. SHORT TERM DEPOSIT

Short term deposit is held with licensed financial institutions in Malaysia at the prevailing interest rates.

## 9. AMOUNT DUE FROM/TO LICENSED FINANCIAL INSTITUTIONS

Amount due from/to licensed financial institutions relates to the amount to be received from or paid to licensed financial institutions arising from the sales and purchases of investments.

## 10. OTHER RECEIVABLES

	2025 RM	2024 RM
Dividend receivable	54,381	56,248
Interest receivable from short term deposit	435	333
	<u>54,816</u>	<u>56,581</u>

## 11. OTHER PAYABLES

	2025 RM	2024 RM
Accrual for auditors' remuneration	13,300	12,300
Accrual for tax agent's fees	9,500	3,000
Provision for printing and other expenses	14,916	16,611
	<u>37,716</u>	<u>31,911</u>

## 12. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

	Note	2025 RM	2024 RM
Unit holders' contribution	(a)	<u>66,222,683</u>	<u>49,181,714</u>
<u>Retained earnings:</u>			
Realised reserves		12,205,825	7,326,494
Unrealised reserves		<u>10,501,895</u>	<u>10,777,073</u>
		<u>22,707,720</u>	<u>18,103,567</u>
		<u>88,930,403</u>	<u>67,285,281</u>

## 12. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS (CONTD.)

### (a) Unit holders' contribution

	2025		2024	
	No. of units	RM	No. of units	RM
At beginning of the financial year	175,294,583	49,181,714	194,814,458	56,103,528
Add: Creation of units	52,100,182	23,127,582	6,374,751	2,237,598
Less: Cancellation of units	(13,785,863)	(6,086,613)	(25,894,626)	(9,159,412)
At end of the financial year	<u>213,608,902</u>	<u>66,222,683</u>	<u>175,294,583</u>	<u>49,181,714</u>

The Manager, Kenanga Investors Berhad, did not hold any units in the Fund, either legally or beneficially, as at 28 February 2025 (2024: nil). The number of units legally or beneficially held by the other parties related to the Manager was nil as at 28 February 2025 (2024: 122,775 units valued at RM 47,121).

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

PTR for the financial year is 0.52 times (2024: 0.61 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.

## 14. TOTAL EXPENSE RATIO ("TER")

TER for the financial year is 1.61% per annum (2024: 1.63% 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.

## 15. TRANSACTIONS WITH LICENSED FINANCIAL INSTITUTIONS

	Transaction value RM	Percentage of total %	Brokerage, stamp duty and clearing fee RM	Percentage of total %
Maybank Investment Bank Berhad	16,041,252	17.8	56,860	19.0
CGS International Securities Malaysia Sdn Bhd	11,307,856	12.6	37,239	12.5
CIMB Securities Sdn Bhd	10,704,435	11.9	41,058	13.7
RHB Investment Bank Berhad	8,884,975	9.9	30,855	10.3
Kenanga Investment Bank Berhad*	8,240,416	9.2	24,284	8.1
Hong Leong Investment Bank Berhad	7,929,718	8.8	26,120	8.7
UOB Kay Hian Securities (M) Sdn Bhd	7,341,012	8.2	25,584	8.6
Affin Hwang Investment Bank Berhad	5,744,340	6.4	18,585	6.2
Kenanga Investors Berhad	2,945,653	3.3	-	-
CLSA Securities Malaysia Sdn Bhd	2,402,499	2.7	7,938	2.7
Others	8,309,961	9.2	30,433	10.2
	<u>89,852,117</u>	<u>100.0</u>	<u>298,956</u>	<u>100.0</u>

\* Kenanga Investment Bank Berhad is a related party of Kenanga Investors Berhad.

The above transactions values are in respect of listed equity securities, listed collective investment scheme and unlisted options. Transactions in unlisted options do not involve any commission or brokerage fees.

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.

## 16. SEGMENTAL REPORTING

### a. Business segments

In accordance with the objective of the Fund, the Fund can invest between 70% to 98% of its NAV in listed Malaysian investment securities. The following table provides an analysis of the Fund's revenue, results, assets and liabilities by business segments:

	<b>Listed investment securities RM</b>	<b>Unlisted investment security RM</b>	<b>Other investments RM</b>	<b>Total RM</b>
<b>2025</b>				
<b>Revenue</b>				
Segment income	5,990,774	150,795	147,223	
Segment expenses	(298,993)	-	-	
Net segment income representing segment results	<u>5,691,781</u>	<u>150,795</u>	<u>147,223</u>	5,989,799
Unallocated expenditure				<u>(1,376,971)</u>
Income before tax				4,612,828
Income tax				(8,675)
Net income after tax				<u>4,604,153</u>
<b>Assets</b>				
Financial assets at FVTPL	81,898,533	1,458,248	-	
Short term deposit	-	-	5,296,000	
Other segment assets	303,746	-	435	
Total segment assets	<u>82,202,279</u>	<u>1,458,248</u>	<u>5,296,435</u>	88,956,962
Unallocated assets				191,511
				<u>89,148,473</u>
<b>Liabilities</b>				
Segment liabilities	<u>172,796</u>	-	-	172,796
Unallocated liabilities				45,274
				<u>218,070</u>

## 16. SEGMENTAL REPORTING (CONTD.)

### a. Business segments (contd.)

	Listed investment securities RM	Unlisted investment security RM	Other investments RM	Total RM
<b>2024</b>				
<b>Revenue</b>				
Segment income	8,659,798	284,327	148,606	
Segment expenses	<u>(422,753)</u>	<u>-</u>	<u>-</u>	
Net segment income representing segment results	<u>8,237,045</u>	<u>284,327</u>	<u>148,606</u>	8,669,978
Unallocated expenditure				<u>(1,060,446)</u>
Income before tax				7,609,532
Income tax				<u>(5,975)</u>
Net income after tax				<u>7,603,557</u>
<b>Assets</b>				
Financial assets at				
FVTPL	61,356,605	1,420,747	-	
Short term deposit	-	-	4,056,000	
Other segment assets	<u>2,254,104</u>	<u>-</u>	<u>333</u>	
Total segment assets	<u>63,610,709</u>	<u>1,420,747</u>	<u>4,056,333</u>	69,087,789
Unallocated assets				138,783
				<u>69,226,572</u>
<b>Liabilities</b>				
Segment liabilities	<u>1,903,877</u>	<u>-</u>	<u>-</u>	1,903,877
Unallocated liabilities				37,414
				<u>1,491,291</u>

### b. Geographical segments

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



## 17. FINANCIAL INSTRUMENTS

### a. Classification of financial instruments

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

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

	<b>Financial assets at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Other financial liabilities RM</b>	<b>Total RM</b>
<b>2025</b>				
<b>Assets</b>				
Listed equity securities	80,479,133	-	-	80,479,133
Listed collective investment scheme	1,419,400	-	-	1,419,400
Unlisted options	1,458,248	-	-	1,458,248
Short term deposit	-	5,296,000	-	5,296,000
Amount due from licensed financial institutions	-	249,365	-	249,365
Amount due from Manager	-	180,090	-	180,090
Other receivables	-	54,816	-	54,816
Cash at bank	-	11,421	-	11,421
	<u>83,356,781</u>	<u>5,791,692</u>	<u>-</u>	<u>89,148,473</u>
<b>Liabilities</b>				
Amount due to Trustee	-	-	7,558	7,558
Amount due to licensed financial institutions	-	-	172,796	172,796
	<u>-</u>	<u>-</u>	<u>180,354</u>	<u>180,354</u>

## 17. FINANCIAL INSTRUMENTS (CONTD.)

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
<b>2024</b>				
<b>Assets</b>				
Listed equity securities	59,885,945	-	-	59,885,945
Listed collective investment scheme	1,470,660	-	-	1,470,660
Unlisted options	1,420,747	-	-	1,420,747
Short term deposit	-	4,056,000	-	4,056,000
Amount due from licensed financial institutions	-	2,197,856	-	2,197,856
Amount due from Manager	-	107,902	-	107,902
Other receivables	-	56,581	-	56,581
Cash at bank	-	30,881	-	30,881
	<u>62,777,352</u>	<u>6,449,220</u>	<u>-</u>	<u>69,226,572</u>
<b>Liabilities</b>				
Amount due to Trustee	-	-	5,503	5,503
Amount due to licensed financial institutions	-	-	1,903,877	1,903,877
	<u>-</u>	<u>-</u>	<u>1,909,380</u>	<u>1,909,380</u>

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Investments:</b>				
<b>2025</b>				
Listed equity securities	80,479,133	-	-	80,479,133
Listed collective investment scheme	1,419,400	-	-	1,419,400
Unlisted options	-	-	1,458,248	1,458,248
	<u>81,898,533</u>	<u>-</u>	<u>1,458,248</u>	<u>83,356,781</u>

## 17. FINANCIAL INSTRUMENTS (CONTD.)

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
Listed equity securities	59,885,945	-	-	59,885,945
Listed collective investment scheme	1,470,660	-	-	1,470,660
Unlisted options	-	-	1,420,747	1,420,747
	<u>61,356,605</u>	<u>-</u>	<u>1,420,747</u>	<u>62,777,352</u>

Level 1: Listed prices in active market

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

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

The fair values of listed equity securities and listed collective investment scheme are determined by reference to Bursa Malaysia Securities Berhad's last traded prices at reporting date.

#### Reconciliation of fair value measurements of Level 3 financial instruments

The Fund carries unlisted options as financial assets at FVTPL classified as Level 3 within the fair value hierarchy.

The following table shows a reconciliation of all movements in the fair value of the unlisted options categorised within Level 3 between the beginning and the end of the financial year.

	2025 RM	2024 RM
At the beginning of the financial year	1,420,747	1,504,976
Purchase cost	1,416,179	3,552,043
Proceeds from maturity	(1,529,474)	(3,920,599)
Realised gain	113,294	368,556
Unrealised changes in fair values	<u>(37,501)</u>	<u>(84,229)</u>
At the end of the financial year	<u>1,458,248</u>	<u>1,420,747</u>

## 17. FINANCIAL INSTRUMENTS (CONTD.)

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

The following table presents additional information about the valuation methodology and input used for investments that are measured at fair value and categorised within Level 3:

	Fair value RM	Valuation methodology	Unobservable input
<b>2025</b>			
Call/Put Options - Seni Jaya Corporation Berhad maturing on 18/8/2025	<u>1,458,248</u>	Discounted cash flow	Options prices
<b>2024</b>			
Call/Put Options - Seni Jaya Corporation Berhad maturing on 19/11/2024	<u>1,420,747</u>	Discounted cash flow	Options prices

In the current and previous financial years, significant increases/ (decreases) in the unobservable inputs would result in a significantly higher/(lower) fair value measurement.

### 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.

## 18. 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:

- To invest in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- 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.

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