

# KENANGA GROWTH FUND

## INTERIM REPORT

For the Financial Period from 1 June 2020 to 30 November 2020

The logo for Kenanga, featuring the word "kenanga" in a bold, lowercase, sans-serif font.

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



# KENANGA GROWTH 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  
Tel: 03-2172 3080  
E-mail: [InvestorServices@kenanga.com.my](mailto:InvestorServices@kenanga.com.my)  
Website: [www.KenangaInvestors.com.my](http://www.KenangaInvestors.com.my)

### **Board of Directors**

Datuk Syed Ahmad Alwee Alsree (**Chairman**)  
Syed Zafilen Syed Alwee (**Independent Director**)  
Imran Devindran Abdullah (**Independent Director**)  
Ismitz Matthew De Alwis  
Norazian Ahmad Tajuddin (**Independent Director**)

### **Investment Committee**

Syed Zafilen Syed Alwee (**Independent Member**)  
Imran Devindran Abdullah (**Independent Member**)  
Ismitz Matthew De Alwis  
Norazian Ahmad Tajuddin (**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  
50490 Kuala Lumpur  
Tel: 03-2261 8888  
Fax: 03-2261 0099  
Website: [www.cimb.com](http://www.cimb.com)

### **Business Office**

Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50490 Kuala Lumpur  
Tel: 03-2261 8888  
Fax: 03-2261 9889

**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 Tune, 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia.  
Tel: 03-2093 2600 Fax: 03-2093 2700 Website: [www.fimm.com.my](http://www.fimm.com.my)

## DIRECTORY OF MANAGER'S OFFICES

### Regional Branch Offices:

#### **Kuala Lumpur**

Level 13, Kenanga Tower  
237, Jalan Tun Razak  
50400 Kuala Lumpur, Malaysia  
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 Darul Ehsan  
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**

2nd Floor, Lot 1264  
Centre Point Commercial Centre  
Jalan Melayu  
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**

1st Floor, No 71  
Lot 10900, Jalan Tun Jugah  
93350 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**

Suite 1, 2nd Floor,  
No. 63, Persiaran Greenhill  
30450 Ipoh, Perak, Malaysia  
Tel : 05-254 7573 / 7570 / 7575  
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

#### **Petaling Jaya**

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

# 1. FUND INFORMATION

## 1.1 Fund Name

Kenanga Growth Fund (**KGF or the Fund**)

## 1.2 Fund Category / Type

Equity / Growth

## 1.3 Investment Objective

The Fund aims to provide unit holders with long-term capital growth.

## 1.4 Investment Strategy

The Fund's assets are actively invested in a diversified portfolio of Malaysian equity and equity-related securities of companies with sustainable business model that is trading at discount to its intrinsic value.

## 1.5 Duration

The Fund was launched on 17 January 2000 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 Kuala Lumpur Composite Index (FBM-KLCI).

## 1.7 Distribution Policy

Income distribution is incidental, if any.

## 1.8 Breakdown of unit holdings of the Fund as at 30 November 2020

Size of holdings	No. of unit holders	No. of units held
5,000 and below	8,115	19,015,232
5,001 - 10,000	4,950	36,799,605
10,001 - 50,000	10,086	229,847,351
50,001 - 500,000	2,604	263,668,298
500,001 and above	55	338,039,831
<b>Total</b>	<b>25,810</b>	<b>887,370,317</b>

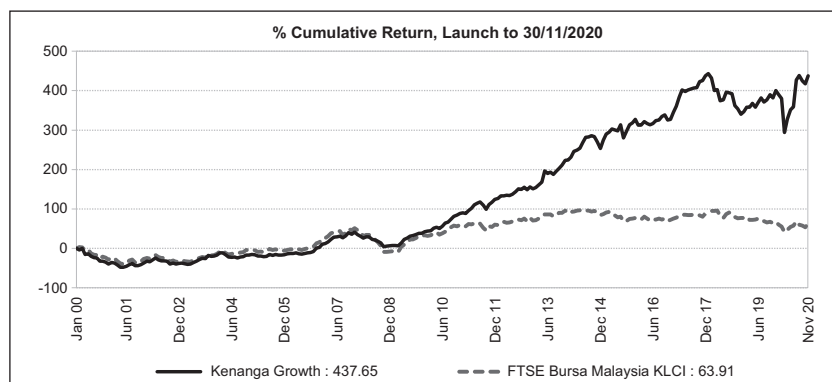
## 2. MANAGER'S REPORT

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

Since inception, the Fund has appreciated by 437.65% in Net Asset Value terms (whilst its benchmark rose 63.91%), thus achieving the Fund's stated objective to provide long-term capital growth.

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

**Performance Chart Since Launch (17/01/2000 – 30/11/2020)**  
**Kenanga Growth Fund vs FTSE-Bursa Malaysia Kuala Lumpur**



Source: Novagmi Analytics and Advisory

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

For the financial period under review, the Fund continued with its strategy of investing in companies with sustainable business models and competent management, whilst trading at a discount to their intrinsic / fair value.

### 2.4 The Fund's asset allocation as at 30 November 2020 and comparison with the previous financial period

Asset	30 Nov 2020	30 Nov 2019
Listed investment securities	93.0%	84.4%
Unlisted investment securities	-	2.3%
Short term deposits and cash	7.0%	13.3%

#### Reason for the differences in asset allocation

As at 30 November 2020, the asset allocation of the Fund stood at 93.0% in equities and the balance of 7.0% in liquidity. The increase in equities exposure during the period under review is mainly due to the fund manager deploying capital into new positions and topping up existing exposure during market weaknesses.

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

	Period under review
Kenanga Growth Fund	18.96%
FTSE-Bursa Malaysia Kuala Lumpur Composite Index (FBM-KLCI)	6.07%

Source: Lipper; Novagmi Analytics and Advisory

For the period under review, the Fund outperformed the FBM-KLCI by 12.89%. The outperformance was mainly due to stock selection.

## 2.6 Review of the market

### Market review

In June, global equity markets started off with major indices rallying due to successful re-openings from lockdowns. However, signs of a re-acceleration of Covid cases led to the S&P500 registering its worst daily decline (-5.8%) though markets quickly stabilized after the Federal Reserve expanded the scope of its emergency corporate debt loan facility to include individual corporate bonds. Locally, Economic Recovery Plan (PENJANA) was unveiled by the Prime Minister on 5 June which contains 40 measures worth RM35 billion. The government also relaxed the movement restriction by introducing the Recovery MCO (RMCO) on 7 June where more economic activities were allowed to resume. The FBMKLI gained 1.9% to 1,501 points in June 2020.

Global equity markets moved higher in July despite continued increase in daily new Covid-19 cases globally. S&P 500 registered gains of 5.5% in July and entered positive territory for the year. The dollar closed the month weaker with the Dollar index (DXY) down by 4.2% due to lower growth outlook, low interest rates and a rise in quantitative easing by the Federal Reserve. Over in the EU, governments reached a breakthrough agreement over new fiscal stimulus which will release an unprecedented EUR750 billion with funds to be distributed among countries and sectors most impacted by the pandemic. Locally, BNM cut the OPR by another 25 bps to the lowest-ever level of 1.75%. Another loan moratorium for targeted assistance was announced by the Prime Minister where banks will extend the loan moratorium to targeted vulnerable groups when the current loan moratorium expires on 30 September. The month ended with the dissolution of the Sabah state assembly paving the way for fresh elections for the state. The FBMKLCI Index surged 6.8% to 1,604 points in July 2020.

Moving into August, new daily COVID-19 cases in the US began a declining trend since the start of the month. Politically, negotiations on a new Covid-19 relief bill continued to stall while Donald Trump official nomination had been announced for the Republican party's Presidential candidacy. The Fed announced a shift to average inflation targeting confirming that monetary policy will remain supportive for the foreseeable future. Both the S&P 500 and the NASDAQ rallied to new highs exceeding pre-COVID-19 levels by rising 7.2% and 9.7% respectively over the month. Malaysia's 2Q20 GDP dipped 17.1% yoy, which was higher than consensus of -10.9%. In addition, BNM also reduced its 2020 GDP forecast to -3.5% to -5.5%. On 25 August, Malaysian parliament approved to raise



## 2.6 Review of the market (contd.)

### Market review (contd.)

the national debt to GDP ratio ceiling to 60%, effectively enabling the government to fund the stimulus packages. The FBMKLCI Index fell 4.9% to 1,525 points in August 2020.

Global equity markets lost momentum and ended in negative territories in September. The decline in US equities was led by a correction in technology sector and concerns over economy recovery without further stimulus. In Europe, news flow was dominated by the rising number of Covid-19 cases and worries on additional lockdowns. Locally, the Prime Minister declared a new economic stimulus package worth RM10 billion, bringing the cumulative Covid-19 stimulus measures to RM305 billion or 21.5% of GDP. On the political front, the leader of the opposition, Dato' Seri Anwar Ibrahim announced on 23 September, three days before the Sabah State Election that he has the majority MPs support to form a new Government. Meanwhile, Gabungan Rakyat Sabah (GRS), a coalition of parties supporting the Federal Government won the Sabah State election. The FBMKLCI Index fell 1.3% in September 2020 to 1,505 points.

Global markets continued posting declines due to new Covid-19 cases surging to new highs across the globe. New cases grew by 569,000 worldwide, including more than 99,000 in the U.S. This led to many European governments implementing fresh lockdown measures. Both the S&P 500 and the Dow declined 2.8% and 4.6% for the month while the Nasdaq Composite Index lost 2.3% and saw its gains for the year reduced to a still respectable 22%. Locally, number of daily new cases in Malaysia exploded after the Sabah's state election. The government re-imposed the CMCO in the Klang Valley on 14 October for two weeks which was later extended multiple times. Local uncertainty continued due to speculations of the government's intention to declare a state of emergency following a special Cabinet meeting on 23 October. The King however decided against the act after meeting with Prime Minister. The FBMKLCI Index dropped 2.5% to close at 1,467 points in October 2020.

After 2 months of volatility, global markets went into risk-on mode in November as investors reversed their cautious positioning heading into the US presidential election. US equities welcomed the prospect of a Biden presidency with a divided congress, while incremental newsflow on Covid-19 vaccine breakthroughs added fuel to the bullish sentiment. All major US equity indices closed the month near record highs with - S&P500 (+10.8%), Dow Jones (+11.8%), Nasdaq 100 (+11.0%), and Russell 2000 (+18.3%). The relative outperformance of the small-cap Russell 2000 index signifies a style shift towards value-oriented stocks, with "re-opening" beneficiaries such as the financial, tourism, and energy sectors gaining momentum against the high-growth technology sector. Locally, BNM kept rates unchanged and maintained its projected 2020/2021 GDP growth at -3.5% to -5.5%/5.5% to 8% respectively. The government tabled an expansionary budget 2021 on 6 November with 2020/2021 budget deficit projection of 6%/5.4% respectively. The budget was later passed on 25 November with some tweaks including automatic loan moratorium for B40 and SMEs and expansion of EPF account 1 withdrawal scheme. The FBMKLCI Index jumped 6.5% to 1,563 points in November 2020.

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

### **Market outlook (contd.)**

Improving macro-economic fundamentals, ample liquidity, and bullish sentiment all point to strong equity market performance in the near term where cyclical sectors and recovery stocks are likely to outperform.

### **Strategy**

We continue to adopt a barbell strategy in our sector positioning and maintain overweight in the technology sector to ride on secular growth trends. We also favour more cyclical sectors such as consumer discretionary, financials, energy, and commodities to take advantage of the recovery.

## **2.7 Distributions**

For the financial period under review, the Fund did not declare any income distribution.

## **2.8 Details of any unit split exercise**

The Fund did not carry out any unit split exercise during the financial period under review.

## **2.9 Significant changes in the state of affairs of the Fund during the financial period**

There were no significant changes in the state of affairs of the Fund during the financial period 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 period 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 period under review, the Manager received soft commissions from its stockbrokers.

## **2.12 Cross-trade**

During the financial period under review, no cross-trade transactions were undertaken by the Manager for the Fund.

### 3. FUND PERFORMANCE

#### 3.1 Details of portfolio composition of the Fund for the financial period as at 30 November 2020 against the last three financial years as at 31 May are as follows:

##### a. Distribution among industry sectors and category of investments:

	As at 30.11.2020 %	FY 2020 %	FY 2019 %	FY 2018 %
Technology	29.8	19.7	8.5	5.3
Industrial Products and Services	13.2	8.4	10.7	11.8
Financial Services	10.8	10.4	18.4	13.0
Health Care	8.2	8.4	-	0.9
Energy	7.3	10.4	13.2	11.6
Consumer Products and Services	7.3	9.7	10.9	14.7
Utilities	5.0	6.1	6.1	6.1
Construction	5.0	6.1	6.6	7.6
Telecommunications and Media	1.4	4.6	1.6	1.1
Property	1.2	1.3	2.1	4.1
Transportation and Logistics	-	1.9	-	1.9
Special Purpose Acquisition Company	-	-	-	1.0
Real Estate Investments Truusts	3.8	3.5	1.5	0.8
Listed Loan Stocks	-	0.2	0.3	0.2
Warrants	-	-	-	-
Unlisted Collective Investment Schemes	-	0.6	2.2	2.1
Short term deposits and cash	7.0	8.7	17.9	17.8
	100.0	100.0	100.0	100.0

*Note: The above mentioned percentages are based on total investment market value plus cash.*

##### b. Distribution among markets

The Fund invested in local investment securities and cash instruments only.

**3.2 Performance details of the Fund for the financial period ended 30 November 2020 against the last three financial years ended 31 May are as follows:**

	<b>1.6.2020 to 30.11.2020</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2018</b>
Net asset value ("NAV") (RM Million)	1,110.80	1,191.18	1,386.65	1,368.34
Units in circulation (Million)	887.37	1,131.94	1,301.32	1,237.71
NAV per unit (RM)	1.2518	1.0523	1.0656	1.1055
Highest NAV per unit (RM)	1.2734	1.1881	1.1644	1.2908
Lowest NAV per unit (RM)	1.0475	0.7846	1.0014	1.1044
Total return (%)	18.96	-1.25	-3.61	-4.52
- Capital growth (%)	18.96	-1.25	-3.61	-4.52
- Income growth (%)	-	-	-	-
Gross distribution per unit (sen)	-	-	-	-
Net distribution per unit (sen)	-	-	-	-
Management expense ratio ("MER") (%) <sup>1</sup>	1.56	1.63	1.54	1.66
Portfolio turnover ratio ("PTR") (times) <sup>2</sup>	0.33	0.40	0.46	0.78

*Note: Total return is the actual return of the Fund for the respective financial period/years, computed based on NAV per unit and net of all fees.*

*MER 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.*

<sup>1</sup> *MER is lower against previous financial year mainly due to lower recovered expenses incurred during the financial period under review.*

<sup>2</sup> *PTR is lower due to the shorter period under review.*

### 3.3 Average total return of the Fund

	<b>1 Year</b> <b>30 Nov 19</b> <b>- 30 Nov 20</b>	<b>3 Years</b> <b>30 Nov 17</b> <b>- 30 Nov 20</b>	<b>5 Years</b> <b>30 Nov 15</b> <b>- 30 Nov 20</b>
KGF	14.63%	2.29%	6.06%
FBM-KLCI	1.42%	-2.38%	-0.82%

Source: Lipper

### 3.4 Annual total return of the Fund

	<b>Period under review</b> <b>31 May 20</b> <b>- 30 Nov 20</b>	<b>1 Year</b>				
		<b>31 May 19</b> <b>- 31 May 20</b>	<b>31 May 18</b> <b>- 31 May 19</b>	<b>31 May 17</b> <b>- 31 May 18</b>	<b>31 May 16</b> <b>- 31 May 17</b>	<b>31 May 15</b> <b>- 31 May 16</b>
KGF	18.96%	-1.25%	-3.61%	-4.52%	20.20%	3.30%
FBM-KLCI	6.07%	-10.75%	-5.16%	-1.43%	8.60%	-6.95%

Source: Lipper

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

## **4 TRUSTEE'S REPORT TO THE UNIT HOLDERS OF KENANGA GROWTH FUND**

We, CIMB Commerce Trustee Berhad, being the trustee for Kenanga Growth Fund ("the Fund"), are of the opinion that Kenanga Investors Berhad ("the Manager"), acting in the capacity as the Manager of the Fund, has fulfilled its duties in the following manner for the financial period from 1 June 2020 to 30 November 2020.

- a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the Deed, the Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- b) Valuation and pricing for the Fund has been carried out in accordance with the Deed and relevant regulatory requirements; and
- c) Creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements.

For and on behalf of  
CIMB Commerce Trustee Berhad

Lee Kooi Yoke  
Chief Executive Officer

Kuala Lumpur, Malaysia

29 January 2021

## 5. STATEMENT BY THE MANAGER

I, 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 30 November 2020 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial period from 1 June 2020 to 30 November 2020 together with notes thereto, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Kenanga Growth Fund as at 30 November 2020 and of its financial performance and cash flows for the financial period from 1 June 2020 to 30 November 2020 and comply with the requirements of the Deed.

For and on behalf of the Manager  
KENANGA INVESTORS BERHAD

ISMITZ MATTHEW DE ALWIS  
Executive Director/Chief Executive Officer

Kuala Lumpur, Malaysia

29 January 2021

## 6. FINANCIAL STATEMENTS

### 6.1 STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020 (*unaudited*)

	Note	1.6.2020 to 30.11.2020 RM	1.6.2019 to 30.11.2019 RM
<b>INVESTMENT INCOME</b>			
Dividend income		9,983,078	16,617,363
Interest income		802,952	4,127,417
Net gain from investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	4	223,571,491	68,434,391
		<u>234,357,521</u>	<u>89,179,171</u>
<b>EXPENSES</b>			
Manager's fee	5	9,036,940	10,441,799
Trustee's fee	6	302,164	357,546
Auditors' remuneration		8,570	8,500
Tax agent's fee		2,016	2,000
Administration expenses		210,775	162,717
Brokerage and other transaction costs		4,632,317	4,500,201
		<u>14,192,782</u>	<u>15,472,763</u>
<b>NET INCOME BEFORE TAX</b>		220,164,739	73,706,408
Income tax	7	-	-
<b>NET INCOME AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>220,164,739</u>	<u>73,706,408</u>
Net income after tax is made up as follows:			
Realised gain/(loss)		68,141,870	(23,871,151)
Unrealised gain	4	152,022,869	97,577,559
		<u>220,164,739</u>	<u>73,706,408</u>

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



**6.2 STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2020** (*unaudited*)

	<b>Note</b>	<b>30.11.2020 RM</b>	<b>30.11.2019 RM</b>
<b>ASSETS</b>			
<b>INVESTMENTS</b>			
Financial assets at FVTPL	4	1,038,458,495	1,232,120,872
Short term deposits	8	78,020,033	188,818,000
		<u>1,116,478,528</u>	<u>1,420,938,872</u>
<b>OTHER ASSETS</b>			
Amount due from licensed financial institutions	9	1,720,992	564,061
Other receivables	10	1,176,179	2,854,264
Tax recoverable		16,672	16,671
Cash at bank		12,528	12,247
		<u>2,926,371</u>	<u>3,447,243</u>
<b>TOTAL ASSETS</b>		<u>1,119,404,899</u>	<u>1,424,386,115</u>
<b>LIABILITIES</b>			
Amount due to Manager		2,716,856	1,422,891
Amount due to Trustee		45,768	118,592
Amount due to licensed financial institutions	9	5,566,170	6,453,834
Other payables	11	273,107	119,608
<b>TOTAL LIABILITIES</b>		<u>8,601,901</u>	<u>8,114,925</u>
<b>EQUITY</b>			
Unit holders' contribution		862,467,019	1,302,378,460
Retained earnings		<u>248,335,979</u>	<u>113,892,730</u>
<b>NET ASSET VALUE ("NAV")</b>			
<b>ATTRIBUTABLE TO UNIT HOLDERS</b>	12	<u>1,110,802,998</u>	<u>1,416,271,190</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>1,119,404,899</u>	<u>1,424,386,115</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	12(a)	<u>887,370,317</u>	<u>1,266,660,005</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>	13	<u>1.2518</u>	<u>1.1181</u>

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

**6.3 STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020 (unaudited)**

	Note	Unit holders' contribution RM	Retained earnings RM	Total NAV RM
<b>1.6.2020 to 30.11.2020</b>				
At beginning of the financial period		1,158,955,302	28,171,240	1,187,126,542
Total comprehensive income		-	220,164,739	220,164,739
Creation of units	12(a)	5,372,677	-	5,372,677
Cancellation of units	12(a)	(297,892,659)	-	(297,892,659)
Distribution equalisation	12(a)	(3,968,301)	-	(3,968,301)
At end of the financial period		<u>862,467,019</u>	<u>248,335,979</u>	<u>1,110,802,998</u>
<b>1.6.2019 to 30.11.2019</b>				
At beginning of the financial period		1,341,312,224	40,186,322	1,381,498,546
Total comprehensive income		-	73,706,408	73,706,408
Creation of units	12(a)	22,788,379	-	22,788,379
Cancellation of units	12(a)	(61,721,786)	-	(61,721,786)
Distribution equalisation	12(a)	(357)	-	(357)
At end of the financial period		<u>1,302,378,460</u>	<u>113,892,730</u>	<u>1,416,271,190</u>

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

**6.4 STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020** *(unaudited)*

	Note	1.6.2020 to 30.11.2020 RM	1.6.2019 to 30.11.2019 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of financial assets at FVTPL		533,048,644	249,834,648
Dividends received		9,520,829	17,162,268
Interest from deposits received		842,963	4,124,948
Proceeds from the maturity of investment		-	9,635,000
Tax agent's fee paid		(4,295)	-
Auditors' remuneration paid		(17,000)	(17,000)
Payment for other fees and expenses		(29,094)	(78,550)
Trustee's fee paid		(394,258)	(297,974)
Manager's fee paid		(9,025,730)	(10,443,997)
Placement of investment		-	(26,544,000)
Purchase of financial assets at FVTPL		<u>(262,022,023)</u>	<u>(280,192,876)</u>
Net cash generated from/(used in) operating and investing activities		<u>271,920,036</u>	<u>(36,817,533)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash received from units created		5,378,606	24,037,135
Cash paid on units cancelled		<u>(302,810,846)</u>	<u>(61,722,840)</u>
Net cash used in financing activities		<u>(297,432,240)</u>	<u>(37,685,705)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(25,512,204)	(74,503,238)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>		<u>103,544,765</u>	<u>246,424,485</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>		<u>78,032,561</u>	<u>171,921,247</u>
Cash and cash equivalents comprise:			
Cash at bank		12,528	12,247
Short term deposits	9	<u>78,020,033</u>	<u>171,909,000</u>
		<u>78,032,561</u>	<u>171,921,247</u>

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

## **6.5 NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE FINANCIAL PERIOD FROM 1 JUNE 2020 TO 30 NOVEMBER 2020** *(unaudited)*

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

Kenanga Growth Fund ("the Fund") was constituted pursuant to the executed Deed dated 30 December 1999 (collectively, together with deeds supplemental thereto, referred to as "the Deed") between the Manager, Kenanga Investors Berhad, and HSBC (Malaysia) Trustee Berhad ("the Trustee" prior to 3 December 2013). The Fund has 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 Second Master Supplemental Deed dated 19 November 2013. The Fund commenced operations on 17 January 2000 and will continue to be in operation until terminated by the Trustee, as provided under Clause 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 unit holders with long term capital growth.

#### **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.

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.

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

### a. Market risk (contd.)

#### 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 deposits.

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>30.11.2020</b>				
<b>Assets</b>				
Financial assets at FVTPL	-	1,038,458,495	1,038,458,495	1.8
Short term deposits	78,020,033	-	78,020,033	
Other assets	-	2,909,699	2,909,699	
	<u>78,020,033</u>	<u>1,041,368,194</u>	<u>1,119,388,227</u>	
<b>Liabilities</b>				
Other liabilities	-	8,328,794	8,328,794	
<b>Total interest rate sensitivity gap</b>	<u>78,020,033</u>	<u>1,033,039,400</u>	<u>1,111,059,433</u>	
<b>30.11.2019</b>				
<b>Assets</b>				
Financial assets at FVTPL	-	1,232,120,872	1,232,120,872	3.3
Short term deposits	188,818,000	-	188,818,000	
Other assets	-	3,430,572	3,430,572	
	<u>188,818,000</u>	<u>1,235,551,444</u>	<u>1,424,369,444</u>	
<b>Liabilities</b>				
Other liabilities	-	7,995,317	7,995,317	
<b>Total interest rate sensitivity gap</b>	<u>188,818,000</u>	<u>1,227,556,127</u>	<u>1,416,374,127</u>	

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

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

### a. Market risk (contd.)

#### ii. Price risk

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

#### Price risk sensitivity

The Manager's best estimate of the effect on the profit for the financial period due to a reasonably possible change in investments in listed equity securities, listed collective investment schemes, listed warrants, listed loan stock and unlisted collective investment schemes with all other variables held constant is indicated in the table below:

	Changes in price Increase/(Decrease) Basis points	Effects on profit for the financial period Gain/(Loss) RM
<b>30.11.2020</b>		
Financial assets at FVTPL	<u>5/(5)</u>	<u>519,229/(519,229)</u>
<b>30.11.2019</b>		
Financial assets at FVTPL	<u>5/(5)</u>	<u>616,060/(616,060)</u>

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.

	Fair value		Percentage of NAV	
	30.11.2020 RM	30.11.2019 RM	30.11.2020 %	30.11.2019 %
Financial assets at FVTPL	<u>1,038,458,495</u>	<u>1,232,120,872</u>	<u>93.5</u>	<u>87.0</u>

## 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 price risk from the Fund's listed equity securities, listed collective investment schemes, listed warrants, listed loan stock and unlisted collective investment schemes analysed by sector is as follows:

	Fair value		Percentage of NAV	
	30.11.2020 RM	30.11.2019 RM	30.11.2020 %	30.11.2019 %
Technology	332,356,032	201,428,276	29.9	14.2
Industrial Products and Services	147,809,566	118,190,420	13.3	8.3
Financial Services	119,934,496	188,494,745	10.8	13.3
Health Care	91,235,624	7,517,312	8.2	0.5
Energy	81,929,430	211,877,744	7.4	15.0
Consumer Products and Services	81,242,566	152,258,437	7.3	10.8
Utilities	56,065,968	85,045,184	5.1	6.0
Construction	55,652,138	85,657,137	5.0	6.0
Telecommunications and Media	15,832,650	25,914,114	1.4	1.8
Property	13,501,968	23,368,834	1.2	1.7
Transportation and Logistics	-	56,207,150	-	4.0
Real Estate Investments Trusts	42,898,057	39,607,834	3.9	2.8
Listed Loan Stocks	-	3,544,560	-	0.3
Warrants	-	164,820	-	-
Unlisted Collective Investment Schemes	-	32,844,305	-	2.3
	<u>1,038,458,495</u>	<u>1,232,120,872</u>	<u>93.5</u>	<u>87.0</u>

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

### 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.

#### iii. Credit quality of financial assets

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 deposits

	Percentage of total short term deposits		Percentage of NAV	
	30.11.2020	30.11.2019	30.11.2020	30.11.2019
	%	%	%	%
<b>Rating</b>				
P1/MARC-1	<u>100.0</u>	<u>100.0</u>	<u>7.0</u>	<u>13.3</u>

### 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' option based on the Fund's NAV per unit at the time of cancellation calculated in accordance with the Deed.

The liquid assets comprise cash, short term deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.



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

### c. Liquidity risk (contd.)

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	Up to 1 year 30.11.2020 RM	30.11.2019 RM
<b>Assets</b>			
Financial assets at FVTPL		1,038,458,495	1,232,120,872
Short term deposits		78,020,033	188,818,000
Other assets		<u>2,909,699</u>	<u>3,430,572</u>
	i.	<u>1,119,388,227</u>	<u>1,424,369,444</u>
<b>Liabilities</b>			
Other liabilities	ii.	<u>8,328,794</u>	<u>7,995,317</u>
Equity	iii.	<u>1,110,802,998</u>	<u>1,416,271,190</u>
Liquidity gap		<u>256,435</u>	<u>102,937</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, listed collective investment schemes, listed warrants, listed loan stock and unlisted collective investment schemes 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. For other 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 Securities Commission Malaysia. Any breach of any such requirement has been reported in the mandatory reporting to Securities Commission Malaysia on a monthly basis.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of accounting

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting 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 new and amended MFRS and Interpretation Committee's ("IC") Interpretation, which became effective for the Fund on 1 June 2020.

Description	Effective for financial period beginning on or after
Amendments to MFRS 2: <i>Share-Based Payment</i>	1 January 2020
Amendment to MFRS 3: <i>Business Combinations</i>	1 January 2020
Amendments to MFRS 3: <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 6: <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
Amendment to MFRS 14: <i>Regulatory Deferral Accounts</i>	1 January 2020
Amendments to MFRS 101: <i>Presentation of Financial Statements</i>	1 January 2020
Amendments to MFRS 108: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
Amendments to MFRS 101 & MFRS 108: <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 134: <i>Interim Financial Reporting</i>	1 January 2020
Amendment to MFRS 137: <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
Amendment to MFRS 138: <i>Intangible Assets</i>	1 January 2020
Amendment to IC Interpretation 12: <i>Service Concession Arrangements</i>	1 January 2020
Amendment to IC Interpretation 19: <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
Amendment to IC Interpretation 20: <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020
Amendments to IC Interpretation 22: <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2020

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of accounting (contd.)

Description	Effective for financial period beginning on or after
Amendments to IC Interpretation 132: <i>Intangible Assets - Web Site Costs</i>	1 January 2020
Amendments to MFRS 9: <i>Financial Instruments</i> , MFRS 139 <i>Financial Instruments: Recognition and Measurement</i> and MFRS 7 <i>Financial Instruments: Disclosures: Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to MFRS 16: <i>Covid-19-Related Rent Concessions</i>	1 June 2020

The adoption of the new and amended MFRS and IC Interpretation did not have any significant impact on the financial position or performance of the Fund.

#### b. Standards and amendments issued but not yet effective

As at the reporting date, the following Standards and Amendments to Standards and IC Interpretations 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 interpretations when they become effective.

Description	Effective for financial period beginning on or after
Amendments to MFRS 4 <i>Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020
Amendments to MFRS 9 <i>Financial Instruments</i> , MFRS 139 <i>Financial Instruments: Recognition and Measurement</i> , MFRS 7 <i>Financial Instruments: Disclosures</i> , MFRS 4 <i>Insurance Contracts</i> and MFRS 16 <i>Leases: Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendments to MFRS contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020 Cycle</i> "	1 January 2022
Amendments to MFRS 1: <i>Subsidiary as a First-time Adopter</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020 Cycle</i> "	1 January 2022
Amendments to MFRS 9: <i>Fees in the '10 per cent' Test for Derecognition of Financial Liabilities</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020 Cycle</i> "	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16: <i>Lease Incentives</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020 Cycle</i> "	1 January 2022
Amendments to MFRS 141: <i>Taxation in Fair Value Measurements</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020 Cycle</i> "	1 January 2022

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

Description	Effective for financial period beginning on or after
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
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 significant impact to the financial statements of the Fund upon their initial application.

#### c. Financial instruments

Financial assets 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. 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.

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

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.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

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

Other financial liabilities are recognised initially at fair value plus 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.

##### ii. Initial recognition and subsequent measurement

The classification of financial assets at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 3(c)(iii). Financial assets are initially measured at their fair value, except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Fund accounts for the Day 1 profit or loss, as described below.

After initial measurement, debt instruments are measured at amortised cost, using the EIR method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR method. Expected credit losses ("ECLs") are recognised in the statement of comprehensive income when the investments are impaired.

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss.

##### 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:

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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;
- How 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

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.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

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

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. Impairment of financial assets**

##### **i. Overview of the expected credit loss ("ECL") principles**

The Fund measures receivables impairment using the forward-looking ECL approach in accordance with MFRS 9 requirements.

##### **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.

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



### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

#### **g. Cash and cash equivalents**

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

#### **h. Income tax**

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

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

#### **i. 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.

#### **j. Unit holders' contribution – NAV attributable to unit holders**

The unit holders' contribution to the Fund is classified as equity instruments.

Distribution equalisation represents the average amount of undistributed net income included in the creation or cancellation price of units. This amount is either refunded to unit holders by way of distribution and/or adjusted accordingly when units are released back to the Trustee.

#### **k. 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.

#### **l. 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.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

#### **m. Significant accounting judgments and estimates**

The preparation of financial statements requires the use of certain accounting estimates and exercise of judgment. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

##### **i. Critical judgments made in applying accounting policies**

There are no major judgments made by the Manager in applying the Fund's accounting policies.

##### **ii. Key sources of estimation uncertainty**

There are no key 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 period.

#### 4. FINANCIAL ASSETS AT FVTPL

	30.11.2020 RM	30.11.2019 RM
Financial assets held for trading, at FVTPL:		
Listed equity securities	995,560,438	1,155,959,353
Listed collective investment schemes	42,898,057	39,607,834
Listed warrants	-	164,820
Listed loan stock	-	3,544,560
Unlisted collective investment schemes	-	32,844,305
	<u>1,038,458,495</u>	<u>1,232,120,872</u>
	<b>1.6.2020 to 30.11.2020 RM</b>	<b>1.6.2019 to 30.11.2019 RM</b>
Net gain on financial assets at FVTPL comprised:		
Realised gain/(loss) on disposals	71,548,622	(29,143,168)
Unrealised changes in fair values	152,022,869	97,577,559
	<u>223,571,491</u>	<u>68,434,391</u>

#### Details of financial assets at FVTPL as at 30 November 2020:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<b>Listed equity securities</b>				
<b>Technology</b>				
Aemulus Holdings Berhad	15,781,400	9,234,567	10,652,445	1.0
Frontken Corp. Berhad	28,073,200	42,484,940	91,237,900	8.2
Globetronics Technology Berhad	12,079,933	31,017,197	35,998,200	3.2
Greatch Technology Berhad	11,011,700	22,079,359	99,105,300	8.9
Pentamaster Corp. Berhad	13,108,125	21,799,295	64,885,219	5.8
Revenue Group Berhad	24,578,200	21,549,698	30,476,968	2.8
		<u>148,165,056</u>	<u>332,356,032</u>	<u>29.9</u>
<b>Industrial Products and Services</b>				
Asia Poly Holdings Berhad	22,055,300	9,738,458	7,939,908	0.7
Cypark Resources Berhad	4,974,000	6,064,706	7,162,560	0.6
Dufu Technology Corp. Berhad	9,727,300	21,243,314	31,905,544	2.9
Kelington Group Berhad	11,146,000	13,036,710	20,285,720	1.8
Pestech International Berhad	10,422,000	12,126,611	8,337,600	0.8
Press Metal Aluminium Holdings Berhad	2,095,000	10,777,614	14,665,000	1.3
SKP Resources Berhad	10,241,200	14,514,502	20,892,048	1.9
Sunway Berhad	25,789,568	38,988,776	36,621,186	3.3
		<u>126,490,691</u>	<u>147,809,566</u>	<u>13.3</u>

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

Details of financial assets at FVTPL as at 30 November 2020: (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	1,219,708	12,798,457	12,758,146	1.1
Bursa Malaysia Berhad	2,645,100	22,195,592	21,689,820	2.0
Hong Leong Financial				
Group Berhad	2,482,000	43,611,213	40,704,800	3.7
Public Bank Berhad	1,073,000	24,493,401	18,670,200	1.7
RHB Bank Berhad	5,070,200	27,174,395	26,111,530	2.3
		<u>130,273,058</u>	<u>119,934,496</u>	<u>10.8</u>
<b>Health care</b>				
Hartalega Holdings Berhad	623,900	10,499,624	8,984,160	0.8
Kossan Rubber Industries				
Berhad	4,682,800	17,187,753	29,173,844	2.6
Pharmaniaga Berhad	1,164,200	6,452,662	6,403,100	0.6
Supercomnet Technologies				
Berhad	8,119,600	15,817,330	16,726,376	1.5
Top Glove Corp. Berhad	4,206,200	20,248,162	29,948,144	2.7
		<u>70,205,531</u>	<u>91,235,624</u>	<u>8.2</u>
<b>Energy</b>				
Dialog Group Berhad	14,827,400	36,951,099	53,378,640	4.8
Yinson Holdings Berhad	5,469,500	18,672,160	28,550,790	2.6
		<u>55,623,259</u>	<u>81,929,430</u>	<u>7.4</u>
<b>Consumer Products and Services</b>				
AEON Co. (M) Berhad	7,815,700	11,354,132	6,721,502	0.6
Bermaz Auto Berhad	6,056,800	13,535,234	8,237,248	0.7
CCK Consolidated Holdings				
Berhad	14,339,500	8,587,277	7,743,330	0.7
Fraser & Neave Holdings				
Berhad	243,900	8,309,669	7,916,994	0.7
Mynews Holdings Berhad	2,932,900	2,962,718	1,774,405	0.2
Perak Transit Berhad	34,207,900	9,344,313	9,065,093	0.8
QL Resources Berhad	6,255,345	18,150,195	39,783,994	3.6
		<u>72,243,538</u>	<u>81,242,566</u>	<u>7.3</u>
<b>Utilities</b>				
Tenaga Nasional Berhad	5,562,100	79,976,467	56,065,968	5.0

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

Details of financial assets at FVTPL as at 30 November 2020: (contd.)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<b>Listed equity securities (contd.)</b>				
<b>Constructions</b>				
Gabungan AQRS Berhad	17,893,334	22,637,648	12,346,400	1.1
Kerjaya Prospek Group Berhad	19,288,018	22,788,689	19,191,578	1.7
MGB Berhad	11,083,000	10,321,697	6,649,800	0.6
Sunway Construction Group Berhad	9,491,500	18,245,306	17,464,360	1.6
		<u>73,993,340</u>	<u>55,652,138</u>	<u>5.0</u>
<b>Telecommunications and Media</b>				
Axiata Group Berhad	3,963,000	12,633,494	14,068,650	1.3
Telekom Malaysia Berhad	350,000	1,705,830	1,764,000	0.1
		<u>14,339,324</u>	<u>15,832,650</u>	<u>1.4</u>
<b>Properties</b>				
LBS Bina Group Berhad - ordinary shares	29,716,625	23,168,760	11,589,484	1.0
LBS Bina Group Berhad - preference shares	2,732,120	3,005,332	1,912,484	0.2
		<u>26,174,092</u>	<u>13,501,968</u>	<u>1.2</u>
<b>Total listed equity securities</b>		<u>797,484,356</u>	<u>995,560,438</u>	<u>89.6</u>
<b>Listed collective investment schemes</b>				
<b>Real Estate Investment Trusts</b>				
Axis Real Estate Investment Trust	9,761,035	17,261,281	20,888,615	1.9
IGB Real Estate Investment Trust	13,258,700	22,878,350	22,009,442	2.0
<b>Total listed collective investment schemes</b>		<u>40,139,631</u>	<u>42,898,057</u>	<u>3.9</u>
<b>Total financial assets at FVTPL</b>		<u>837,623,987</u>	<u>1,038,458,495</u>	<u>93.5</u>
<b>Unrealised gain on financial assets at FVTPL</b>			<u>200,834,508</u>	

## 5. MANAGER'S FEE

The Manager's fee is calculated on a daily basis at a rate not exceeding 1.50% per annum of the NAV of the Fund as provided under Clause 13.1 of the Deed.

The Manager is currently charging Manager's fee of 1.50% per annum of the NAV of the Fund (financial period from 1 June 2019 to 30 November 2019: 1.50% per annum).

## 6. TRUSTEE'S FEE

Pursuant to the Third 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 (financial period from 1 June 2019 to 30 November 2019: 0.05% per annum).

## 7. INCOME TAX

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the current and previous financial periods.

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>1.6.2020 to 30.11.2020 RM</b>	<b>1.6.2019 to 30.11.2019 RM</b>
Net income before tax	<u>220,164,739</u>	<u>73,706,408</u>
Tax at Malaysian statutory tax rate of 24% (financial period from 1 June 2019 to 30 November 2019: 24%)	52,839,537	17,689,538
Tax effect of:		
Income not subject to tax	(56,245,805)	(28,397,361)
Loss not deductible for tax purposes	-	6,994,360
Expenses not deductible for tax purposes	1,204,435	1,113,092
Restriction on tax deductible expenses for unit trust fund	<u>2,201,833</u>	<u>2,600,371</u>
Income tax for the financial period	<u>-</u>	<u>-</u>

## 8. SHORT TERM DEPOSITS

Short term deposits are held with licensed financial institutions in Malaysia at the prevailing interest rates.

	30.11.2020 RM	30.11.2019 RM
Short term deposits (tenure: 3 months or less)	78,020,033	171,909,000
Short term deposits (tenure: more than 3 months)	-	16,909,000
	<u>78,020,033</u>	<u>188,818,000</u>

## 9. 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 purchase of investments.

## 10. OTHER RECEIVABLES

	30.11.2020 RM	30.11.2019 RM
Dividends receivable	1,161,563	2,350,796
Interest receivable from short term deposits	14,616	503,468
	<u>1,176,179</u>	<u>2,854,264</u>

## 11. OTHER PAYABLES

	30.11.2020 RM	30.11.2019 RM
Accrual for auditors' remuneration	8,570	8,500
Accrual for tax agent's fees	10,221	10,500
Provision for printing and other expenses	254,316	100,608
	<u>273,107</u>	<u>119,608</u>

## 12. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

	Note	30.11.2020 RM	30.11.2019 RM
Unit holders' contribution	(a)	<u>862,467,019</u>	<u>1,302,378,460</u>
Retained earnings:			
Realised reserves		47,501,471	15,913,959
Unrealised reserves		<u>200,834,508</u>	<u>97,978,771</u>
		<u>248,335,979</u>	<u>113,892,730</u>
		<u>1,110,802,998</u>	<u>1,416,271,190</u>

### (a) Unit holders' contribution

	1.6.2020 to 30.11.2020		1.6.2019 to 30.11.2019	
	No. of units	RM	No. of units	RM
At beginning of the financial period	1,131,937,705	1,158,955,302	1,301,315,585	1,341,312,224
Add: Creation of units	4,883,667	5,372,677	20,457,058	22,788,379
Less: Cancellation of units	(249,451,055)	(297,892,659)	(55,112,638)	(61,721,786)
Distribution equalisation	-	(3,968,301)	-	(357)
At end of the financial period	<u>887,370,317</u>	<u>862,467,019</u>	<u>1,266,660,005</u>	<u>1,302,378,460</u>

The Manager, Kenanga Investors Berhad, did not hold any units in the Fund, either legally or beneficially, as at 30 November 2020 (2019: nil). The number of units legally or beneficially held by the other parties related to the Manager were 42,543 units valued at RM53,255 as at 30 November 2020 (2019: 764,557 units valued at RM863,567).



### 13. NET ASSET VALUE PER UNIT

In accordance with the Deed, the calculation of NAV attributable to unit holders per unit for the creation and cancellation of units is computed based on financial assets at FVTPL valued at the last done market price. In the previous financial year, financial assets at FVTPL have been valued at the bid prices at the close of business.

A reconciliation of NAV attributable to unit holders for creation/cancellation of units and the NAV attributable to unit holders per the financial statements is as follows:

	30.11.2020		30.11.2019	
	RM	RM/Unit	RM	RM/Unit
NAV attributable to unit holders for creation/ cancellation of units	1,110,802,998	1.2518	1,420,061,037	1.1211
Effects of adopting bid prices as fair value	<u>-</u>	<u>-</u>	<u>(3,789,847)</u>	<u>(0.0030)</u>
NAV attributable to unit holders per statement of financial position	<u>1,110,802,998</u>	<u>1.2518</u>	<u>1,416,271,190</u>	<u>1.1181</u>

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

PTR for the financial period from 1 June 2020 to 30 November 2020 is 0.33 times (financial period from 1 June 2019 to 30 November 2019: 0.17 times).

PTR is the ratio of average sum of acquisitions and disposals of investments of the Fund for the financial period to the average NAV of the Fund, calculated on a daily basis.

### 15. MANAGEMENT EXPENSE RATIO ("MER")

MER for the financial period from 1 June 2020 to 30 November 2020 is 1.56% per annum (financial period from 1 June 2019 to 30 November 2019: 1.52% per annum).

MER 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.

## 16. TRANSACTIONS WITH LICENSED FINANCIAL INSTITUTIONS

	Transaction value RM	Percentage of total %	Brokerage, stamp duty and clearing fee RM	Percentage of total %
CIMB Investment Bank Berhad	221,448,020	28.5	554,016	29.3
Maybank Investment Bank Berhad	183,334,641	23.6	493,608	26.1
UOB Kay Hian Securities (M) Sdn Bhd	123,522,674	15.9	293,558	15.5
Kenanga Investment Bank Berhad*	93,399,738	12.0	212,378	11.2
RHB Investment Bank Berhad	78,618,645	10.1	177,511	9.4
Public Investment Bank Berhad	34,588,582	4.4	72,256	3.8
Hong Leong Investment Bank Berhad	14,692,519	1.9	36,187	1.9
Affin Hwang Investment Bank Berhad	12,037,189	1.5	30,736	1.6
JPMorgan Securities (Malaysia) Sdn Bhd	7,130,081	0.9	18,099	0.9
AmlInvestment Bank Berhad	6,640,500	0.9	-	-
Others	2,028,596	0.3	5,122	0.3
	<u>777,441,185</u>	<u>100.0</u>	<u>1,893,471</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 and listed collective investment schemes.

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.

## 17. SEGMENTAL REPORTING

### a. Business segments

In accordance with the objective of the Fund, the Fund can invest 75% to 95% in listed Malaysian investment securities. The following table provides an analysis of the Fund's revenue, results, assets and liabilities by business segments:

	Listed investment securities RM	Other investments RM	Total RM
<b>1.6.2020 to 30.11.2020</b>			
<b>Revenue</b>			
Segment income	233,554,569	802,952	
Segment expenses	(4,632,317)	-	
Net segment income			
representing segment results	<u>228,922,252</u>	<u>802,952</u>	229,725,204
Unallocated expenditure			(9,560,465)
Income before tax			<u>220,164,739</u>
Income tax			-
Net income after tax			<u>220,164,739</u>
<b>30.11.2020</b>			
<b>Assets</b>			
Financial assets at FVTPL	1,038,458,495	-	
Short term deposits	-	78,020,033	
Other segment assets	2,882,555	14,616	
Total segment assets	<u>1,041,341,050</u>	<u>78,034,649</u>	1,119,375,699
Unallocated assets			29,200
			<u>1,119,404,899</u>
<b>Liabilities</b>			
Segment liabilities	<u>5,566,170</u>	-	5,566,170
Unallocated liabilities			3,035,731
			<u>8,601,901</u>

## 17. SEGMENTAL REPORTING (CONTD.)

### a. Business segments (contd.)

	Listed investment securities RM	Other investments RM	Total RM
<b>1.6.2019 to 30.11.2019</b>			
<b>Revenue</b>			
Segment income	85,051,754	4,127,417	
Segment expenses	(4,500,201)	-	
Net segment income			
representing segment results	<u>80,551,553</u>	<u>4,127,417</u>	84,678,970
Unallocated expenditure			(10,972,562)
Income before tax			73,706,408
Income tax			-
Net income after tax			<u>73,706,408</u>
<b>30.11.2019</b>			
<b>Assets</b>			
Financial assets at FVTPL	1,232,120,872	-	
Short term deposits	-	188,818,000	
Other segment assets	<u>2,914,857</u>	<u>457,181</u>	
Total segment assets	<u>1,235,035,729</u>	<u>189,275,181</u>	1,424,310,910
Unallocated assets			75,205
			<u>1,424,386,115</u>
<b>Liabilities</b>			
Segment liabilities	<u>6,453,834</u>	-	6,453,834
Unallocated liabilities			<u>1,661,091</u>
			<u>8,114,925</u>

### b. Geographical segments

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

## 18. 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 significant accounting policies 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.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities RM	Total RM
<b>30.11.2020</b>				
<b>Assets</b>				
Listed equity securities	995,560,438	-	-	995,560,438
Listed collective investment scheme	42,898,057	-	-	42,898,057
Short term deposits	-	78,020,033	-	78,020,033
Amount due from financial institutions	-	1,720,992	-	1,720,992
Other receivables	-	1,176,179	-	1,176,179
Cash at bank	-	12,528	-	12,528
	<u>1,038,458,495</u>	<u>80,929,732</u>	<u>-</u>	<u>1,119,388,227</u>
<b>Liabilities</b>				
Amount due to financial institutions	-	-	5,566,170	5,566,170
Amount due to Manager	-	-	2,716,856	2,716,856
Amount due to Trustee	-	-	45,768	45,768
	<u>-</u>	<u>-</u>	<u>8,328,794</u>	<u>8,328,794</u>

## 18. FINANCIAL INSTRUMENTS (CONTD.)

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities RM	Total RM
<b>30.11.2019</b>				
<b>Assets</b>				
Listed equity securities	1,155,959,353	-	-	1,155,959,353
Listed collective investment schemes	39,607,834	-	-	39,607,834
Listed warrants	164,820	-	-	164,820
Listed loan stock	3,544,560	-	-	3,544,560
Unlisted collective investment schemes	32,844,305	-	-	32,844,305
Short term deposits	-	188,818,000	-	188,818,000
Amount due from financial institutions	-	564,061	-	564,061
Other receivables	-	2,854,264	-	2,854,264
Cash at bank	-	12,247	-	12,247
	<u>1,232,120,872</u>	<u>192,248,572</u>	<u>-</u>	<u>1,424,369,444</u>
<b>Liabilities</b>				
Amount due to financial institutions	-	-	6,453,834	6,453,834
Amount due to Manager	-	-	1,422,891	1,422,891
Amount due to Trustee	-	-	118,592	118,592
	<u>-</u>	<u>-</u>	<u>7,995,317</u>	<u>7,995,317</u>

## 18. FINANCIAL INSTRUMENTS (CONTD.)

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

The Fund's financial assets at FVTPL are carried at fair value. The fair values of these financial assets were determined using prices in active markets.

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>30.11.2020</b>				
Listed equity securities	995,560,438	-	-	995,560,438
Listed collective investment scheme	42,898,057	-	-	42,898,057
<b>30.11.2019</b>				
Listed equity securities	1,155,959,353	-	-	1,155,959,353
Listed collective investment scheme	39,607,834	-	-	39,607,834
Listed warrants	164,820	-	-	164,820
Listed loan stock	3,544,560	-	-	3,544,560
Unlisted collective investment schemes	-	32,844,305	-	32,844,305

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, listed collective investment schemes, listed warrants and listed loan stocks were determined by reference to Bursa Malaysia Securities Berhad's last prices at reporting date. The fair values of unlisted collective investment schemes was stated based on the last published NAV per unit of those unlisted collective investment schemes at reporting date.

### 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.

## **19. 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:

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

## **20. SIGNIFICANT EVENT**

The COVID-19 pandemic has significantly disrupted many business operations around the world. For the Fund, the impact on business operations has not been a direct consequence of the COVID-19 outbreak but a result of the measures taken by the Government of Malaysia to contain it. As the outbreak continues to evolve, it is challenging to predict the full extent and duration of its impact on business and the economy.

While the Fund is not able to fully ascertain on the financial impact of the COVID-19 outbreak at the date of this report, it is anticipated based on initial assessments performed that there have not been any circumstances that would require adjustments to be made to the carrying values of the assets and liabilities of the Fund as at 30 November 2020. The Fund holds sufficient capital and will continue to prudently manage risks while implementing cost reduction measures in order to ensure that it remains resilient through this period of uncertainty.



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