

KENANGA PRINCIPAL PROTECTED INCOME FUND

ANNUAL REPORT

For the Financial Year Ended 30 April 2022

The logo for Kenanga, featuring the word "kenanga" in a lowercase, bold, sans-serif font. The letter "k" is stylized with a long horizontal stroke that extends to the left.

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

KENANGA PRINCIPAL PROTECTED INCOME FUND

Contents	Pages
Corporate Directory	ii
Directory of Manager’s Offices	iii
Fund Information	1
Manager’s Report	2 - 4
Fund Performance	5 - 7
Trustee’s Report	8
Independent Auditors’ Report	9 - 11
Statement by the Manager	12
Financial Statements	13 - 31

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
Fax: 03-2172 3080
E-mail: InvestorServices@kenanga.com.my
Website: www.KenangaInvestors.com.my

Board of Directors

Imran Devindran Abdullah (**Independent Director**)
Norazian Ahmad Tajuddin (**Independent Director**)
Luk Wai Hong, William (**Independent Director**)
Ismitz Matthew De Alwis (**Executive Director**)

Investment Committee

Imran Devindran Abdullah (**Independent Member**)
Norazian Ahmad Tajuddin (**Independent Member**)
Luk Wai Hong, William (**Independent Member**)
Ismitz Matthew De Alwis (**Non-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

Business Office

Level 21, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50490 Kuala Lumpur
Tel: 03-2261 8888
Fax: 03-2261 9894

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

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

Kota Damansara

C26-1, Dataran Sunway
Jalan PJU 5/17, Kota Damansara
47810 Petaling Jaya, Selangor
Tel : 03-6150 3512
Fax : 03-6150 3906

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
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

Damansara Uptown

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 Principal Protected Income Fund (**KPPIF** or the **Fund**)

1.2 Fund Category / Type

Wholesale Money Market / Income

1.3 Investment Objective

The Fund aims to provide investors a regular stream of income from the short-term money market returns which is competitive to that offered by fixed deposits, while preserving its capital by placing the funds primarily in short-term money market and deposit-based instruments issued by licensed financial institutions with a minimum of RAM A3 or MARC P2. The Fund also provides a high level of liquidity.

1.4 Investment Strategy

The Fund seeks to achieve its objective by placing its funds primarily in a diversified portfolio of short-term money market and deposit-based instruments that are not subject to market valuation risks. In order to enhance the returns of the Fund, an active management process will be adopted, including active management of the maturities of the Fund's holdings, continuous monitoring of the prevailing interest rates environment and to actively seek out the best rates and instruments available for the Fund.

1.5 Asset Allocation

Short-term money market instruments - Up to 100%

1.6 Duration

The Fund is an open-ended fund and hence does not have a termination date.

1.7 Performance Benchmark

Maybank Overnight Repo Rate*

** Maybank Overnight Repo Rate has been renamed as Maybank Islamic Overnight Deposit Rate effective 23 September 2019.*

1.8 Distribution Policy

Income will be paid daily on a best effort basis, if any. Income paid (if any) will be reinvested into the Fund.

1.9 Breakdown of unit holdings of the Fund as at 30 April 2022

Size of holdings	No. of unit holders	No. of units held
5,000 and below	-	-
5,001 – 10,000	-	-
10,001 – 50,000	-	-
50,001 – 500,000	-	-
500,001 and above	-	-
Total	-	-

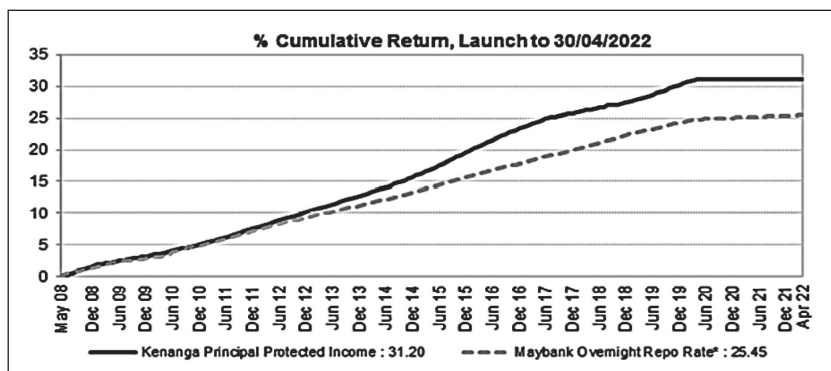
2. MANAGER'S REPORT

2.1 Explanation on whether the Fund has achieved its investment objective

The Fund seeks to achieve its investment objective by placing its funds primarily in short-term deposits with licensed financial institutions with a minimum rating of RAM A3 or MARC P2. However, the Fund has not been able to place short-term deposits as it has had no unit holders since mid-July 2021.

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

Performance Chart Since Launch (12/05/2008 - 30/04/2022)
Kenanga Principal Protected Income Fund vs Maybank Overnight Repo Rate*



Source: Novagni Analytics and Advisory

* Maybank Overnight Repo Rate has been renamed as Maybank Islamic Overnight Deposit Rate effective 23 September 2019.

2.3 Investment strategies and policies employed during the financial year under review

The Fund has not been able to place short-term deposits during the financial year under review as it has had no unit holders since mid-July 2021.

2.4 The Fund's asset allocation as at 30 April 2022 and comparison with the previous financial year

Asset	30 Apr 2022	30 Apr 2021
Short term deposits and cash	100.0%	100.0%

Reason for the differences in asset allocation

The Fund's asset allocation in short term deposits and cash remains unchanged at 100%.

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

	Year under review
KPPIF	0.00%
Maybank Islamic Overnight Deposit Rate	0.25%

Source: Lipper IM

For the financial year under review, the Fund underperformed its benchmark return by 25 basis points (bps). The Fund has not been able to place short-term deposits as it has had no unit holders since mid-July 2021.

2.6 Review of the market

Market review

Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) unchanged at 1.75% at each of its monetary policy meetings in 2021; as well as in January and March 2022. The central bank considers the monetary policy stance to be appropriate and accommodative. Firmer growth is expected in 2022, supported by the expansion in global demand, private sector expenditure, labour market improvements and continued policy support.

Headline inflation is projected to remain moderate in 2022, subject to global commodity price developments amid prolonged supply-related disruptions. Underlying inflation is expected to normalise as economic activities pick up amid higher input costs, although upside risk is partly contained by the continued slack in the economy.

On 30 March, BNM released its 2021 Annual Report and updated its key official macro forecasts for 2022 i.e. real GDP growth at 5.3%-6.3% (2021: 3.1%); inflation rate at 2.2%-3.2% (2021: 2.5%) and unemployment rate at 4.0% (2021: 4.6%). Nonetheless, the central bank noted that risks remain tilted to the downside, due to among others, weaker-than-expected global growth, worsening supply disruptions and further escalation of geopolitical conflicts.

The Fund will continue to seek to achieve its objective by investing in deposits. The investment strategy will also continue to involve active management of each investment's maturity to the extent possible to enhance the returns of the Fund, as well as to meet potential liquidity requirements of the Fund.

Market Outlook

In view of the moderate inflation outlook and ongoing geopolitical uncertainties, BNM is expected to remain data-dependent in its policy actions, with a focus on the overall outlook for economic growth and inflation. While BNM is expected to begin raising rates in the coming months, it is expected to undertake potential adjustments in a measured and gradual way in order to sustain domestic growth.

2.7 Distributions

For the financial year 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 year under review.

2.9 Significant changes in the state of affairs of the Fund during the financial year

There are no significant changes in the state of affairs of the Fund during the financial year 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 are no circumstances that materially affect any interests of the unit holders during the financial year 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. As the Fund is only invested in short-term deposits and cash, the Manager did not receive any rebates or soft commissions from its stockbrokers during the financial year under review.

2.12 Cross-trade

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

2.13 Securities financing transactions

Securities financing transactions are transactions consisting of securities lending or repurchase. During the financial year under review, the Fund had not undertaken any securities financing transactions.

3. FUND PERFORMANCE

3.1 Details of portfolio composition of the Fund for the last three financial year as at 30 April are as follows:

a. Distribution among industry sectors and category of investments:

	FY 2022 %	FY 2021 %	FY 2020 %
Short term deposits and cash	100.0	100.0	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 does not have any investment as it does not meet the minimum money market placement amount.

3.2 Performance details of the Fund for the last three financial years ended 30 April are as follows:

	FY 2022	FY 2021	FY 2020
Net asset value ("NAV") (RM Million)	-	0.04	0.32
Units in circulation (Million)	-	0.04	0.32
NAV per unit (RM)	1.0000	1.0000	1.0000
Highest NAV per unit (RM)	1.0000	1.0000	1.0000
Lowest NAV per unit (RM)	1.0000	1.0000	1.0000
Total return (%)	-	0.07	2.27
- Capital growth (%)	-	-	-
- Income growth (%)	-	0.07	2.27
Gross distribution (RM)	-	224	7,102
Net distribution (RM)	-	155	5,076
Total expense ratio ("TER") (%) ¹	-	0.54	0.55
Portfolio turnover ratio ("PTR") (times) ²	-	8.32	242.78

Note: Total return is the actual return of the Fund for the respective financial years, computed based on actual income distribution.

TER 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.

Above NAV and NAV per unit are shown as ex-distribution. Total return is based on actual distribution for the financial period/years under review. For details of income distribution, kindly refer to Note 4 of the Financial Statements.

¹ *TER is nil compared against previous financial year.*

² *PTR is nil as there was no investment activities following full redemption by the unit holders of the Fund.*

3.3 Average total return of the fund

	1 Year 30 Apr 21 - 30 Apr 22	3 Years 30 Apr 19 - 30 Apr 22	5 Years 30 Apr 17 - 30 Apr 22
KPPIF	0.00%	0.76%	1.10%
Maybank Overnight Repo Rate*	0.25%	0.68%	1.17%

Source: Lipper, Novagmi Analytics and Advisory

3.4 Annual total return of the fund

	Year under review 30 Apr 21 - 30 Apr 22	1 Year			
		30 Apr 20 - 30 Apr 21	30 Apr 19 - 30 Apr 20	30 Apr 18 - 30 Apr 19	30 Apr 17 - 30 Apr 18
KPPIF	0.00%	0.07%	2.27%	2.26%	2.50%
Maybank Overnight Repo Rate*	0.25%	0.30%	1.49%	1.92%	1.80%

Source: Lipper, Novagmi Analytics and Advisory

* Maybank Overnight Repo Rate has been renamed as Maybank Islamic Overnight Deposit Rate effective 23 September 2019.

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 PRINCIPAL PROTECTED INCOME FUND ("FUND")

We have acted as Trustee of the Fund for the financial year ended 30 April 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Kenanga Investors Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

- a) Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
- b) Valuation and pricing is carried out in accordance with the deed; and
- c) Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of
CIMB Commerce Trustee Berhad

Ezreen Eliza Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia

30 June 2022

5. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF KENANGA PRINCIPAL PROTECTED INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kenanga Principal Protected Income Fund ("the Fund"), which comprise the statement of financial position as at 30 April 2022, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 31.

In our opinion, the accompanying financial statements which have been prepared on a basis other than that of going concern as disclosed in Note 3(a) to the financial statements, give a true and fair view of the financial position of the Fund as at 30 April 2022 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund ("the Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF KENANGA PRINCIPAL PROTECTED INCOME FUND (CONTD.)

Responsibilities of the Manager and the Trustee for the financial statements

The Manager is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. As described in Notes 1 and 3(a) to the financial statements, the financial statements have been prepared on a basis other than that of a going concern.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

5. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF KENANGA PRINCIPAL PROTECTED INCOME FUND (CONTD.)

Auditors' responsibilities for the audit of the financial statements (contd.)

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern. As described in Note 3(a) to the financial statements, the financial statements have been prepared on a basis other than that of a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

This report is made solely to the Manager of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Sue Ean
No. 03276/07/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia

30 June 2022

6. 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 April 2022 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year ended 30 April 2022 together with notes thereto, which have been prepared on a basis other than that of a going concern as disclosed in Note 3(a) to the financial statements, 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 Principal Protected Income Fund as at 30 April 2022 and of its financial performance and cash flows for the financial year then ended 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

30 June 2022

7. FINANCIAL STATEMENTS

7.1 STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	Note	2022 RM	2021 RM
INVESTMENT INCOME			
Interest income		-	304
EXPENSES			
Manager's fee	4	-	74
Trustee's fee	5	-	6
		-	80
NET INCOME BEFORE TAX			224
Income tax	6	-	(69)
NET INCOME AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR			155
Net income after tax is made up as follows:			
Realised gain		-	155
Distribution for the financial year:			
Net distributions (RM)	7	-	155
Gross distribution per unit (sen)	7	-	0.07
Net distribution per unit (sen)	7	-	0.05

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

**7.2 STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022**

	Note	2022 RM	2021 RM
ASSETS			
OTHER ASSETS			
Tax recoverable		2,857	2,161
Cash at bank		<u>2,000</u>	<u>44,838</u>
		<u>4,857</u>	<u>46,999</u>
TOTAL ASSETS		<u>4,857</u>	<u>46,999</u>
LIABILITIES			
Other payables		<u>4,857</u>	<u>4,758</u>
TOTAL LIABILITIES		<u>4,857</u>	<u>4,758</u>
EQUITY			
Unit holders' contribution		<u>-</u>	<u>42,241</u>
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS	9	<u>-</u>	<u>42,241</u>
TOTAL LIABILITIES AND EQUITY		<u>4,857</u>	<u>46,999</u>
NUMBER OF UNITS IN CIRCULATION	9(a)	<u>-</u>	<u>42,241</u>
NAV PER UNIT (RM)		<u>1.0000</u>	<u>1.0000</u>

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

7.3 STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	Note	Unit holders' contribution RM	Retained earnings RM	Total NAV RM
2022				
At beginning of the financial year		42,241	-	42,241
Cancellation of units	9(a)	(42,241)	-	(42,241)
At end of the financial year		<u>-</u>	<u>-</u>	<u>-</u>
2021				
At beginning of the financial year		318,641	-	318,641
Total comprehensive income		-	155	155
Cancellation of units	9(a)	(276,555)	-	(276,555)
Distributions	7	-	(155)	(155)
Reinvestment of income distributed	9(a)	<u>155</u>	<u>-</u>	<u>155</u>
At end of the financial year		<u>42,241</u>	<u>-</u>	<u>42,241</u>

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

**7.4 STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022**

	2022	2021
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Interest from deposits received	-	325
Trustee's fee paid	-	(27)
Manager's fee paid	-	(205)
Payment for other fees and expenses	(53)	(645)
Cash used in operating and investing activities	(53)	(552)
Income tax paid	(544)	(114)
Net cash used in operating and investing activities	(597)	(666)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on units cancelled, representing net cash used in financing activities	(42,241)	(276,555)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(42,838)	(277,221)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	44,838	322,059
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	2,000	44,838
Cash and cash equivalents comprise:		
Cash at bank	2,000	44,838

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

7.5 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Kenanga Principal Protected Income Fund (“the Fund”) was constituted pursuant to the executed Master Deed dated 25 February 2008 (collectively, together with deeds supplemental thereto, referred to as “the Deed”) between the Manager, Kenanga Funds Berhad, and CIMB Commerce Trustee Berhad (“the Trustee”). The Fund commenced operations on 12 May 2008 and will continue to be in operation until terminated as provided under Part 12 of the Deed.

Pursuant to the executed First Supplemental Deed dated 15 May 2013 between Kenanga Investors Berhad and CIMB Commerce Trustee Berhad, Kenanga Investors Berhad was appointed as the Manager of the Fund with effect from 8 June 2013.

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 investors a regular stream of income from the short term money market returns which is competitive to that offered by fixed deposits, while preserving its capital by placing the funds primarily in short term money market and deposit-based instruments issued by licensed financial institutions with a minimum of RAM A3 or MARC P2 ratings. The Fund also provides a high level of liquidity.

The Fund has been dormant and there is no unit in circulation due to full redemption by the unit holders on 13 July 2021.

The financial statements were authorised for issue by the Chief Executive Officer of the Manager on 30 June 2022. As the Fund does not have any unit holder as at the end of the financial year, the report of the auditors has been addressed to the Manager.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks including market risk (which includes interest rate 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.

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 short-term deposits.

The Fund is not exposed to any interest rate risk as its deposits are short-term in nature and have fixed interest rates.

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.

The Fund has minimal exposure to credit risk as it holds minimal financial instruments as at reporting date.

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

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 at bank.

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 2022 RM	2021 RM
Assets			
Other assets	1.	2,000	44,838
Liabilities			
Other liability	ii.	4,857	4,758
Equity	iii.	-	42,241
Liquidity gap		(2,857)	(2,161)

i. Financial asset

For the Fund's other assets, the analysis into maturity grouping 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 liability

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 Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia. Any breach of any such requirement has been reported in the mandatory reporting to the Securities Commission Malaysia on a monthly basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

As disclosed in Note 1, the Fund has been dormant and there is no unit in circulation as at 30 April 2022 due to full redemption by a unit holder on 13 July 2021. As such, the financial statements have been prepared on a basis other than that of a going concern. Hence, the assets are written down to their recoverable values and all liabilities, including estimated expenses, were recorded to the extent that such costs were committed at the end of the reporting period. All assets and liabilities have been classified as current.

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 amended MFRS, which became effective for the Fund on 1 May 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

a. Basis of accounting (contd.)

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16: <i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 4: <i>Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendments to MFRS 16: <i>Covid-19 - Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

The adoption of the amended MFRS 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 new standard and amendments to standards 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 amendments to standards when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020</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</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</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</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</i> "	1 January 2022
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
Amendment to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

Description	Effective for financial periods beginning on or after
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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 and liabilities 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. Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 3(c)(ii) and (iii).

ii. 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 ("FVTPL").

The Fund may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial assets are initially measured at their fair values plus, except in the case of financial assets recorded at FVTPL, transaction costs.

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

c. Financial instruments (contd.)

ii. Measurement categories of financial assets and liabilities (contd.)

The Fund's other financial liabilities include trade payables and other payables.

Other financial liabilities are recognised and initially measured at fair values, net of 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.

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:

- 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.

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.)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

d. Derecognition of financial assets (contd.)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

e. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis and to realise the assets and settle the liabilities simultaneously.

f. Impairment of financial assets

i. Overview of the expected credit loss (“ECL”) principles

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

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.

g. 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.

h. Cash and cash equivalents

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

i. Income tax

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

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

k. 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.

l. 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 year.

4. MANAGER'S FEE

The Manager's fee is computed on a daily basis at a rate not less than 0.50% per annum and not exceeding 3.0% per annum of the NAV of the Fund as provided under Division 13.1 of the Deed.

The Manager did not charge the Manager's fee during the financial year as the Fund has been dormant (2021: 0.50% per annum of the NAV of the Fund).

5. TRUSTEE'S FEE

Trustee's fee is calculated on a daily basis at a rate not exceeding 0.20% per annum of the NAV of the Fund and subject to a minimum fee of RM18,000 per annum as provided under Division 13.2 of the Deed. However, as stated in the Fund's Replacement Information Memorandum dated 8 June 2013, which replaced and superseded the Fund's Information Memorandum dated 2 May 2012, First Supplemental Information Memorandum dated 15 October 2012 and Second Supplemental Information Memorandum dated 3 May 2013, the Trustee is only allowed to charge the trustee fee at 0.04% per annum, calculated on a daily basis.

There is no Trustee's fee during the financial year as the Fund has been dormant (2021: 0.04% per annum of the NAV of the Fund).

6. AUDITORS' REMUNERATION, TAX AGENT'S FEE AND OTHER ADMINISTRATION EXPENSES

The auditors' remuneration, tax agent's fee and certain other administration expenses for the current and previous financial years were borne by the Manager.

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 years.

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:

	2022 RM	2021 RM
Net income before tax	-	224
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	-	54
Tax effect of:		
Expenses not deductible for tax purposes	-	1
Restriction on tax deductible expenses for unit trust fund	-	14
Income tax for the financial year	-	69

8. DISTRIBUTIONS

Distributions to unit holders were made in the following month:

	2022 RM	2021 RM
May	-	155

Distributions to unit holders was derived from the following sources:

	2022 RM	2021 RM
Interest income	-	304
Less: Expenses	-	(80)
Gross distributions for the financial year	-	224
Less: Tax expenses	-	(69)
Net distribution for the financial year	-	155
Gross distribution per unit (sen)	-	0.07
Net distribution per unit (sen)	-	0.05

9. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holder is represented by:

	Note	2022 RM	2021 RM
Unit holders' contribution	(a)	-	42,241

(a) Unit holders' contribution

	2022		2021	
	No. of units	RM	No. of units	RM
At beginning of the financial year	42,241	42,241	318,641	318,641
Less: Cancellation of units	(42,241)	(42,241)	(276,555)	(276,555)
Reinvestment of income distributed	-	-	155	155
At end of the financial year	-	-	42,241	42,241

The Manager, Kenanga Investors Berhad, and other parties related to the Manager did not hold any units in the Fund, either legally or beneficially, as at 30 April 2022 (2021: nil).

10. PORTFOLIO TURNOVER RATIO ("PTR")

PTR for the financial year is nil as there was no investing activities during the financial year (2021: 8.32 times).

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

11. TOTAL EXPENSE RATIO ("TER")

TER for the financial year is nil (2021: 0.54% per annum).

TER 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.

12. SEGMENTAL REPORTING

As the Fund has no investment as at reporting date, disclosure by business and geographical segment is not relevant.

13. 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 amortised cost RM	Other financial liabilities RM	Total RM
2022			
Asset			
Cash at bank	2,000	-	2,000
Liability			
Amount due to Manager	-	4,857	4,857
2021			
Asset			
Cash at bank	44,838	-	44,838
Liability			
Amount due to Manager	-	4,758	4,758

b. 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.

14. 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 information memorandum;
- 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 years.

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