

To further the division's continual growth and in line with Kenanga's overall digitalisation strategy, it embarked on a front-end system automation exercise during the year. The system, which is expected to be ready by the end of this year, will automate the processing of its Dual Currency Investment and Equity-Linked Investment product transactions, taking efficiency, client experience and overall transparency to the next level.

Investment and Wealth Management

Investment and Wealth Management registered a PBT of RM13.6 million, relative to RM5.2 million from the year before, mainly due to higher management and performance fee earned. Despite a turbulent year, assets under administration (“AUA”) increased to RM13.83 billion from RM13.49 billion in 2019. The financial performance for Kenanga Investors Group (“KIG”), which comprises Kenanga Investors Berhad (“KIB”), Kenanga Islamic Investors Berhad (“KIIB”), and Libra Invest Berhad (“LIB”), in 2020 exceeded expectations, against the backdrop of volatile markets and a weaker economy.

As the investment and wealth management arm of KIBB, KIG provides investment solutions ranging from collective investment schemes, portfolio management services, ETFs, financial planning and alternative investments for retail, high net worth clients, corporate and institutional clients. It is a repeat recipient of distinguished industry accolades such as Refinitiv Lipper, Morningstar, FSMOne Recommended Unit Trusts Awards and Asia Asset Management's Best of the Best Awards.

In 2020, KIG's funds and mandates recorded notable outperformance against its peers and benchmarks. In view of this and other successes, KIG won three awards at the FSMOne Recommended Unit Trusts Awards 2020/21. Its flagship funds—Kenanga Growth Fund and Kenanga Syariah Growth Fund, won awards in the Core Equity-Malaysia and Core Equity-Malaysia (Islamic) categories, and the Kenanga Balanced Fund won an award in the Balanced-Malaysia category. This is the 11th consecutive year that KGF has won the Core Equity title. In 2021, it clinched awards from the Best of the Best Awards for Malaysia – Best Equity Manager, Malaysia – Best Islamic Fund (Equity), Malaysia – CIO of the Year (5th win) and Malaysia – Best House for Alternatives. Additionally, at the Refinitiv Lipper Fund Awards 2021, the Kenanga SyariahEXTRA Fund was awarded “Mixed Asset MYR Balanced – Malaysia” award for 3-years and 5-years in both categories of Malaysia Islamic Funds and Malaysia Provident Funds while the Kenanga Growth Opportunities Fund won “Equity Malaysia Small & Mid Caps” for 3-years under the Malaysia Provident Funds category. Kenanga Investors also won in the overall best Malaysia Islamic Funds Group Awards (Equity) and Malaysia Provident Funds Group Awards (Mixed Assets) categories.

KIG has been a signatory to the Malaysian Code for Institutional Investors (“Code”) since 2017 and it recently became a member of the Institutional Investors Council (IIC). KIG is committed to work with asset owners, regulators and a wide range of market participants to deliver on this step change to stewardship and Environmental, Social and Governance (“ESG”) considerations, ensuring that it takes its place at the heart of the investment process and to promote the sustainability agenda. In addition to financial considerations, the integration of ESG factors in the investment process is essential to make better informed and holistic investment decisions to ensure long-term sustainable value to stakeholders. The continuous delivery of consistent performance stems from the premise of an effective stewardship and active ownership approach throughout the investment value chain.

For 2020, KIG declared an income repatriation and distribution amounting over RM531 million to its investors, making it the highest pay-out ever.

Futures Broking

Global listed derivatives saw a significant increase in volume in 2020 as volatility fuelled by the COVID-19 pandemic and global political uncertainty drove investors and traders to hedge their portfolios or seek new trading opportunities, respectively. However, growth in the commission income of our listed derivatives business was impaired by a decline in interest income amid the falling interest rate environment. For FYE2020, Kenanga Futures Sdn Bhd (“KFSB”) recorded a marginally lower Loss Before Tax (“LBT”) of RM2.8 million from LBT of RM2.9 million in FYE2019.

KFSB saw a surge in contracts executed on Bursa Malaysia Derivatives Berhad in line with the rise in overall volume on the exchange. Meanwhile, KFSB continued to register year-on-year increases in contracts executed on both the US Exchange, CME Group, as well as, the Hong Kong Futures Exchange.

With the nationwide Movement Control Order in force in Malaysia from March 2020, KFSB swiftly pivoted to its e-sales channel to maintain strong virtual engagement with clients. Working in the new normal also spurred KFSB to accelerate its digital plan and expand its e-onboarding and e-learning initiatives.

KFSB continued to be recognised as one of the top derivatives brokers in the country in the Bursa Excellence Award 2020. KFSB was awarded the Champion for Best Institutional Derivatives Trading Participant, Best Trading Participant – Equity & Financial Derivatives for the 18th year in a row and was also the second runner up for Best Overall Derivatives Trading Participant.