

KAF ISLAMIC DIVIDEND INCOME FUND (KIDIF)

MARCH 2026

The fund aims to provide income by investing primarily in dividend yielding Shariah-compliant equities.

THE FUND IS SUITABLE FOR INVESTORS WHO:

- Seek income;
- Are willing to accept medium degree of risk associated in investing in Shariah-compliant equities; and
- Wish for investments that comply with Shariah requirements.

MANAGER'S COMMENTS

United States (US) equity markets experienced a clear divergence in February 2026 (February). The technology-heavy Nasdaq Composite and the Standard & Poor (S&P) 500 declined by 3.38% and 0.87% respectively, fuelled by concerns over Artificial Intelligence (AI) monetization and renewed tariff uncertainty. Conversely, the Dow Jones Industrial Average secured a modest 0.17% gain as investors rotated away from mega-cap technology stocks into cyclical and defensive sectors. European equities delivered robust returns, with the STOXX Europe 600 advancing 3.74%, driven by a significant rebound in investor confidence and solid corporate earnings. In Asia, Japan's Nikkei 225 surged 10.37% to reach historic highs, catalysed by optimism surrounding economic reforms following Takaichi's fiscal stimulus mandate. Greater China equities demonstrated a notable divergence, as mainland indices like the Shanghai Composite and Shenzhen Component rose 1.09% and 2.98% respectively, supported by fund flows toward domestic structural growth themes. Meanwhile, the Hang Seng Index retreated 2.76%, weighed down by global macroeconomic uncertainties and the looming threat of US trade tariffs. On the domestic front, the Malaysian equity market entered a broad-based consolidation phase in February. The benchmark Financial Times Stock Exchange Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) declined 1.39%, while the FBM EMAS and FBM Small Cap Shariah retreated 1.06% and 2.27% respectively, as investors digested the latest earnings releases. This pullback was predominantly driven by foreign capital seeking safe-haven assets, compounded by domestic institutional net selling of RM538.4 million. Investors rapidly recalibrated their risk exposure in response to heightening geopolitical tensions and sweeping global tariff threats. In commodities, crude oil prices rose 2.53% to USD72.48, while gold experienced a strong surge, gaining 11.33%. Conversely, Crude Palm Oil (CPO) prices trended downward, recording a 4.42% decline for the month, pressured by bearish global vegetable oil sentiment and weak export demand. Meanwhile, the Malaysian Ringgit appreciated 1.34% against the greenback, ending February at RM3.8925.

The landscape has shifted since last month as the "supportive backdrop" for Emerging Markets (EM) faces a stern test from the direct US-Iran military conflict. This escalation has sent crude oil prices surging toward USD80 and reignited global inflationary fears, while cooling US labour data suggests a more complex path for the Federal Reserve (the Fed). However, we view the current volatility in Malaysian and regional markets as a constructive "valuation reset." As domestic equities retreat amidst the global noise, they provide increasingly attractive entry points into high-conviction names with resilient fundamentals. On the China front, sentiment is finding a floor following the National People's Congress (NPC) and the formal approval of the 15th Five-Year Plan (2026-2030). Beijing's strategic pivot toward AI self-reliance and advanced manufacturing creates a significant structural tailwind for Malaysia. As a neutral semiconductor export hub, Malaysia is uniquely positioned to capture the backend assembly and testing demand necessitated by China's new tech roadmap. Consequently, our strategy is to remain invested in quality stocks with attractive valuations. We remain structurally bullish on Emerging Markets, viewing the current geopolitical friction as a temporary disruption to the broader capital rotation toward undervalued Asian markets.

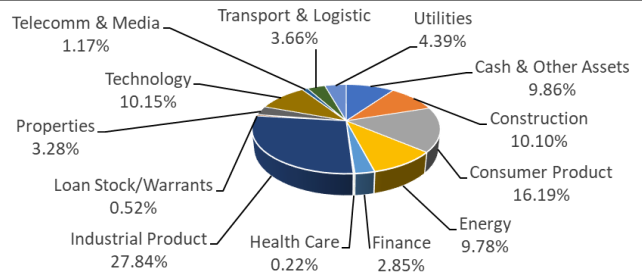
INVESTMENT STRATEGY

The fund seeks to achieve its investment objective by investing primarily, i.e., at least 70% of its NAV in Shariah-compliant equities listed on Bursa Malaysia. The fund will focus its investments in Shariah-compliant equities with dividend yield that are able to generate income for the fund. The fund's portfolio may also include sukuk, Islamic money market instruments, Shariah-compliant collective investment scheme and Islamic deposit.

FUND DETAILS AS AT 28 FEBRUARY 2026

Manager	KAF Investment Funds Bhd.
Trustee	Maybank Trustees Berhad.
Fund Category	Equity Fund (Shariah-compliant).
Fund Type	Income Fund.
Launch Date	15 January 2016
Unit net asset value (NAV)	RM0.6698
Fund size	RM113.043mil
Units in Circulation	168.774mil
Financial Year End	31 January.
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	FTSE Bursa Malaysia Emas Shariah Index.
Sales Charge	Up to 6.50% of NAV per Unit.
Repurchase Charge	None.
Annual management fee	1.50% per annum of NAV.
Annual trustee fee	0.06% of NAV, subject to a minimum fee of RM12,000
Redemption payment period	Within 7 days after receipt of the request to repurchase.
Distribution policy	The fund will distribute income on a half yearly basis, subject to the availability of income and/or realized gains.

SECTOR ALLOCATION* AS AT 28 FEBRUARY 2026



*As percentage Net Asset Value of the fund. Asset exposure is subject to change on a daily basis.

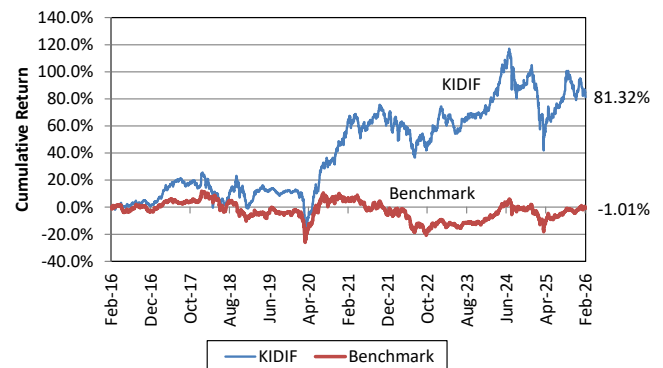
Source: KAF Investment Funds Berhad.

Distribution History

Year	Distribution (sen)
2021 (Annual)	0.50
2021 (Semi-annual)	3.00
2022 (Annual)	0.50
2022 (Semi-annual)	3.00
2023 (Annual)	0.50
2023 (Semi-annual)	2.00
2024 (Annual)	0.50
2024 (Semi-annual)	1.00
2025 (Annual)	0.50
2025 (Semi-Annual)	NIL
2026 (Annual)	0.50

FUND PERFORMANCE ANALYSIS AS AT 28 FEBRUARY 2026

Net Asset Value prices. Cumulative return over the period (% since inception)



%	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
KIDIF	-3.75	-2.19	0.97	4.62	9.52	9.67
Benchmark	-0.47	3.09	4.88	7.06	13.15	-5.87

Source: Novagni Analytics & Advisory Sdn Bhd

LARGEST HOLDINGS* AS AT 28 FEBRUARY 2026

Southern Cable Group Berhad	7.77%
Money Market (KAF)	7.64%
Mi Technovation Berhad	5.87%
CBH Engineering Holding Berhad	4.71%
Lim Seong Hai Capital Berhad	4.58%

*as percentage of Net Asset Value.

Disclaimer:

Based on the Malaysian Fund Volatility Report issued by Refinitiv Lipper dated 10 March 2026, the Volatility Factor (VF) for this fund is 13.26 and is classified as "High". "High" includes funds with VF that are between 10.245 and 13.525. The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Replacement Master Prospectus dated 30 September 2023 and its supplementary(ies) (if any) ("the Prospectus") before investing. The Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, investors should be highlighted of the fact that the value of their investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units. Any issue of units to which the Prospectus relates will only be made on receipt of a form of application referred to in the Prospectus. For more details, please call 03-9767 6000 for a copy of the PHS and the Prospectus or collect one from any of our authorised distributors. The Manager wishes to highlight the specific risks of the fund are specific equity risk, interest rate risk, credit/default risk, distribution risk and reclassification of Shariah status risk. These risks and other general risks are elaborated in the Prospectus.

This factsheet is prepared for information purposes only and has not been reviewed by Securities Commission Malaysia. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide for future performance. Returns may vary from year to year.