



Cross Light Capital

# **PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II**

ANNUAL REPORT  
31 DECEMBER 2025

## **MANAGER**

Cross Light Capital Sdn Bhd  
201901034174 (1343504-X)

## **TRUSTEE**

MTrustee Bhd  
198701004362 (163032-V)

## **Annual Report and Financial Statements as at 31 December 2025**

ANNUAL REPORT	3
Fund Information	3
Fund Performance Data	4
Movement of the Fund versus the Benchmark	4
Asset Allocation	5
Strategies Employed	6
Duration	6
Performance Attribution	7
Exposures	7
Soft Commissions and Rebates	8
Securities Financing Transactions	8
State of Affairs of the Funds	8
Circumstances That Materially Affect the Interest of Unit Holders	8
Cross Trades	8
Unit Splits	8
Fund Performance and NAV Data	8
TRUSTEE'S REPORT	9
MANAGER'S STATEMENT	10
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS	11

# ANNUAL REPORT

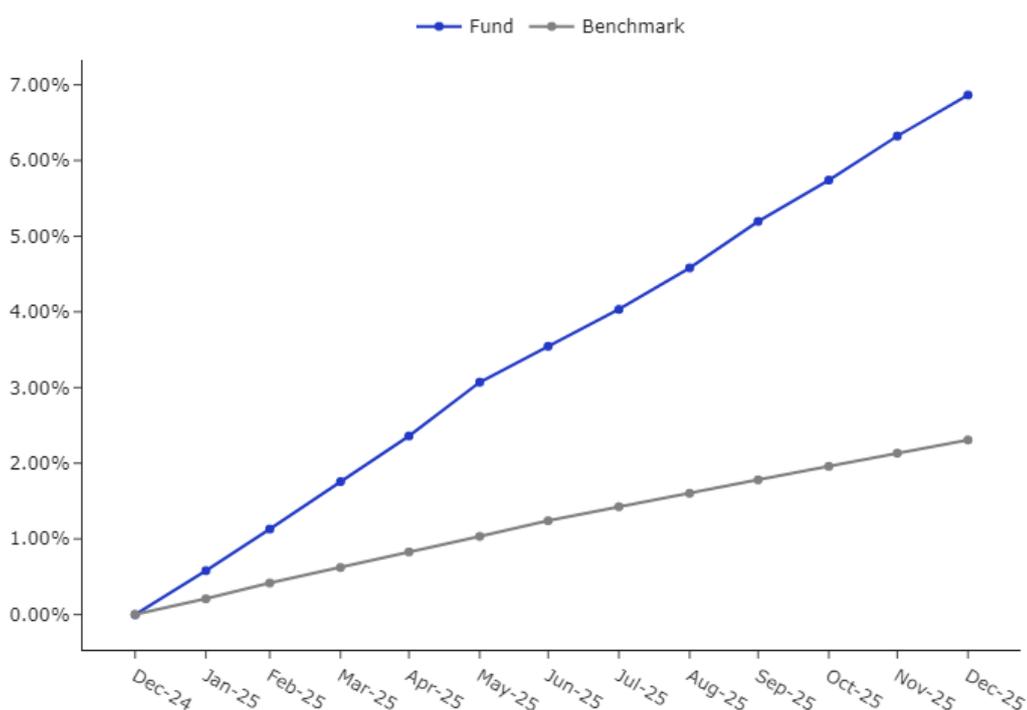
## Fund Information

<b>Fund Name</b>	Private Alternative Income Opportunities Fund II
<b>Fund Type</b>	Income and growth
<b>Fund Category</b>	Mixed assets (closed-end)
<b>Investment Objective</b>	The Fund aims to provide a combination of income and incidental capital growth.
<b>Benchmark</b>	Maybank's 12-month fixed deposit rate. The risk profile of the Fund is different from the risk profile of the performance benchmark. There is no guarantee that the Fund will outperform the performance benchmark.
<b>Distribution Policy</b>	Subject to the availability of distributable income, the Fund will distribute income on an annual basis.

## Fund Performance Data

Category	As at 31 Dec 2025	As at 31 Dec 2024
Total NAV	10,375,342.00	-
NAV per Unit	1.0687	-
Units in Circulation	9,708,788	-

## Movement of the Fund versus the Benchmark



	1 Month	3 Months	6 Months	1 Years	3 Years	Since Inception
<b>Date</b>	01/12/2025 - 31/12/2025	01/10/2025 - 31/12/2025	01/07/2025 - 31/12/2025	01/01/2025 - 31/12/2025	01/01/2023 - 31/12/2025	31/12/2024 - 31/12/2025
<b>Fund</b>	0.51%	1.59%	3.21%	6.87%		6.87%
<b>Benchmark</b>	0.17%	0.52%	1.05%	2.31%		2.31%

*This information, net of fees, is prepared by Cross Light Capital Sdn Bhd for informational purposes only. Past returns or the fund's distribution record is not a guarantee or reflection of the fund's future returns. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up.*

## Asset Allocation

Category	31.12.2025 (% of NAV)
<b>Portfolio Composition</b>	
- Fixed income	100
Equities, ETFs, ETNs and/or collective investment schemes	99.92
Net cash and/or cash equivalents	0.08
Others	0
Total NAV	10,375,342.00
NAV per Unit	1.0687 <sup>1</sup>
Unit in Circulation	9,708,788
Highest NAV	1.0687 <sup>2</sup>
Lowest NAV	1.0058
Gross Distribution per Unit	Nil
Net Distribution per Unit	Nil
Management Expense Ratio (%)	1.74
Portfolio Turnover Ratio (times)	0.48

Category	31.12.2025 (% of NAV)
Equities, ETFs, ETNs and/or collective investment schemes	99.92
Net cash and/or cash equivalents	0.08
Others	0
<b>Total</b>	<b>100.00</b>

<sup>1</sup> This NAV represents a weighted average of the NAVs for the various outstanding series of the fund.

<sup>2</sup> Highest and Lowest NAVs are based on the lead series of the fund.

## **Strategies Employed**

The Fund may invest up to 100% of its NAV in equities and equity-related securities or in Fixed Income Investments to achieve potential higher return. The Fund may concentrate its investments on a few selected asset classes or a single investment that has potential income. For instance, the Fund may fully invest only in preference shares for dividends and income.

The Fund may also invest in collective investment schemes and place deposits with Financial Institutions.

## **Duration**

The Fund was commenced on January 3, 2025 and it shall mature on January 3, 2028 or such other period/maturity date as may be agreed between the Manager and the trustee for the Fund.

## Performance Attribution

For Year Ended 31 December 2025

Asset Class	Annual Gross Estimated Attribution
Fixed Income	6.87%
<b>Total</b>	<b>6.87%</b>

## Exposures

For Year Ended 31 December 2025

Asset Class	Gross Dollar Exposure	Net Dollar Exposure
Fixed Income	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

*This information is prepared by Cross Light Capital Sdn Bhd for informational purposes only. Past returns or the fund's distribution record is not a guarantee or reflection of the fund's future earnings. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up.*

## **Soft Commissions and Rebates**

Cross Light Capital Sdn Bhd (the “Manager”) and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Cross Light Capital’s funds (“Funds”) unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund’s investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

During the financial year under review, the Manager and the Trustee did not receive any rebates from the brokers or the dealers, and the Manager has not retained soft commission in the form of goods and services such as financial wire services and stocks quotations system incidental to investment management of the Funds.

## **Securities Financing Transactions**

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

## **State of Affairs of the Funds**

There were no other significant changes in the state of affairs of the Fund during the financial year and up to the date of Manager’s report, not otherwise disclosed in the financial statements.

## **Circumstances That Materially Affect the Interest of Unit Holders**

There were no circumstances that had materially affected the interest of the unit holders during the financial year under review.

## **Cross Trades**

No cross-trade transactions have been carried out during the financial year under review.

## **Unit Splits**

No unit split exercise has been carried out during the financial year under review.

## **Fund Performance and NAV Data**

The Fund performance data reported is the lead series from launch with series accounting method adopted.

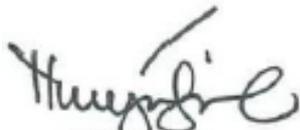
# TRUSTEE'S REPORT

## TO THE UNIT HOLDERS OF PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II ("the Fund")

We have acted as Trustee of the Fund for the financial year ended 31 December 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Cross Light Capital Sdn Bhd** ("the Manager") has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
- (b) valuation/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 relevant regulatory requirements.

For and on behalf of  
**MTRUSTEE BERHAD** [Company No: 198701004362 (163032-V)]



NURIZAN JALIL  
Chief Executive Officer  
Selangor, Malaysia  
27<sup>th</sup> February 2026

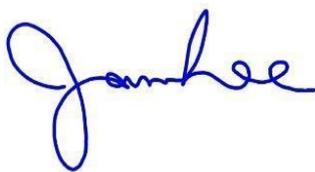
# MANAGER'S STATEMENT

## TO THE UNIT HOLDERS OF PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

I, Jason Yew Kit Lee, for and on behalf of the board of directors of the Manager, Cross Light Capital Sdn Bhd, state that in my opinion as the Manager, the financial statements hereby attached reflect a true and fair view of the Fund's financial position, and that the Fund has been operated and managed in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Market and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deed and any regulatory requirements;
- (c) creation and cancellation of units are carried out in accordance with the Deed and relevant regulatory requirements; and
- (d) the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of  
Cross Light Capital Sdn Bhd [Company No: 201901034174 (1343504-X)]



**Jason Yew Kit LEE**  
**Director**

Kuala Lumpur, Malaysia  
28th February 2026

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

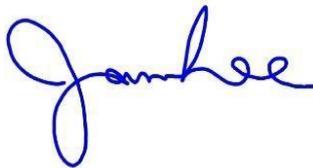
### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

---

#### STATEMENT BY MANAGER

I, Jason Yew Kit Lee, being one of the director of Cross Light Capital Sdn. Bhd. (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 15 to 30 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 Private Alternative Income Opportunities Fund as at 31 December 2025 and of its financial performance, changes in net asset value and cash flows for the financial period then ended.

For and on behalf of the Manager,  
**Cross Light Capital Sdn. Bhd.**



**Jason Yew Kit Lee**

Kuala Lumpur

28 February 2026

## **INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of Private Alternative Income Opportunities Fund II ("the Fund"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 15 to 30.

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2025 and of its financial performance and its cash flows for the financial period 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 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 Ethics Standards Board for Accountants' *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 is responsible for the other information. The other information comprises the information included in the annual report, 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.

**LTTH**

**PLT (LLP0020047-LCA)**

**CHARTERED ACCOUNTANTS**

29A, Jalan SS 22/19, Damansara Jaya,  
47400 Petaling Jaya, Selangor Darul Ehsan  
T: 03-77278971 & 77279069  
E: admin@ltthplt.com

## **INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Responsibilities of the Manager and the Trustee for the Financial Statements**

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

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 intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

#### **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 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 and 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.

**LTTH**

PLT (LLP0020047-LCA)

**CHARTERED ACCOUNTANTS**

29A, Jalan SS 22/19, Damansara Jaya,  
47400 Petaling Jaya, Selangor Darul Ehsan  
T: 03-77278971 & 77279069  
E: admin@lthplt.com

## **INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

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 (Cont'd):-

- 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.

#### **OTHER MATTERS**

This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**LTTH PLT**  
201906001236 (LLP0020047-LCA) & AF 0071  
Chartered Accountants

Petaling Jaya

28 February 2026



**LIM LIP CHIN**  
01931/02/2027 J  
Chartered Accountant

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	2025 RM
<b>ASSETS</b>		
Investment in redeemable preference shares	4	9,595,000
Investment in money market instrument		20,660
Dividend receivable		1,145,091
Cash at bank		<u>8,938</u>
<b>TOTAL ASSETS</b>		<u>10,769,689</u>
<b>LIABILITIES</b>		
Amount due to manager	5	65,793
Accruals		<u>328,554</u>
<b>TOTAL LIABILITIES</b>		<u>394,347</u>
<b>UNITHOLDER'S FUND</b>		
Unitholders' capital		9,708,788
Retained earnings		<u>666,554</u>
<b>NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS</b>	6	<u>10,375,342</u>
<b>TOTAL UNITHOLDERS' FUND AND LIABILITIES</b>		<u>10,769,689</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	6(a)	<u>9,708,788</u>
<b>NAV PER UNIT (RM)</b>	6(b)	<u>1.0687</u>

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

	Note	20.12.2024 to 31.12.2025 RM
<b>INVESTMENT INCOME</b>		
Dividend income from redeemable preference shares		1,145,091
Interest income		1,386
Net realized gain on money market funds		361
Net unrealized gain on money market funds		70
		<u>1,146,908</u>
<b>LESS: EXPENSES</b>		
Trustee's fee	7	8,306
Management fee	8	127,800
Audit fee		14,040
Administrative expenses		27,904
		<u>178,050</u>
<b>NET INCOME BEFORE TAXATION</b>		968,858
Income tax expense	9	<u>(302,304)</u>
<b>NET INCOME AFTER TAXATION</b>		666,554
Other comprehensive income		<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>666,554</u>
Net income after taxation is made up as follows:		
- net realised gain		666,484
- net unrealised gain		70
		<u>666,554</u>
Distribution during the financial period:		
Net distribution	10	<u>-</u>
Gross distribution per unit (RM)	10	<u>-</u>
Net distribution per unit (RM)	10	<u>-</u>

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

	Note	Unitholders' Capital RM	Accumulated Income RM	NAV Attributable to Unitholders RM
<b>Balance as at 20.12.2024 (date of launch)</b>		-	-	-
Transactions with unitholders:				
- Creation of units	6	9,708,788	-	9,708,739
		9,708,788	-	9,708,739
Net income after taxation/Total comprehensive income for the financial period		-	666,554	666,554
<b>Balance as at 31.12.2025</b>		<b>9,708,788</b>	<b>666,554</b>	<b>10,375,342</b>

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

---

	Note	20.12.2024 to 31.12.2025 RM
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Purchase of investments		(9,595,000)
Purchase of money market instrument		(108,000)
Redemption of money market instrument		89,157
Trustee's fee paid		(6,146)
Payments for other fees and expenses		(79,861)
<b>NET CASH FOR OPERATING ACTIVITIES</b>		<u>(9,699,801)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units		<u>9,708,788</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<u>9,708,788</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		8,938
<b>CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH</b>		<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	5	<u>8,938</u>
<b>Cash at bank</b>		<u>8,938</u>

# PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

---

### 1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Private Alternative Income Opportunities Fund II (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 23 October 2024 between Cross Light Capital Sdn. Bhd. as the Manager and MTrustee Berhad as the Trustee. The Fund is launched on 20 December 2024 and will continue to operate until determined otherwise by the Manager.

The principal activity of the Fund is to provide a combination of income and incidental capital growth.

The Fund can invest up to 100% of its NAV as defined in the Information Memorandum, which includes in equity- related securities, fixed income, selected assets classes or in single investment, collective investment schemes and place deposits with financial institutions.

The Manager, a company incorporated in Malaysia, is principally engaged in the business of assets and pension funds management. There have been no significant changes in the nature of these activities during the financial period.

The financial statements were authorised for issue by the Manager on 28 February 2026.

### 2. BASIS OF PREPARATION

The financial statements of the Fund are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policies, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards.

2.1 During the current financial period, the Fund has adopted the MFRSs that were effective on or before the date of launch.

2.2 The Fund has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Fund upon their initial application.

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

---

#### 3. MATERIAL ACCOUNTING POLICY INFORMATION

##### 3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

###### *Key Sources of Estimation Uncertainty*

The Manager believes that there are no key assumptions made 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 period other than as disclosed below:

###### **Impairment of investment in preference shares**

The Fund determines whether an item of its investment in preference shares is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety method is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of investment in preference shares as at the reporting date is disclosed in Note 4 to the financial statements.

###### *Critical Judgements Made in Applying Accounting Policies*

The Manager believes that there are no instances of application of critical judgement in applying the Fund's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

##### 3.2 FINANCIAL INSTRUMENTS

###### **(a) Financial Assets**

###### Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

###### **(b) Financial Liabilities**

###### Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

##### 3.3 INCOME

Dividend income is recognised on a declared basis, when the right to receive dividend payment is established.

##### 3.4 UNITHOLDERS' CAPITAL

The unitholders' capital is classified as equity.

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

---

#### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### 3.5 UNITHOLDERS' CAPITAL (CONT'D)

The Fund issues cancellable units, which are cancelled at the unitholder's option and are classified as equity. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's Net Asset Value ("NAV"). The outstanding units are carried at the redemption amount that is payable as at the date of the statement of financial position if the unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

The units in the Fund are puttable instruments which entitle the unitholders to a pro-rata share of the net assets of the Fund. The units are subordinated and have identical features. There is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units in the Fund over the life of the units are based on the change in the net assets of the Fund.

##### 3.6 NET ASSETS VALUE ATTRIBUTABLE TO UNITHOLDERS

Net assets value attributable to unitholders represents the total equity in the statement of financial position, which is carried at the redemption amount that would be payable at the end of the reporting period if the unitholders exercised the right to redeem units of the Fund.

##### 3.7 DISTRIBUTIONS

No distributions were declared on the Fund for the financial period ended 31 December 2025.

#### 4. INVESTMENT IN REDEEMABLE PREFERENCE SHARES

	<b>2025</b>
	<b>RM</b>
Unquoted redeemable preference shares, at amortised cost	<u>9,595,000</u>

(a) The exchange traded funds held for trading at the end of the reporting period are as follows:

Symbols	Quantity	Acquisition Cost RM	Fair Value RM	Percentage of NAV %
<b>Unquoted RPSs</b>				
NBRAND (M) SDN BHD				
<b>2025</b>	9,595,000	9,595,000	9,595,000	92.48

(b) The RPSs carry a dividend of 12% per annum, payable half-yearly. The dividend rights are cumulative.

(c) The fair value of the RPSs is for disclosure purposes and is estimated by discounting the contractual cash flows using average lending yield rate.

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

---

#### 5. AMOUNT DUE TO MANAGER

The amount due to Manager represents amount payable for management fee.

#### 6. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS

	<b>2025</b> RM
Unitholders' capital	9,708,788
Retained earnings	666,554
	<u>10,375,342</u>

##### (a) Unitholders' capital

	No of units	RM
As at 20 December 2024 (date of launch)	-	-
Creation of units	9,708,788	9,708,788
As at 31 December 2025	<u>9,708,788</u>	<u>9,708,788</u>

##### (b) Net Asset Value (“NAV”) Per Unit

The Net Asset Value (“NAV”) per unit represents a weighted average of the NAVs of the fund

#### 7. TRUSTEE'S FEE

The Trustee's fee payable to Mtrustee Berhad is computed at up to 0.05% per annum of the NAV of the Fund (excluding foreign custodian fees and charges) calculated on a daily basis subject to a minimum of RM8,000 per annum, whichever is higher.

#### 8. MANAGEMENT FEE

The Management fee is computed on a daily basis at 1.25% per annum of the NAV of the Fund.

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

---

#### 9. INCOME TAX EXPENSE

No provision for taxation has been made as the Fund does not have chargeable income during the financial period.

A reconciliation of income tax expense applicable to the income before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Fund is as follows:

	<b>20.12.2024 to 31.12.2025 RM</b>
Net income before taxation	<u>968,858</u>
Tax calculated at the statutory tax rate of 24%	232,526
Non-taxable income	<u>69,778</u>
Total Income tax expenses	<u>302,304</u>

#### 10. DISTRIBUTION DURING THE FINANCIAL PERIOD

There was no distribution paid or proposed for the financial period under review.

#### 11. RELATED PARTY DISCLOSURES

##### 13.1 Identities of related parties

The Fund has related party relationships with its Manager, Cross Light Capital Sdn. Bhd. and Trustees, MTrustee Berhad.

##### 13.2 Units held by the Manager and Parties related to the Manager

The Manager and Parties related to the Manager do not hold units from the fund.

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

---

#### 12. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund is the ratio of the average of the total acquisitions and disposals of investments of the Fund for the period over the average NAV of the Fund calculated on a daily basis. For the financial period ended 31 December 2025, the PTR of the Fund stood at 0.48 times.

The PTR is calculated as follows:

		<b>2025</b>
		RM
A = Total Acquisitions of the Fund		9,703,000
B = Total Disposals of the Fund		89,157
PTR	=	$\frac{(A + B) / 2}{\text{average NAV of the fund}}$
	=	$\frac{4,896,079}{10,210,222}$
	=	0.48

The average NAV of the Fund for the financial period ended 31 December 2025 was RM10,210,222.

#### 13. MANAGEMENT EXPENSE RATIO (“MER”)

Management expense ratio is the ratio of the total fees and recovered expenses of the Fund expressed as a percentage of the Fund’s average NAV of the Fund calculated on daily basis. The fees and expenses include Manager’s fee, Trustee’s fee, auditors’ remuneration, Commission and brokerage fee, incentive fee, tax reporting’s fee, and other administrative expenses. The management expense ratio for the current period is 1.74%.

		<b>2025</b>
		RM
A	Manager's fee	127,800
B	Auditors' remuneration	14,040
C	Trustee's fee	8,306
D	Administrative expenses	27,855
E	Average NAV of the Fund	10,210,222
MER	=	$\frac{(A+B+C+D)}{E} \times 100$
	=	$\frac{178,001}{10,210,222} \times 100$
	=	1.74%

The average NAV of the Fund for the financial period ended 31 December 2025 was RM10,210,222.

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

---

#### 14. FINANCIAL INSTRUMENTS

The Fund's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Fund's business whilst managing its market risk (including equity price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk.

##### 14.1 CAPITAL RISK MANAGEMENT

The Fund Manager is responsible for identifying and controlling risks. The Board of Directors of the Manager is ultimately responsible for the overall risk management approach for the Fund.

Monitoring and controlling risks are primarily set up to be performed based on limits established by the Manager and Trustee. These limits reflect the inherent risk management set by the Manager and Trustee for the Fund as well as the level of the risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Manager also has compliance personnel to ensure that the Fund complies with the various regulations and guidelines stipulated in its Information Memorandum, the Securities Commission's Guidelines on Unlisted Capital Market Products Under The Lodge and Launch Framework in Malaysia and the Investment Team.

##### 14.2 FINANCIAL RISK MANAGEMENT POLICIES

The Fund's policies in respect of the major areas of treasury activity are as follows:

###### (a) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices, foreign exchange and interest rates. The policies in respect of the major areas of treasury activity are as follows:

###### (i) Foreign Currency Risk

The Fund do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

###### (ii) Interest Rate Risk

The Fund do not have any interest-bearing borrowings and hence, are not exposed to interest rate risk.

###### *Interest Rate Risk Sensitivity Analysis*

The Fund does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

---

#### 14. FINANCIAL INSTRUMENTS (CONT'D)

##### 14.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The Fund's policies in respect of the major areas of treasury activity are as follows:

##### **(a) Market Risk (Cont'd)**

##### **(iii) Equity Price Risk**

The Fund do not have any quoted investments and hence, is not exposed to equity price risk.

##### *Equity Price Risk Sensitivity Analysis*

The Fund does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

##### **(b) Liquidity Risk**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are 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 redeem its units earlier than expected. The Fund is exposed to cash redemptions of its units every now and then. Units sold to unitholders by the Manager are redeemable at the unitholder's option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Information Memorandum. The Manager monitors the Fund's liquidity position regularly.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise cash and other instruments which are capable of being converted into cash within seven (7) days.

The Manager also manages the potential redemption risk by having a relatively high percentage of the portfolio in more liquid equity instruments which can be converted into cash within a short period of time. In addition, the liquidity risk is managed by giving the Manager fifteen (15) working days to pay the unitholder once a redemption is received.

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

#### 14. FINANCIAL INSTRUMENTS (CONT'D)

##### 14.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Liquidity Risk (Cont'd)

###### *Maturity Analysis*

The following table sets out the maturity profile of the Fund's issue (classified as equity instruments) and financial liabilities. Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Fund's financial assets (undiscounted where appropriate) and equity in order to provide a complete view of the Fund's contractual commitments and liquidity:

	Interest rate %	1 - 3 months RM	3 - 6 months RM	Over 6 months RM	Total RM
<b>2025</b>					
<b>Financial Assets:</b>					
Investment in redeemable preference shares	12	-	-	9,595,000	9,595,000
Investment in money market instrument	-	20,660	-	-	20,660
Dividend receivable	-	-	1,145,091	-	1,145,091
Cash at bank	-	8,938	-	-	8,938
		<u>29,598</u>	<u>1,145,091</u>	<u>9,595,000</u>	<u>10,769,689</u>
<b>Financial Liabilities:</b>					
Amount due to manager	-	65,793	-	-	65,793
Other payables and accruals	-	328,554	-	-	328,554
		<u>394,347</u>	<u>-</u>	<u>-</u>	<u>394,347</u>
Unitholders' Fund		<u>-</u>	<u>-</u>	<u>10,375,342</u>	<u>10,375,342</u>

##### (i) Financial Assets

Analysis of financial assets at amortised cost into maturity groupings is based on the expected date on which these assets can be realised. The Fund's investment has been included in the "Over 6 months category" as the investment has a maturity period of 3 years.

##### (ii) Financial Liabilities

The maturity grouping is based on the remaining year from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest year in which the Fund can be required to pay.

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

---

#### 14. FINANCIAL INSTRUMENTS (CONT'D)

##### 14.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (b) Liquidity Risk (Cont'd)

###### (iii) Unitholders' Fund

As the unitholders are not allowed to redeem their units during the tenure of the Fund, which is thirty-six (36) months, the Unitholder's Fund has been categorised as having a maturity of "Over 6 months".

##### 14.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (c) Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations to make timely repayments of interest, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships, derivatives and other transactions.

The Fund Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to buy financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's counterparties by reviewing their credit ratings and credit profiles on a regular basis.

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the end of the reporting period.

## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025

#### 14.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2025 RM
<b>Financial Assets</b>	
<u>Amortised Cost</u>	
Investment in redeemable preference shares	9,595,000
Investment in money market instruments	20,660
Dividend receivable	1,145,091
Cash at bank	8,938
	<u>10,769,689</u>
<b>Financial Liabilities</b>	
<u>Amortised Cost</u>	
Amount due to manager	65,793
Accruals	328,554
	<u>394,347</u>

#### 14. FINANCIAL INSTRUMENTS (CONT'D)

##### 14.4 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position

The fair values of the financial assets and financial liabilities of the Fund that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:

	Fair value of financial instruments not carried at fair value			Total Fair Value RM	Carrying Amount RM
	Level 1	Level 2	Level 3		
	RM	RM	RM		
<b>2025</b>					
<b>Financial Assets</b>					
Investment in redeemable preference shares	-	-	9,595,000	9,595,000	9,595,000
Investment in money market instruments	-	20,660	-	20,660	20,660
	<u>-</u>	<u>20,660</u>	<u>-</u>	<u>20,660</u>	<u>20,660</u>

## **PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND II**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 31 DECEMBER 2025**

---

#### **15. SUBSEQUENT EVENTS**

There were no other events after the reporting date which necessitate revision to or disclosure in these financial statements.

#### **16. COMPARATIVE FIGURE**

These are first set of the Fund's financial statements since its date of launch. Hence, no comparative figures are presented.