Khazanah Annual Review 2021

Khazanah's Achievements in 2020

KHAZANAH NASIONAL

Rebalance Commercial Fund

Targeted a return of Malaysian Consumer Price Index ("CPI") + 3.0%
2-year rolling basis Time-Weighted Rate of Return ("TWRR") at **1.5%**

Develop Strategic Fund

Undertook measures to preserve asset value amidst economic downturn
(Tenaga Nasional, Telekom Malaysia, Malaysia Airports Holdings, Malaysia Aviation Group and Themed Attractions Resorts & Hotels)

Strengthen Financial Position

Maintained OPEX 40bps as of 2020

Prudent RAV* cover 2.9x as of 2020

Managed debt level
RM45.8b to **RM43.1b**

Align Governance Structure and Framework

Completed implementation of new policies and processes
to enable organisation realignment to its new mandate

Build Organisational Capacity

Digital architecture strategy approved and **commenced implementation of digital refresh**
across the organisation

Investing for Our Future

Footnote:
* *Realisable Asset Value*

Khazanah Annual Review 2021

Performance of the Commercial Fund

KHAZANAH NASIONAL

2020 Commercial Fund performance against targeted return of Malaysian Consumer Price Index ("CPI") + 3% on a 5-year rolling basis

+1.5%

NAV TWRR[1] for Commercial Fund

RM95.3b

2020 RAV[2]

COMMERCIAL FUND FOCUS IN 2020

- **Continued rebalancing** of PIPEs[3] in Commercial Fund portfolio
- **Deployment** into **Public Developed Markets and taking advantage of market volatility** in Emerging Markets
- **Discipline in executing** on Private Markets investments programme

SELECTED ASSETS

axiata

CIMB

cenergi

The Holstein MILK Company

Footnote:

1. *Time-Weighted Rate of Return (TWRR) is calculated on 2-year rolling basis for Net Asset Value, against 2-year rolling CPI (2019-2020) at -0.2%*
2. *Includes Cash and Cash Equivalents, and Other Current Assets*
3. *Private Investment in Public Equities*

Investing for Our Future

Khazanah Annual Review 2021

Performance of the Strategic Fund

KHAZANAH NASIONAL

Targets a return of 10-year Malaysian Government Securities ("MGS") yield on a 5-year rolling basis

+0.3%

Aggregate Net Profit/ NTA ex-MAGB*

Strategic Assets

malaysia airlines · MALAYSIA AIRPORTS · PLUS · TM · TENAGA NASIONAL

Developmental Assets

ISKANDAR MALAYSIA · THEMED ATTRACTIONS RESORTS & HOTELS · SILTERRA

STRATEGIC FUND FOCUS IN 2020

- **Engagement with regulators** to manage operating landscape for investee companies
- **Commenced restructuring of balance sheet of selected assets** to preserve value due to impact of Covid-19 and market downturn
- Refreshed and **strengthened leadership bench at operating companies**
- **Continuous monitoring of Covid-19 impact**, made provisions for impairment on several assets (RM3.1b for MAGB, RM1.8b for TAR&H)

Footnote:
** 2020 Aggregate Net Profit/Net Tangible Asset ex-MAGB is a full year estimate as at 31 December 2020*

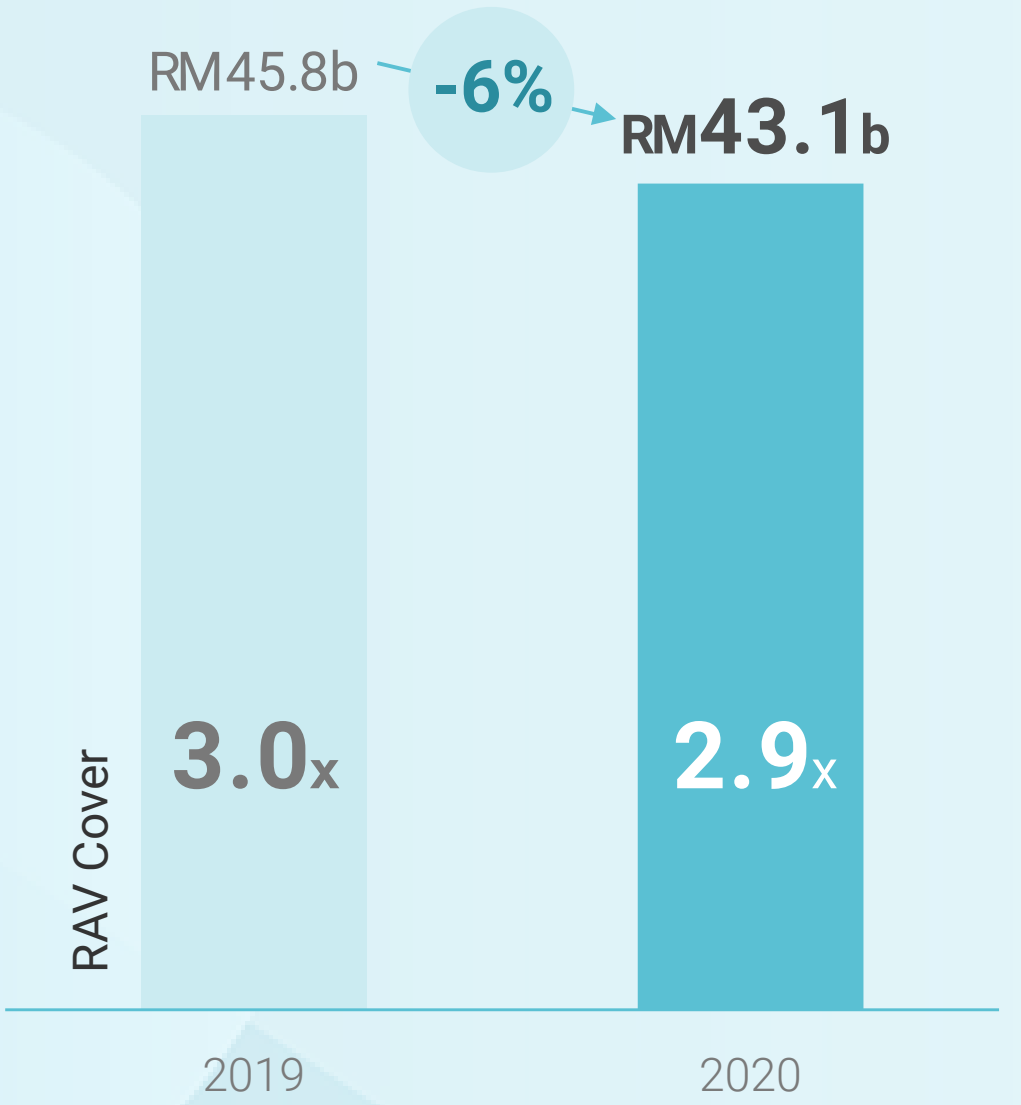
Investing for Our Future

Khazanah Annual Review 2021

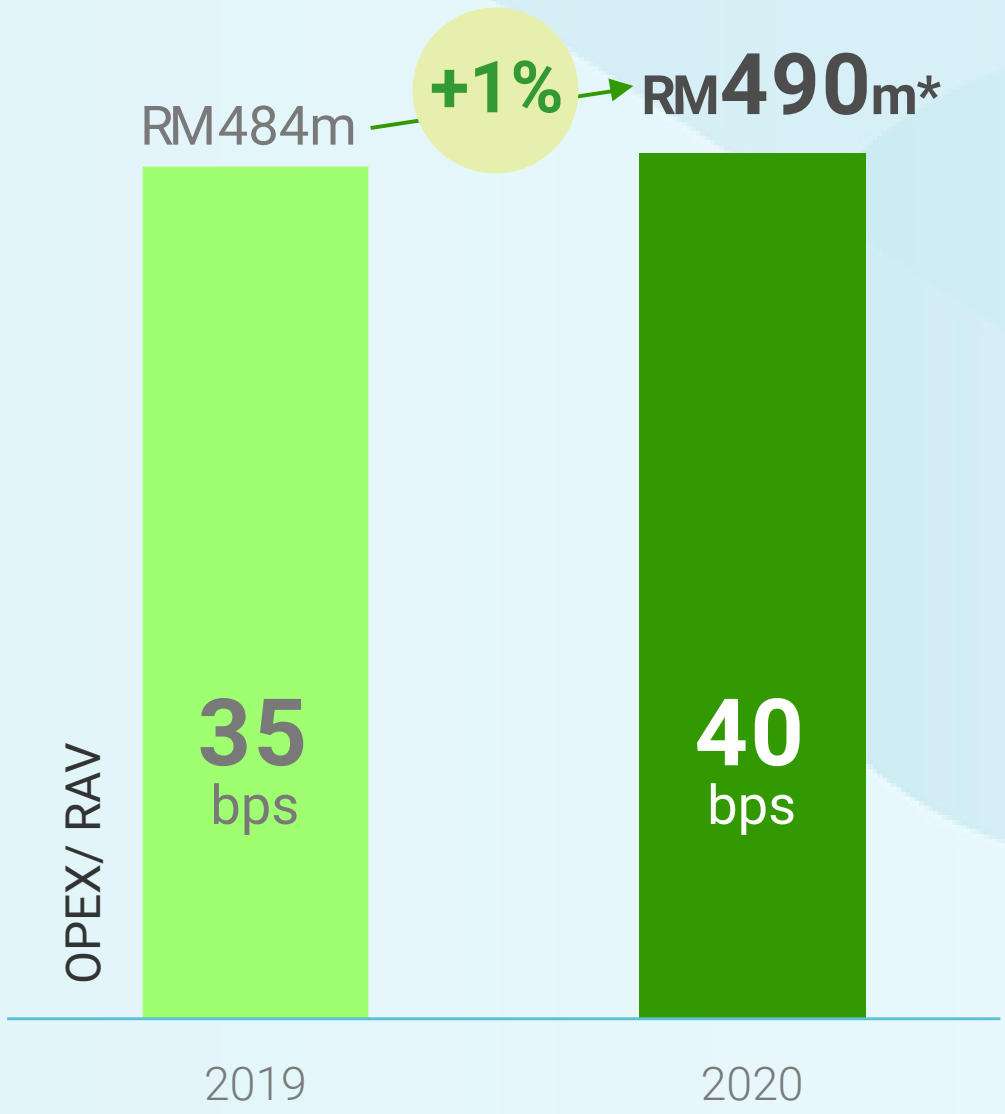
Operating Expenditure and Debt

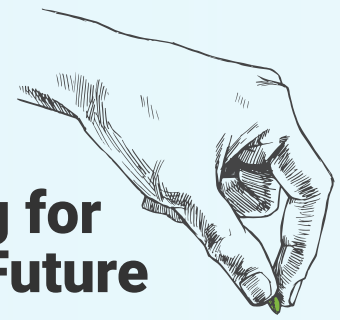
KHAZANAH NASIONAL

TOTAL DEBT



OPERATING EXPENDITURE





Investing for Our Future

Footnote:

** Includes Covid-19 relief contribution of RM20m*

Khazanah Annual Review 2021

Refresh of Digital Capabilities and Culture

KHAZANAH NASIONAL

ARCHITECTURE

Data

Use of data to improve the quality of our decisions

Applications

Technology architecture to allow us to leverage tools to our advantage

CULTURE

Digital Culture

Ability to adopt, experiment, and innovate by leveraging digital tools

Agile Ways of Working

Improve teamwork through collaboration, better awareness of our strengths

ENABLEMENT

Tech Capabilities & Service Model

Empower and enable staff to take control of our work through technology

Governance

Leadership oversight to guide digital transformation journey

Investing for Our Future

Khazanah Annual Review 2021

Continuing Efforts in 2021

KHAZANAH NASIONAL

1

Continue to rebalance commercial portfolio and diversification to prepare for a post-Covid world

2

Undertake asset restructuring or value creation to adjust for post-Covid structural changes

3

Integrating Sustainability across investment and operational activities

4

Pursue investments in new sectors with economic and social benefits for Malaysia

Investing for Our Future