



PRESS RELEASE

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KENANGA INVESTORS LAUNCHES FIRST SRI QUALIFIED HIGH YIELD BOND FUND

The Kenanga Sustainability Series: High Yield Bond Fund seeks to provide income and capital growth for investors.

Kuala Lumpur, 5 April 2022: Kenanga Investors Berhad (“Kenanga Investors”) has announced the launch of the Kenanga Sustainability Series: High Yield Bond Fund (“Fund”). The Fund seeks to provide income and capital growth by investing in the Global High Yield ESG Bond Index Fund (“Target Fund”) managed by Northern Trust Asset Management (“Northern Trust”). The Target Fund tracks the risk and return characteristics of the ICE BofAML Global High Yield Index which is subject to certain environmental, social, and governance (“ESG”) exclusions and ESG weightings.

“The Fund is the first Sustainable and Responsible Investment (“SRI”) qualified High Yield Bond fund in the local market. It will offer investors a more robust portfolio stemming from ESG analytics which will consider factors such as carbon efficiency and quality of governance to mitigate risks or capture new opportunities aside from the standard quantitative and qualitative metrics during evaluation,” said Ismitz Matthew De Alwis, Executive Director and Chief Executive Officer.

“This is an advantageous time to launch the Fund, given that markets have priced in the effect of the anticipated six to seven additional interest rate hikes in the US. Going forward, the performance of global high yield bonds will be determined by the financial health of issuers, and in that regard, credit fundamentals remain supportive of the asset class. All in all, a combination of strong fundamentals and inherent downside mitigation properties versus other risk asset classes makes it a value-add tilt and presents investors with an opportunity to enjoy enhanced regular income and potential capital appreciation in current market conditions”, remarked De Alwis.

With its sustainable investing approach, the Fund represents the continuation of Kenanga Investors’ sustainable and socially-responsible investing roadmap following the introduction of the Kenanga Waqf Al-Ihsan Fund and the Kenanga Sustainability Series: Frontier Fund in 2021.

“Our collaboration with Northern Trust will see us focusing on the development of more ESG-driven products which we trust will create more entry points for investors, as opposed to the difficult-to-access products currently in the market. This also serves as a kick-start to a meaningful exchange of ideas and synergies between both entities in the area of sustainable investing,” he says in relation to the strategic partnership the fund house has established with Northern Trust, a leading global investment manager known for innovative solutions across the spectrum of ESG investments while delivering competitive risk-adjusted returns.

With presence across the UK, North America and Asia-Pacific, Northern Trust Asset Management brings to the partnership a comprehensive network of investment professionals with over three decades of managing socially responsible portfolios through a multi-dimensional approach of integrating sustainable investing objectives, investment acumen and stewardship for long-term value creation.

John McCareins, Northern Trust Asset Management’s Head of Asia Pacific explains that the ESG inputs employed are aligned with the company’s vision of sustainability as well as financial materiality. Our multi-asset class expertise in portfolio design marries ESG best-in-class research and optimisation approaches that seek to enhance ESG content, incorporate climate change considerations and implement broad-based exclusionary metrics. As the pace of innovation in the fixed income ESG space accelerates, there is more to it than simply investing in bonds from companies with high ESG ratings. That’s why we’ve built our suite of sustainable investment fixed income strategies using a rigorous



analytical investment approach, leveraging both quantitative and fundamental research and expertise, to uncover financially relevant information that can impact a company's performance – and investors' outcomes. We look forward to working with Kenanga Investors to develop Malaysia's sustainable investing landscape as part of our commitment to responsibly serve the needs of current and future investors," says McCareins.

In January of this year, both Kenanga Investors and Northern Trust Asset Management were recognised by Asia Asset Management's 2022 Best of the Best Awards for their achievements in SRI and ESG policy integration and execution: Kenanga Investors received *Malaysia Best Impact Investing Manager* and *Best Application of ESG (ASEAN)* while Northern Trust won *Best Application of ESG (APAC)* and *Best ESG Manager in Asia*.

The Fund is the second fund launched under the **Kenanga Sustainability Series**, a suite of multi-asset class products rooted in sustainability considerations to advance long-term financial growth for investors and to generate social and financial value for surrounding communities. The Fund is suitable for sophisticated investors with a medium to long-term investment horizon, and has a minimum initial investment amount of RM5,000.

For more information about Kenanga Investors Berhad, please visit www.kenangainvestors.com.my

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Disclaimer: Investors are advised to read and understand the contents of the Fund's Information Memorandum and PHS which have been lodged with the Securities Commission ("SC"), who takes no responsibility for its contents, related advertisements or marketing materials. The advertisement has not been reviewed by the SC. Investment involves risk. The information contained herein does not constitute any investment advice and does not regard an investor's specific investment objectives, financial situation and particular needs. Investors are advised to seek consultation from a licensed professional adviser before investing. Past performance is not indicative of future performance. Kenanga Investors Berhad 199501024358.

About Kenanga Investors Berhad 199501024358

We provide investment solutions ranging from collective investment schemes, portfolio management services, and alternative investments for retail, corporate, institutional, and high net worth clients via a multi-distribution network.

At the **Refinitiv Lipper Fund Awards Malaysia 2022**, KIB won overall best Mixed Asset - Malaysia Provident Fund Group award for the third time. Accompanying this were individual fund wins awarded to:

- Kenanga Growth Fund for best Equity Malaysia Fund over 10 Years
- Kenanga Malaysian Inc Fund for best Equity Malaysia Diversified over 3 Years
- Kenanga Growth Opportunities Fund for best Equity Malaysia Small & Mid Cap over 5 Years
- Kenanga Diversified Fund for best Mixed Asset MYR Flexible over 10 Years

The Hong Kong-based Asia Asset Management's **2022 Best of the Best Awards** awarded KIB under the following categories, Malaysia Best Impact Investing Manager, Best Application of ESG (ASEAN), Malaysia - Best Equity Manager, Malaysia CEO of the Year, Malaysia CIO of the Year, and Malaysia Best House for Alternatives.

The FSMOne Recommended Unit Trust Awards 2021/2022 awarded Kenanga OnePRS Conservative Fund the "Private Retirement Scheme – Conservative" title (3rd year). For the fifth consecutive year, KIB was affirmed an investment manager rating of IMR-2 by Malaysian Rating Corporation Berhad since first rated in 2017. The IMR rating reflects the fund management company's well-established investment processes, sound risk management practices and strong operating track record.

This Press Release was issued by Kenanga Group's Marketing, Communications & Sustainability department.

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