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PRESS ANNOUNCEMENT

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MARC RATINGS AFFIRMS IMR-2 RATING ON KENANGA INVESTORS AND KENANGA ISLAMIC INVESTORS

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

KIIB's rating is aligned with its parent, KIB, reflecting its strategic role in advancing the group's Islamic finance objectives and its high degree of operational integration with KIB. KIIB shares common infrastructure, governance oversight, and centralised support functions with KIB. MARC Ratings views KIIB's overall profile as closely mirroring KIB's, given their strong linkages and shared branding.

The rating reflects both entities' established investment management processes, sound governance and risk management frameworks, and long operating track record. These strengths are balanced against their moderate financial profiles and modest market shares within Malaysia's asset management industry.

As of June 2025, KIB's assets under management (AUM) stood at RM21.3 billion, representing approximately 2.0% of the industry's RM1.07 trillion total AUM. KIIB, which manages the group's Shariah-compliant investment products, accounted for RM4.0 billion of the total AUM.

Both KIB and KIIB manage a diverse range of investment products encompassing unit trust and wholesale funds, private mandates, exchange-traded funds (ETFs), and private retirement schemes (PRS). Their AUM composition remains anchored in equity and fixed-income funds, which collectively accounted for about 79.8% for KIB and 84.8% for KIIB as of June 2025, serving a mix of retail and institutional clients.

KIB recorded higher revenue of RM387.9 million in 2024 (2023: RM316.6 million), supported by higher management and performance fees amid a larger AUM base. Profit before tax, however, declined to RM54.1 million (2023: RM67.6 million), weighed by a reduced gross profit margin alongside higher establishment and marketing expenses. In 1H2025, revenue moderated slightly to RM155.2 million (1H2024: RM155.7 million), reflecting softer investor sentiment, weaker mark-to-market valuations, and redemptions in money market funds.

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26 December 2025

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