

PRESS RELEASE
FOR IMMEDIATE RELEASE

KENANGA INVESTORS KICKS OFF 2020 WITH FIRST KLCI L&I ETF LISTING

OneETF by Kenanga represents Kenanga Investment Bank's first foray into exchange-traded funds with the Kenanga KLCI Daily 2X Leveraged ETF and the Kenanga KLCI Daily (-1X) Inverse ETF.



From left: Lee Kok Khee, Kenanga Investment Bank Berhad's (KIBB) Executive Director and Head of Group Equity Broking Business, Datuk Chay Wai Leong, KIBB Group Managing Director, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Bt Tengku Ismail, KIBB Founder & Adviser, Izlan Izhah, KIBB Chairman, Ismitz Matthew De Alwis, Kenanga Investors Berhad's Executive Director & Chief Executive Officer, and Dr Julian Liu Tsung-Sheng, Yuanta Securities Investment Trust Co., Ltd Chairman

Kuala Lumpur, 13 January 2020 – Kenanga Investors Berhad (“Kenanga Investors”) the asset management arm of Kenanga Investment Bank Berhad announced the listing of OneETF by Kenanga (“OneETF”) on the Main Market of Bursa Malaysia Securities Berhad, which signals the company’s first foray into exchange-traded funds (“ETF”) by means of leveraged and inverse ETFs. The Kenanga KLCI Daily 2X Leveraged ETF (KLCI2XL) and the Kenanga KLCI Daily (-1X) Inverse ETF (KLCI1XI) are the first L&I ETFs to be benchmarked against the FTSE Bursa KLCI (“KLCI”) and the first ETF listing of the new decade on the local bourse.

Kenanga Investors

Both KLCI2XL and KLCI1XI adopt a futures-based replication investment strategy in order to provide daily performance that closely corresponds to their respective tracked indexes.

Kenanga Investment Bank Berhad's Group Managing Director, Datuk Chay Wai Leong said, "At Kenanga, we are continuously working to broaden our range of products and solutions to complement the varied goals investors have. While ETFs in South East Asia is still in its early stages, it has been garnering strong traction and showing tremendous growth potential. Today, we are pleased to introduce OneETF by Kenanga, which provides investors with a low cost alternative to diversify and hedge their portfolios. With its multitude of benefits, we look forward to ETFs becoming a mainstream investment option."

"The introduction of L&I ETFs, particularly the inaugural KLCI-based OneETF, will further invigorate our local bourse by offering investors a wider range of innovative products catering to varying risk appetites," says Datuk Muhamad Umar Swift, Chief Executive Officer of Bursa Malaysia Berhad. "we will continue to work closely with Kenanga Investors and other industry partners to drive the sustained development and increase competitiveness of the Malaysian ETF market through education and creation of attractive and diverse investment opportunities that meet the evolving needs of retail and institutional investors."

According to Ismitz Matthew De Alwis, Executive Director and Chief Executive Officer of Kenanga Investors, KLCI was decided upon due to the company's conviction in its own expertise within the Malaysian equities environment, in reference to the its award winning history at local and regional levels. "The KLCI has been appreciating ever since its steady recovery from the financial crisis of 2008, which is a market behaviour inverse ETFs can help investors with by providing the opportunity to hedge downside risk. Meanwhile, leveraged ETFs enable those with a bullish view of the market to possibly maximise potential returns. Investors will be able to cushion the sharp shifts that may occur as our OneETFs are traded on a real-time daily basis; this is especially significant for institutional investors due to their large exposure," he adds.

Unlike a conventional ETF, the KLCI2XL aims to achieve a return of two times the FBM KLCI 2X Daily Leveraged (Price) Index via futures as margin contracts and money market instruments amongst others while KLCI1XI uses short selling, derivatives trading and other leveraged investment techniques to perform inversely to the FBM KLCI Daily Short (Price) Index. Investors will be able to increase their yield without having to scrutinise the fundamentals of the underlying index components which is a form of passive management, something that Kenanga Investors is excited to bring to the market. "This further adds depth to the value of the products and services that we want our investors to experience, enabling both retail and institutional investors in capturing market opportunities in a volatile environment," says De Alwis.

Kenanga Investors' collaboration with Taiwan's largest mutual fund house and the pioneer of ETFs, Yuanta Securities Investment Trust Co., Ltd ("Yuanta SITC") to develop ETF products has been a valuable one. Yuanta Securities SITC has played a major role in the development of ETFs within Taiwan for more than 17 years. Dr Julian Liu Tsung-Sheng its Chairman, shares his thoughts, "It has been a rewarding experience for Yuanta SITC as Kenanga Investors' strategic advisor in its initiatives to bring L&I ETFs to Malaysian shores. Following this, both parties remain committed for the long haul to continue developing the ETF market to rival those in neighbouring regions.

"We are confident that OneETF will blaze a trail for more sophisticated ETF products to follow starting in 2020 and we are honoured to have been a part of this monumental occasion. The trading of ideas between

Kenanga Investors

Kenanga Investors and Yuanta SITC has also helped us gain new insights and perspectives for our own learning curve which has been enriching for our organisation,” he says.

The two L&I ETFs are suitable for qualified investors who wish to seek either leveraged or inverse exposure to the companies of the index (bullish vs bearish) and are be able to actively monitor and manage their investments whilst mitigating risk when used appropriately.

Disclaimer:

Investors are advised to read and understand the contents of the Kenanga OneETF Master Prospectus (“MP”) dated 20 December 2019, and we recommend that investors consider the fees, charges and risk factors involved before investing. The MP has been registered and/or lodged with the Securities Commission Malaysia (“SC”), who takes no responsibility for its contents. Investors may obtain the MP at our offices or any authorised participating dealer and market maker. Unit prices may go down as well as up. A Fund’s track record does not guarantee its future performance. Investors are advised to read and understand the contents of the unit trust loan financing risk disclosure statement before deciding to borrow to purchase units. If you are in doubt when considering the investment or any of the information provided, you are advised to consult a professional adviser. Kenanga Investors Berhad 199501024358 (353563-P) is committed to prevent conflict of interest between its various businesses and activities and between its clients/director/shareholders and employees by having in place procedures and measures for identifying and properly managing any apparent, potential and perceived conflict of interest by making disclosures to Clients, where appropriate.

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About Kenanga Investors Berhad 199501024358 (353563-P)

Kenanga Investors Berhad (‘Kenanga Investors’) is a wholly-owned subsidiary of Kenanga Investment Bank Berhad, the largest independent investment bank by equity trading value and volume*. Kenanga Investors is licensed to perform regulated activities of fund management dealing in securities (restricted to unit trust), investment advice, financial planning, and dealing in Private Retirement Scheme (‘PRS’) under the Capital Markets and Services Act (‘CMSA’) 2007. Kenanga Investors provides investment solutions ranging from collective investment schemes, portfolio management services as well as segregated private mandates and alternative investments for retail, corporate and institutional clients.

Kenanga Investors prides itself on its reputation for its consistently top performing funds. At the Morningstar Awards 2019, the ‘Best Malaysia Large-Cap Equity Fund’ title was awarded to Kenanga Blue Chip Fund while the KLIFF Islamic Finance Awards 2019 named Kenanga Syariah Growth Fund the ‘Most Outstanding Islamic Fund Product’. The Hong Kong-based Asia Asset Management’s 2019 Best of the Best Awards awarded Kenanga Investors under the ‘Malaysia Best Equity Manager’, ‘Malaysia Best Wealth Management Platform’ and ‘Malaysia Best Investor Education’ categories.

Most recently, the FSMOne Recommended Unit Trusts Awards 2019/2020, named Kenanga Growth Fund (‘KGF’) as the “Most Outstanding Unit Trust for 10-Years”. KGF also won “Core Equity – Malaysia” for the 10th consecutive year while Kenanga OnePRS Conservative Fund received the “Private Retirement Scheme – Conservative” award.

For the third consecutive year, Kenanga Investors was affirmed an investment manager rating of IMR-2 by Malaysian Rating Corporation Berhad. The IMR rating on Kenanga Investors reflects the fund management company’s well-established investment processes, sound risk management practices and strong operating track record.

About Kenanga Investment Bank Berhad 197301002193 (15678-H)

Established for more than 40 years, Kenanga Investment Bank Berhad ('the Group') is a financial group in Malaysia with extensive experience in equity broking, investment banking, treasury, Islamic banking, listed derivatives, investment management, wealth management, structured lending and trade financing. Today, it is an award-winning leading independent investment bank in the country with a continuous commitment towards driving collaboration, innovation and digitalisation in the marketplace.

Kenanga Investment Bank Berhad is the largest independent investment bank* in Malaysia by equity trading volume and value, as well as, one of the top brokerage houses with the largest network of remisiers. Its fast growing client base enjoys convenience through more than 30 locations throughout Malaysia.

The Group has garnered a host of awards and accolades reflecting its strong market position. It was awarded Most Innovative Participating Organisation and Best Retail Equities Participating Organisation (1st Runner Up) by

Bursa Malaysia. Rakuten Trade Sdn Bhd, the Group's joint venture with Japan's Rakuten Securities, Inc. was named FinTech Company of the Year.

The Group received Best Dividend Yield at Focus Malaysia's Best Under Billion Awards 2018, and it clinched 'Deal of the Year 2018' from Islamic Finance News for its innovative Sukuk programme. The Group's asset management subsidiary, Kenanga Investors Berhad is a regular and repeat recipient of distinguished industry accolades, such as the Lipper, Fundsupermart and Morningstar awards.

The Group's listed derivatives subsidiary, Kenanga Futures Sdn Bhd ('KF') was awarded Best Trading Participant for Equity and Financial Derivatives by Bursa Malaysia, maintaining its market leadership for the 15th consecutive year. KF was also accorded the titles 1st Runner-Up for Best Overall Derivatives Trading Participant and 2nd Runner-Up for Best Institutional Derivatives Trading Participant.

For its continued efforts towards community outreach and employee volunteerism, the Group was awarded the coveted CSR Award (Investment Bank) at the CSR Malaysia Awards 2019, an award endorsed by the Ministry of Women Affairs and Family Planning.

This Press Release was issued by Kenanga Group's Marketing & Communications department. For more information, please contact:

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Featured in:

Astro AWANI (13 January 2020)

Link: <http://www.astroawani.com/video-bisnes/niaga-awani-penyenaraian-serentak-2-exchange-traded-fund-1828458>



The screenshot shows the Astro AWANI website interface. At the top, there is a navigation bar with the 'astro AWANI' logo and menu items: BERITA, VIDEO, FOTO, and LIVE. The main headline reads 'Niaga AWANI: Penyenaraian serentak 2 Exchange Traded Fund'. Below the headline, it states 'Diterbitkan pada: Januari 13, 2020 11:30 (MYT) | Durasi: 24 min, 46 saat'. There are social media sharing icons for Facebook, Twitter, Email, Google+, and WhatsApp. The video player shows two men in suits; one is holding a microphone with the 'astro AWANI' logo. The video title 'PENYENARAIAN SERENTAK 2 EXCHANGE TRADED FUND' is displayed at the bottom of the video frame. In the background, there are banners for 'Bursa Malaysia' and 'Kenanga Investors'.

Edge Markets (13 January 2020)

Link: <https://www.theedgemarkets.com/article/bursa-ceo-leveraged-inverse-etfs-invigorate-local-bourse>



The screenshot shows a news article from Edge Markets. The article title is "Bursa CEO: Leveraged, inverse ETFs to invigorate local bourse". The author is Chester Tay & Joanna Tan. The article includes a photograph of a group of men in suits standing in front of a large digital display. The text of the article discusses the introduction of leveraged and inverse exchange-traded funds (ETFs) by Bursa Malaysia Bhd, aimed at invigorating the local bourse by offering investors a wider range of innovative products.

Bursa CEO: Leveraged, inverse ETFs to invigorate local bourse

Update

Chester Tay & Joanna Tan / [theedgemarkets.com](https://www.theedgemarkets.com)

January 13, 2020 14:30 pm +08

(From left): Kenanga Investment Bank Bhd executive director and head of group equity broking business Lee Kok Khue, Kenanga Investors Bhd director Imran Devindran Abdullah, Yuanta Securities Investment Trust Co Ltd chairman Dr Julian Liu Tsung-Sheng, Kenanga Investors executive director and chief executive officer Ismail, Matthew De Alwis, Kenanga Investment Bank group managing director Datuk Chay Wei Leong, Kenanga Investment Bank chairman Isnan Ishah and Kenanga Investment Bank founder and adviser Tan Sri Paduka Tengku Noor Zakiyah Tengku Ismail. (Photo by Kenanga)

KUALA LUMPUR (Jan 13) - Bursa Malaysia Bhd chief executive officer Datuk Mohamed Umar Swift said today the introduction of leveraged and inverse (L&I) exchange-traded funds (ETF) will further invigorate the local bourse by offering investors a wider range of innovative products catering to varying risk appetites.

Swift said this today in a joint statement issued to reporters covering the listing of the Kenanga KLCI Daily 2X Leveraged ETF (KLC2XL) and Kenanga KLCI Daily (-1X) Inverse ETF (KLC1XI) on Bursa's Main Market today by Kenanga Investors Bhd, the asset management arm of Kenanga Investment Bank Bhd.

"We will continue to work closely with Kenanga Investors and other industry partners to drive the sustained development and increase competitiveness of the Malaysian ETF market through education and creation of attractive and diverse investment opportunities that meet the evolving needs of retail and institutional investors," Swift said.

Kenanga Investment claims that the KLC2XL and KLC1XI are the first L&I ETFs to be benchmarked against the FBM KLCI.

"Both KLC2XL and KLC1XI adopt a future-based replication investment strategy in order to provide daily performance that closely corresponds to their respective tracked indexes."



I3investor.com (13 January 2020)

Link: <https://klse.i3investor.com/blogs/newswire/2020-01-13-story-h1482150043->

[KENANGA INVESTORS KICKS OFF 2020 WITH FIRST KLCI L I ETF LISTING.jsp](https://klse.i3investor.com/blogs/newswire/2020-01-13-story-h1482150043-kenanga-investors-kicks-off-2020-with-first-klci-l-i-etf-listing.jsp)

Kenanga Investors Kicks off 2020 With First KLCI L&I ETF Listing
 Author: newswire | Publish date: Mon, 13 Jan 2020, 12:18 PM

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"The introduction of L&I ETFs, particularly the inaugural KLCI-based OneETF, will further invigorate our local bourse by offering investors a wider range of innovative products catering to varying risk appetites," says Dzulkef Muhammad Umar, Chief Executive Officer of Bursa Malaysia Berhad. "We will continue to work closely with Kenanga Investors and other industry partners to drive the sustained development and increase competitiveness of the Malaysian ETF market through education and creation of attractive and diverse investment opportunities that meet the evolving needs of retail and institutional investors."

According to Ismeti Matthew De Alwis, Executive Director and Chief Executive Officer of Kenanga Investors, KLCI was chosen upon due to the company's conviction in its own expertise within the Malaysian equities environment, in reference to its its award winning history at local and regional levels. "The KLCI has been appreciating ever since its steady recovery from the financial crisis of 2008, which as a market behaviour inverse ETFs can help investors with by providing the opportunity to hedge downside risk. Meanwhile, leveraged ETFs enable those with a bullish view of the market to possibly maximize potential returns. Investors will be able to cushion the sharp shifts that may occur as our OneETFs are traded on a real-time daily basis. This is especially significant for institutional investors due to their large exposure," he adds.

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kenanga

Kenanga Investors

Twitter (13 January 2020)

Link: <https://twitter.com/amandaNewsMPB/statuses/1216558136137412608>



Amanda Lopez
@amandaNewsMPB

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Kenanga Investors membuka tirai 2020 dengan penyenaiaan ETF KLCI L&I yang pertama. "OneETF by Kenanga" penyertaan pertama syarikat induknya ke dalam dana perdagangan bursa menerusi "Kenanga KLCI Daily 2X Leveraged ETF" & "Kenanga KLCI Daily (-1X)Inverse ETF" @NewsMPB



Malay Mail (13 January 2020)

Link: <https://www.malaymail.com/news/money/2020/01/13/kenanga-bursa-malaysia-khci-index-to-recover-this-year/1827435>

The screenshot shows a news article from Malay Mail. The main headline is "Kenanga: Bursa Malaysia KLCI index to recover this year". The article is dated Monday, 13 Jan 2020 12:26 PM MYT. The main image shows a person sitting in a modern office or trading floor with large digital screens displaying market data. To the right of the article is a "JUST IN POPULAR" section with several news snippets, including "Asian markets mostly up as focus moves to China-US pact", "Bursa Malaysia remains mood at mid-afternoon", "Iraq warns of 'collapse' if Trump blocks oil cash", "Bursa Malaysia remains mood at lunch break", "Imminent US-China deal signing lifts Asian currencies as sterling slips", and "Kenanga: Bursa Malaysia KLCI index to recover this year".

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Kenanga: Bursa Malaysia KLCI index to recover this year

Monday, 13 Jan 2020 12:26 PM MYT

IN MONEY

JUST IN POPULAR

21 minutes ago
Asian markets mostly up as focus moves to China-US pact

1 hour ago
Bursa Malaysia remains mood at mid-afternoon

1 hour ago
Iraq warns of 'collapse' if Trump blocks oil cash

3 hours ago
Bursa Malaysia remains mood at lunch break

3 hours ago
Imminent US-China deal signing lifts Asian currencies as sterling slips

4 hours ago
Kenanga: Bursa Malaysia KLCI index to recover this year

KUALA LUMPUR, Jan 13 — Bursa Malaysia FBM KLCI index has high potential to recover this year backed by strong gross domestic product outlook and better corporate earnings.

Kenanga Investors Bhd's chief investment officer Lee Sook Yee said continuous reform and divestment of non-core investment in government-linked companies (GLCs) could see further unlocking of the stocks' value. — Reuters via

More than half of the top 30 companies in the KLCI are GLCs.

"We have Permodalan Nasional Bhd, Retirement Fund Incorporated (KWAP), Khazanah and Employees Provident Fund (EPF) as the main holder. Over the years, the market had been volatile and GLC reform will push the share price up as liquidity of the counter increases," she told reporters after the listing of OneETF today.

She also said the KLCI index alone does not reflect the overall market's performance.

"As we saw last year, even though the KLCI index was down, small and medium-sized caps as well as energy counter actually performed well. Hence, only viewing the top 30 companies does not give a full reflection of the economy," she said.

As for this year, Lee said commodities as well as Petronas-related counters, are expected to perform better than average as crude palm oil prices have rebounded and is now on slow production period, while Petronas outlook remains bright.

Earlier, Kenanga Investors, a subsidiary of Kenanga Investment Bank Bhd has listed OneETF on the Main Market of Bursa Malaysia Securities Bhd.

Kenanga Investment Bank Bhd Group Managing Director Datuk Chay Wei Leung said the listing signalled the company's first foray into exchange-traded funds (ETFs) by means of leveraged and inverse (L&I) ETFs.

