

KENANGA PRINCIPAL PROTECTED INCOME II FUND

ANNUAL REPORT

For the Financial Year Ended 30 April 2026

kenanga

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

KENANGA PRINCIPAL PROTECTED INCOME II 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
Fax: 03-2172 3080
Email: investorservices@kenanga.com.my
Website: www.kenangainvestors.com.my

Board of Directors

Steven Choy Khai Choon **(Chairman, Non-Independent Non-Executive Director)**
Irene Cheng May May **(Independent Non-Executive Director)**
Mazidah Binti Abdul Malik **(Independent Non-Executive Director)**
Datuk Wira Ismitz Matthew De Alwis **(Chief Executive Officer, Executive Director)**

Investment Committee

Luk Wai Hong, William **(Chairman)**
Irene Cheng May May **(Independent Member)**
Mazidah Binti Abdul Malik **(Independent Member)**
Datuk Wira Ismitz Matthew De Alwis **(Chief Executive Officer, Executive Director)**

Company Secretary: Norliza Abd Samad (MAICSA 7011089)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

Trustee: RHB Trustees Berhad Company No. 200201005356 (573019-U)

Registered Office

Level 10, Tower 1
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03- 2303 8252
Fax: 03- 2302 8298

Business Office

Level 11, Tower 3
RHB Center
Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03-2303 8264
Fax: 03-2302 8298
Email: rhbt.ut@rhbgroup.com
Website: www.rhbgroup.com

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 Capital A, 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.
Tel: 03-7890 4242 Website: www.fimm.com.my

DIRECTORY OF MANAGER'S OFFICES

Regional Branch Offices:

Kuala Lumpur

Ground Floor, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
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
Tel: 03-3341 8818 / 03-3348 7889
Fax: 03-3341 8816

Penang

5.04, 5th Floor
Menara Boustead Penang
39, Jalan Sultan Ahmad Shah
10050 Penang
Tel: 04-210 6628
Fax: 04-210 6644

Miri

Lot 507 & Lot 508, Ground Floor
Jalan Permaisuri
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

Suite 9 & 10, 3rd Floor, Yung Kong Abell
Lot 365 Abell Road
93100 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

No. 1, Jalan Leong Sin Nam
30300 Ipoh, Perak
Tel: 05-254 7573 / 05-254 7570
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

Kota Damansara

C26-1, Dataran Sunway
Jalan PJU 5/17, Kota Damansara
47810 Petaling Jaya, Selangor
Tel: 03-6150 3612
Fax: 03-6150 3906

Kluang

No. 1, Aras 1, Jalan Haji Manan
Pusat Perniagaan Komersial Haji Manan
86000 Kluang, Johor
Tel: 07-710 2700
Fax: 07-710 2150

1. FUND INFORMATION

1.1 Fund Name

Kenanga Principal Protected Income II Fund (**KPPIF2** 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 by placing its funds in bank placements and deposits.

1.4 Investment Strategy

The Fund seeks to achieve its objective by placing its funds in bank placements and deposits. 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 rate environment and to actively seek out the best rates available for the Fund.

1.5 Asset Allocation

The Fund may invests up to 100% of its NAV in bank placements and deposits.

1.6 Duration

The Fund was launched on 20 May 2009 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.

1.7 Performance Benchmark

Maybank Islamic Overnight Deposit Rate

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.

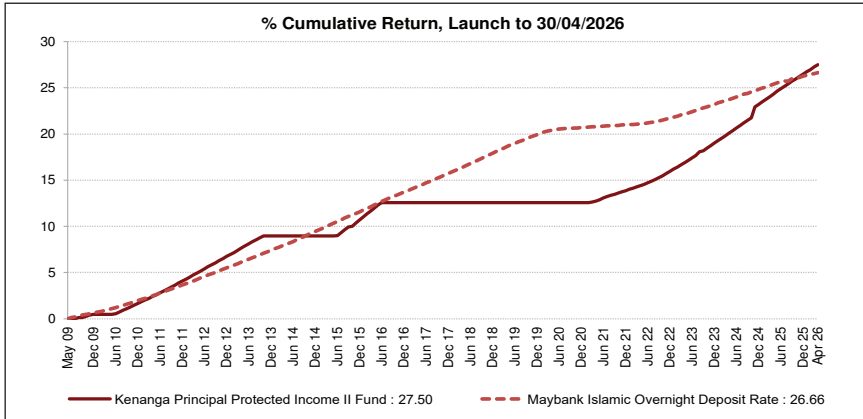
2. MANAGER'S REPORT

2.1 Explanation on whether the Fund has achieved its investment objective

The Fund has achieved its investment objective of providing investors with a regular income stream by placing its funds in short term deposits.

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

Performance Chart Since Launch (20/05/2009 - 30/04/2026)
Kenanga Principal Protected Income II Fund vs Maybank Islamic Overnight Deposit Rate



Source: Novagni Analytics and Advisory

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

The Fund employed an active management process, including continuous monitoring of the prevailing interest rate environment and actively seeking out the best deposit rates available for the Fund.

2.4 The Fund's asset allocation as at 30 April 2026 and comparison with the previous financial year

Asset	30 Apr 2026	30 Apr 2025
Short term deposits and cash equivalents	100.0%	100.0%

Note: The above mentioned percentages are based on total net asset value (NAV)

Reason for the differences in asset allocation

As at 30 April 2026, the Fund's asset allocation in short term deposits and cash remained 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
KPPIF2	2.52%
Maybank Islamic Overnight Deposit Rate	1.06%

Source: Lipper

The Fund outperformed its benchmark for the financial year under review. The outperformance was due to better deposit rates obtained.

2.6 Review of the market

Market review

On 8 May 2025, Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00% while reducing the Statutory Reserve Requirement (SRR) by 100 basis points (bps) to 1.00% effective 16 May 2025, injecting liquidity into the banking system to support economic activities. Subsequently, on 9 July 2025, BNM lowered the OPR by 25 basis points into 2.75% as a pre-emptive measure to cushion the domestic economy against rising global uncertainties.

Prime Minister Dato' Seri Anwar Ibrahim unveiled the 13th Malaysia Plan, setting a medium-term growth target of 4.5%–5.5% annually for 2026–2030, with inflation expected to remain contained at 2.0%–3.0%. As expected, BNM kept the OPR unchanged at 2.75% for the remainder Monetary Policy Committee (MPC) meetings of year 2025, reaffirming confidence in the domestic growth outlook. On 8 December, Fitch Ratings reaffirmed Malaysia's sovereign credit rating at BBB+ with a stable outlook, citing resilient macroeconomic fundamentals and ongoing fiscal consolidation.

Moving into the new year, BNM continued to maintain the OPR at 2.75% in 1Q2026, in line with market expectations. The central bank acknowledged uncertainties stemming from the ongoing Middle East conflict that could weigh on global and domestic growth while noting that Malaysia's robust growth, moderate inflation, sound financial sector and resilient external position provide an anchor against external headwinds.

Malaysia's Gross Domestic Product (GDP) expanded at a robust pace of 6.3% year-on-year (YoY) in 4Q2025, bringing full-year 2025 growth to 5.2%. Malaysia's advance estimate for 1Q2026 GDP recorded a moderate expansion of 5.3% YoY. On inflation front, price pressures remained contained overall. Headline inflation edged up modestly to 1.4% YoY in 4Q2025 (3Q2025: 1.3% YoY), bringing the full-year 2025 average to 1.4% (2024: 1.8%). In January 2026, inflation remained benign, with both headline and core inflation unchanged at 1.6% YoY and 2.3% YoY, respectively. Inflation then eased in February, with both headline and core inflation moderating to 1.4% YoY and 2.0% YoY, respectively. As widely expected, headline and core inflation rose to 1.7% YoY and 2.1% YoY, respectively in March, reflecting the spike in domestic non-subsidised fuel prices.

Market outlook

Malaysia's macroeconomic outlook remains supported by its strong fundamentals, with key downside risks including external uncertainties such as geopolitical conflicts, trade pressures, and commodity price volatility. Cost pressures are expected to rise but remain manageable, mitigated by domestic policy measures. BNM is expected to maintain the OPR at 2.75% over the near term to support the domestic economy, while retaining policy flexibility amid evolving external conditions.

2.7 Distributions

For the financial year under review, the Fund has declared the following distributions:

	Gross distribution per unit (sen)	Net distribution per unit (sen)	Ex NAV per unit* (RM)
30 May 2025	0.23	0.17	1.0000
30 June 2025	0.23	0.17	1.0000
31 July 2025	0.22	0.16	1.0000
29 August 2025	0.21	0.16	1.0000
30 September 2025	0.20	0.15	1.0000
31 October 2025	0.21	0.15	1.0000
28 November 2025	0.20	0.15	1.0000
31 December 2025	0.21	0.15	1.0000
30 January 2026	0.21	0.15	1.0000
27 February 2026	0.19	0.14	1.0000
31 March 2026	0.21	0.15	1.0000
30 April 2026	0.20	0.15	1.0000
	<u>2.52</u>	<u>1.86</u>	

**Ex price will be maintained at RM1.0000 after each 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 were no significant changes in the state of affairs of the Fund during the financial year 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 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 the 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 solely 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 years as at 30 April are as follows:

a. Distribution among industry sectors and category of investments:

	FY 2026 %	FY 2025 %	FY 2024 %
Short term deposits and cash equivalents	100.0	100.0	100.0
	100.0	100.0	100.0

Note: The above mentioned percentages are based on total net asset value (NAV)

b. Distribution among markets

The Fund invests in local short term deposits and cash equivalents only.

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

	FY 2026	FY 2025	FY 2024
Net asset value ("NAV") (RM Million)	55.67	57.18	86.40
Units in circulation (Million)	55.67	57.18	86.40
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 (%)	2.52	2.74	2.72
- Capital growth (%)	-	-	-
- Income growth (%)	2.52	2.74	2.72
Gross distribution (RM)	1,416,709	1,623,091	2,294,677
Net distribution (RM)	1,043,080	1,200,091	1,698,827
Total expense ratio ("TER") (%) ¹	0.33	0.31	0.31
Portfolio turnover ratio ("PTR") (times) ²	245.81	246.34	247.62

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 recovered 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.

^{1.} *TER is higher against the previous financial year mainly due to higher expenses incurred during the financial year under review.*

^{2.} *PTR remained relatively stable during the financial year under review.*

3.3 Average total return of the Fund

	1 Year 30 Apr 25 - 30 Apr 26	3 Years 30 Apr 23 - 30 Apr 26	5 Years 30 Apr 21 - 30 Apr 26
KPPIF2	2.52%	2.93%	2.47%
Maybank Islamic Overnight Deposit Rate	1.06%	1.22%	0.96%

Source: Lipper

3.4 Annual total return of the Fund

	Year under review 30 Apr 25 - 30 Apr 26	1 Year			
		30 Apr 24 - 30 Apr 25	30 Apr 23 - 30 Apr 24	30 Apr 22 - 30 Apr 23	30 Apr 21 - 30 Apr 22
KPPIF2	2.52%	3.53%	2.73%	2.18%	1.40%
Maybank Islamic Overnight Deposit Rate	1.06%	1.31%	1.31%	0.88%	0.25%

Source: Lipper

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

KENANGA PRINCIPAL PROTECTED INCOME II FUND

**Audited Financial Statements Together with
Trustee's Report, Independent Auditors' Report
and Statement by the Manager**

30 April 2026

KENANGA PRINCIPAL PROTECTED INCOME II FUND

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**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF KENANGA PRINCIPAL PROTECTED INCOME II FUND
("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 April 2026 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:

1. 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;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distributions of income by the fund are appropriate and reflect the investment objective of the fund.

For and behalf of
RHB TRUSTEES BERHAD
[Company No.: 200201005356 (573019-U)]

LIM BEE FANG
ASSISTANT VICE PRESIDENT

WONG CHOOI YIN
ASSISTANT VICE PRESIDENT

Kuala Lumpur, Malaysia

26 June 2026

Independent auditors' report to the unit holders of Kenanga Principal Protected Income II Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kenanga Principal Protected Income II Fund (the "Fund"), which comprise the statement of financial position as at 30 April 2026, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 7 to 28.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 April 2026, and of its financial performance and cash flows for the year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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.

Independent auditors' report to the unit holders of Kenanga Principal Protected Income II Fund (contd.)

Information other than the financial statements and auditors' report thereon (contd.)

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.

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 MFRS Accounting Standards and IFRS Accounting 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.

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.

Independent auditors' report to the unit holders of Kenanga Principal Protected Income II Fund (contd.)

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism 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.
- 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.
- 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.

**Independent auditors' report to the unit holders of
Kenanga Principal Protected Income II Fund (contd.)**

Other matters

This report is made solely to the unit holders 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

Ahmad Siddiq Bin Ahmad Hasbullah
No.03675/07/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
26 June 2026

STATEMENT BY THE MANAGER

I, **Datuk Wira 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 2026 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year then ended together with notes thereto, are drawn up in accordance with MFRS Accounting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of **Kenanga Principal Protected Income II Fund** as at 30 April 2026 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

DATUK WIRA ISMITZ MATTHEW DE ALWIS
Executive Director/Chief Executive Officer

Kuala Lumpur, Malaysia

26 June 2026

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2026**

	Note	2026 RM	2025 RM
INVESTMENT INCOME			
Interest income		<u>1,601,183</u>	<u>1,806,873</u>
EXPENSES			
Manager's fee	4	169,071	177,240
Trustee's fee	5	5,636	5,908
Administration expenses		<u>9,767</u>	<u>634</u>
		<u>184,474</u>	<u>183,782</u>
NET INCOME BEFORE TAX		1,416,709	1,623,091
Income tax	7	<u>(373,629)</u>	<u>(423,000)</u>
NET INCOME AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>1,043,080</u>	<u>1,200,091</u>
Net income after tax is made up as follows:			
Realised gain		<u>1,043,080</u>	<u>1,200,091</u>
Distributions for the financial year:			
Net distributions (RM)	8	<u>1,043,080</u>	<u>1,200,091</u>
Gross distributions per unit (sen)	8	<u>2.52</u>	<u>2.75</u>
Net distributions per unit (sen)	8	<u>1.86</u>	<u>2.03</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2026**

	Note	2026 RM	2025 RM
ASSETS			
INVESTMENT			
Short term deposit	9	55,657,000	57,186,000
OTHER ASSETS			
Other receivable	10	4,270	4,778
Tax recoverable		22,615	-
Cash at bank		1,460	2,952
		<u>28,345</u>	<u>7,730</u>
TOTAL ASSETS		<u>55,685,345</u>	<u>57,193,730</u>
LIABILITIES			
Amount due to Manager		12,490	15,416
Amount due to Trustee		477	1,396
Provision for tax		-	465
Other payable	11	1,184	-
TOTAL LIABILITIES		<u>14,151</u>	<u>17,277</u>
EQUITY			
Unit holders' contribution		55,671,194	57,176,453
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS	12	<u>55,671,194</u>	<u>57,176,453</u>
TOTAL LIABILITIES AND EQUITY		<u>55,685,345</u>	<u>57,193,730</u>
NUMBER OF UNITS IN CIRCULATION	12(a)	<u>55,671,194</u>	<u>57,176,453</u>
NAV PER UNIT - EX-DISTRIBUTION (RM)		<u>1.0000</u>	<u>1.0000</u>

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

**STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2026**

	Note	Unit holders' contribution RM	Retained earnings RM	Total NAV RM
2026				
At beginning of the financial year		57,176,453	-	57,176,453
Total comprehensive income		-	1,043,080	1,043,080
Creation of units	12(a)	222,784,203	-	222,784,203
Cancellation of units	12(a)	(225,332,542)	-	(225,332,542)
Distributions	8	-	(1,043,080)	(1,043,080)
Reinvestment of income distributed	12(a)	1,043,080	-	1,043,080
At end of the financial year		<u>55,671,194</u>	<u>-</u>	<u>55,671,194</u>
2025				
At beginning of the financial year		86,401,709	-	86,401,709
Total comprehensive income		-	1,200,091	1,200,091
Creation of units	12(a)	195,118,352	-	195,118,352
Cancellation of units	12(a)	(225,543,699)	-	(225,543,699)
Distributions	8	-	(1,200,091)	(1,200,091)
Reinvestment of income distributed	12(a)	1,200,091	-	1,200,091
At end of the financial year		<u>57,176,453</u>	<u>-</u>	<u>57,176,453</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2026**

	2026 RM	2025 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Interest received	1,601,691	1,809,334
Reimbursable expenses received from Manager	-	9,203
Trustee's fee paid	(6,555)	(6,486)
Payment for other fees and expenses	(10,412)	(9,909)
Manager's fee paid	(170,168)	(183,244)
Cash generated from operating and investing activities	<u>1,414,556</u>	<u>1,618,898</u>
Income tax paid	(396,709)	(635,149)
Net cash generated from operating and investing activities	<u>1,017,847</u>	<u>983,749</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	222,784,203	195,118,352
Cash paid on units cancelled	(225,332,542)	(225,543,699)
Net cash used in financing activities	<u>(2,548,339)</u>	<u>(30,425,347)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,530,492)	(29,441,598)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>57,188,952</u>	<u>86,630,550</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>55,658,460</u>	<u>57,188,952</u>
Cash and cash equivalents comprise:		
Cash at bank	1,460	2,952
Short term deposit	55,657,000	57,186,000
	<u>55,658,460</u>	<u>57,188,952</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2026

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Kenanga Principal Protected Income II Fund (the "Fund") was constituted pursuant to the executed Deed dated 29 October 2008 (collectively, together with deeds supplemental thereto, referred to as the "Deed") between the Manager, Kenanga Funds Berhad and RHB Trustee Berhad (the "Trustee"). On 25 March 2015, the Third Supplemental Deed was entered between the Manager and the Trustee to include a provision relating to the Malaysian goods and services tax. The Fund commenced operations on 20 May 2009 and will continue to be in operation until terminated as provided under Part 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 aims to provide investors a regular stream of income from the short-term money market returns by placing its funds in bank placements and deposits.

The financial statements were authorised for issue by the Chief Executive Officer of the Manager on 26 June 2026.

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.

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

a. Market risk (contd.)

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.

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* %
2026				
Assets				
Short term deposit	55,657,000	-	55,657,000	2.8
Other financial assets	-	5,730	5,730	
	<u>55,657,000</u>	<u>5,730</u>	<u>55,662,730</u>	
Liabilities				
Other financial liabilities	-	12,967	12,967	
Total interest rate sensitivity gap	<u>55,657,000</u>	<u>(7,237)</u>	<u>55,649,763</u>	

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

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

a. Market risk (contd.)

i. Interest rate risk (contd.)

Interest rate risk exposure (contd.)

	Up to 1 year RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective interest rate* %
2025				
Assets				
Short term deposit	57,186,000	-	57,186,000	3.1
Other financial assets	-	7,730	7,730	
	<u>57,186,000</u>	<u>7,730</u>	<u>57,193,730</u>	
Liabilities				
Other financial liabilities	-	16,812	16,812	
Total interest rate sensitivity gap	<u>57,186,000</u>	<u>(9,082)</u>	<u>57,176,918</u>	

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

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.

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

b. Credit risk (contd.)

iii. Credit quality of financial assets

The Fund invests in deposit with a financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013. The following table analyses the licensed financial institution by rating category:

Short term deposit

	Percentage of total short term deposit		Percentage of NAV	
	2026 %	2025 %	2026 %	2025 %
Rating				
P1/MARC-1	100.0	100.0	100.0	100.0

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 banks, 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	No maturity RM	Up to 1 year RM	Total RM
2026				
Assets				
Short term deposit		-	55,657,000	55,657,000
Other financial asset		-	4,270	4,270
Cash at bank		1,460	-	1,460
	i.	<u>1,460</u>	<u>55,661,270</u>	<u>55,662,730</u>
Liabilities				
Other financial liabilities	ii.	<u>-</u>	<u>12,967</u>	<u>12,967</u>
Equity	iii.	<u>-</u>	<u>55,671,194</u>	<u>55,671,194</u>
Liquidity gap		<u>1,460</u>	<u>(22,891)</u>	<u>(21,431)</u>
2025				
Assets				
Short term deposit		-	57,186,000	57,186,000
Other financial asset		-	4,778	4,778
Cash at bank		2,952	-	2,952
	i.	<u>2,952</u>	<u>57,190,778</u>	<u>57,193,730</u>
Liabilities				
Other financial liabilities	ii.	<u>-</u>	<u>16,812</u>	<u>16,812</u>
Equity	iii.	<u>-</u>	<u>57,176,453</u>	<u>57,176,453</u>
Liquidity gap		<u>2,952</u>	<u>(2,487)</u>	<u>465</u>

i. Financial assets

For the Fund's investment and other financial 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.

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

c. Liquidity risk (contd.)

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". As a result, it appears that the Fund has a liquidity gap of within "up to 1 year". However, the Fund believes that it would be able to liquidate its investments should the need arises to satisfy all the redemption requirements.

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. MATERIAL ACCOUNTING POLICY INFORMATION

a. Basis of accounting

The financial statements of the Fund have been prepared in accordance with MFRS Accounting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and IFRS Accounting 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 2025.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

a. Basis of accounting (contd.)

The adoption of the amended MFRS did not have any material impact on the financial position or performance of the Fund.

b. Standards and amendments to standards issued but not yet effective

As at the reporting date, the following standards 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 that are part of Annual Improvements—Volume 11: <i>Amendments to MFRS 1, 7, 9, 10 and 107</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7: <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 and amendments to MFRS 19: <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Withdrawal of MFRS 101: <i>Presentation of Financial Statements</i>	1 January 2027
Amendments to MFRS 121: <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
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 material impact to the financial statements of the Fund upon their initial application, except for MFRS 18. The Fund is still assessing the impact of the adoption of the standard.

MFRS 18 *Presentation and Disclosure in Financial Statements* – The new standard introduces new requirements on presentation within the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes enhanced principles on aggregation and disaggregation of financial information which apply to the primary financial statements and notes. The adoption of MFRS 18 is not expected to have any financial impact on the Fund as it only affects the presentation and disclosure in financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

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.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

c. Financial instruments (contd.)

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 the 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. MATERIAL ACCOUNTING POLICY INFORMATION (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 judgement 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.

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. MATERIAL ACCOUNTING POLICY INFORMATION (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. MATERIAL ACCOUNTING POLICY INFORMATION (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 7 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

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

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

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.

m. Significant accounting judgements and estimates

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

i. Critical judgements made in applying accounting policies

There are no major judgements 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 calculated on a daily basis at a rate of not less than 0.5% 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 is currently charging Manager's fee of 0.30% per annum of the NAV of the Fund (2025: 0.30% per annum).

5. TRUSTEE'S FEE

The Trustee's fee is calculated on a daily basis at a rate of not exceeding 0.2% per annum of the NAV of the Fund as provided under Division 13.2 of the Deed.

The Trustee's fee is currently calculated at 0.01% per annum of the NAV of the Fund (2025: 0.01% per annum).

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

	2026 RM	2025 RM
Current income tax expense:		
Malaysian tax	373,657	423,043
Over provision in prior financial year	(28)	(43)
	<u>373,629</u>	<u>423,000</u>

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:

	2026 RM	2025 RM
Net income before tax	<u>1,416,709</u>	<u>1,623,091</u>
Tax at Malaysian statutory tax rate of 24% (2025: 24%)	340,010	389,542
Tax effect of:		
Expenses not deductible for tax purposes	1,648	1,570
Restriction on tax deductible expenses	31,999	31,931
Over provision in prior financial year	(28)	(43)
Income tax for the financial year	<u>373,629</u>	<u>423,000</u>

8. DISTRIBUTIONS

Distributions to unit holders were made as follows:

	2026 RM	2025 RM
May 2025/May 2024	92,963	127,126
June 2025/June 2024	77,041	119,490
July 2025/July 2024	81,800	113,211
August 2025/August 2024	86,251	110,150
September 2025/September 2024	61,315	96,371
October 2025/October 2024	71,430	92,787
November 2025/November 2024	81,548	79,342
December 2025/December 2024	94,626	88,411
January 2026/January 2025	112,573	92,908
February 2026/February 2025	97,290	85,801
March 2026/March 2025	99,850	90,400
April 2026/April 2025	86,393	104,094
	<u>1,043,080</u>	<u>1,200,091</u>
Gross distributions per unit (sen)	<u>2.52</u>	<u>2.75</u>
Net distributions per unit (sen)	<u>1.86</u>	<u>2.03</u>

9. SHORT TERM DEPOSIT

Short term deposit is held with a licensed financial institution in Malaysia at the prevailing interest rate.

10. OTHER RECEIVABLE

	2026 RM	2025 RM
Interest receivable from short term deposit	<u>4,270</u>	<u>4,778</u>

11. OTHER PAYABLE

	2026 RM	2025 RM
Provision for printing and other expenses	<u>1,184</u>	<u>-</u>

12. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

	Note	2026 RM	2025 RM
Unit holders' contribution	(a)	<u>55,671,194</u>	<u>57,176,453</u>

(a) Unit holders' contribution

	2026		2025	
	No. of units	RM	No. of units	RM
At beginning of the financial year	57,176,453	57,176,453	86,401,709	86,401,709
Add: Creation of units	222,784,203	222,784,203	195,118,352	195,118,352
Less: Cancellation of units	(225,332,542)	(225,332,542)	(225,543,699)	(225,543,699)
Reinvestment of income distributed	<u>1,043,080</u>	<u>1,043,080</u>	<u>1,200,091</u>	<u>1,200,091</u>
At end of the financial year	<u>55,671,194</u>	<u>55,671,194</u>	<u>57,176,453</u>	<u>57,176,453</u>

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 2026 (2025: nil).

13. PORTFOLIO TURNOVER RATIO ("PTR")

PTR for the financial year is 245.81 times (2025: 246.34 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.

14. TOTAL EXPENSE RATIO ("TER")

TER for the financial year is 0.33% per annum (2025: 0.31% 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.

15. SEGMENTAL REPORTING

Business and geographical segments

In accordance with the objective of the Fund, the Fund can invest up to 100% of its NAV in short term deposits. As the Fund invests only in short term deposit and all of the Fund's investments are located in Malaysia, the Fund does not have separately identifiable business and geographical segments.

16. 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 material accounting policy information 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
2026			
Assets			
Short term deposit	55,657,000	-	55,657,000
Other receivable	4,270	-	4,270
Cash at bank	1,460	-	1,460
	<u>55,662,730</u>	<u>-</u>	<u>55,662,730</u>
Liabilities			
Amount due to Manager	-	12,490	12,490
Amount due to Trustee	-	477	477
	<u>-</u>	<u>12,967</u>	<u>12,967</u>
2025			
Assets			
Short term deposit	57,186,000	-	57,186,000
Other receivable	4,778	-	4,778
Cash at bank	2,952	-	2,952
	<u>57,193,730</u>	<u>-</u>	<u>57,193,730</u>
Liabilities			
Amount due to Manager	-	15,416	15,416
Amount due to Trustee	-	1,396	1,396
	<u>-</u>	<u>16,812</u>	<u>16,812</u>

16. FINANCIAL INSTRUMENTS (CONTD.)

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.

17. 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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