



KAF DANA ALIF

SEMI-ANNUAL REPORT

31 MARCH 2025

MANAGER'S REPORT

We are pleased to present the Manager's semi-annual report for the financial period ended 31 March 2025 ("the period").

1. Launch Date

KAF Investment Funds Berhad was appointed as the Manager of the Fund w.e.f. 1 October 2007 (new inception date), as a result of the rationalisation exercise between KAF Investment Funds Berhad and KLCity Unit Trust Berhad ("KLCUT"). KLCUT was previously the Manager of the Fund from its inception on 26 February 2003.

The Securities Commission ("SC") via their letter dated 13 August 2007 and 20 August 2007 approved the appointment of KAF Investment Funds Berhad ("KIFB") as the Manager of the Fund and the change of fund name from KL City Dana Imbang to KAF Dana Alif ("KDL/the Fund"). The Fund will continue its operations until terminated according to the Supplemental Deed dated 28 September 2007, Second Supplemental Deed dated 9 January 2014, Third Supplemental Deed dated 12 March 2015, Fourth Supplemental Deed dated 20 August 2018 and Fifth Supplemental Deed dated 9 January 2023.

2. Type of Fund

Islamic Income and Growth Fund.

3. Category of Fund

Islamic Balanced Fund.

4. Fund's Objective, Benchmark and Distribution Policy

KDL is an Islamic balanced fund which aims to provide unit holders with a steady and consistent dividend income over the medium to long-term investment period. It is intended that returns will be further enhanced through capital appreciation of Shariah-compliant investments.

The benchmark used for the Fund is 60% FTSE Bursa Malaysia EMAS Shariah Index ("FBMS Index") and 40% Malayan Banking Bhd (Maybank) 1-month General Investment Account ("GIA") rate.

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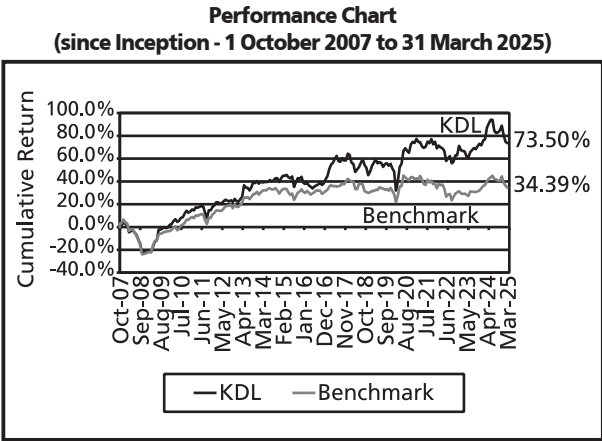
Distribution of income, if any is subject to the availability of income and/or realised gains and will be declared on yearly basis.

5. Review of Fund Operations and Performance

For the financial period under review, the Fund based on its Net Asset Value (“NAV”) per unit, recorded a negative return of 4.80% and overperforming the benchmark which also recorded a negative return of 5.19% due to overweight positions in defensive stocks that offer high yields, as they have shown relative stability and have not declined as much compared to other stocks.

Since the appointment of KIFB as the management company, based on its NAV, KDL recorded a return of 73.50%. This is higher than its benchmark, comprising a composite of 60% FTSE Bursa Malaysia EMAS Shariah Index and 40% 1-month Maybank General Investment Account, which rose by 34.39%. As such, the Fund outperformed its benchmark by 39.11 percentage points.

No cross-trade transaction carried out during the reported period ended 31 March 2025. The Fund has not undertaken any securities lending or repurchase transaction for the reported period.



Source: Novagni Analytics and Advisory Sdn Bhd, an independent source.

Fund performance as ranked by Lipper Asia Limited

Period	KDL		Average of Industry's Islamic Mixed Asset Balanced Funds
	% Change	Rank	% Change
3 months 27/12/2024 – 28/03/2025	(7.79)	21/23	(5.60)
6 months 27/09/2024 – 28/03/2025	(4.32)	18/23	(2.89)
1 year 28/03/2024 – 28/03/2025	(1.66)	19/23	0.49
3 years 28/03/2022 – 28/03/2025	2.59	16/22	7.64
5 years 27/03/2020 – 28/03/2025	32.79	8/18	34.25

Source: The Edge, 7 April 2025 issue, Edge-Lipper Fund Performance Table, an independent source.

Past performance is not necessarily indicative of future performance.

KDL invests in a combination of growth and high dividend paying companies with the aim of achieving capital growth and steady income. During the period under review, the Fund realised a total net gain of RM0.44 million arising from gain on disposal of Shariah-compliant stocks amounted to RM0.21 million, RM0.14 million from gross dividends income and RM0.09 million from profit of sukuk and Islamic liquid assets. As at end of period, total unrealised loss stood at RM0.12 million. The NAV of KDL decreased from RM19.04 million on 30 September 2024 to RM17.10 million as at 31 March 2025 due to the market volatility resulting from the new elected U.S. president which has created significant uncertainties. The NAV per unit of the Fund as at 31 March 2025 decreased to RM0.6265 compared to RM0.6581 as at 30 September 2024.

MANAGER'S REPORT

Returns	Local Market (RM'000)
Realised Gain	
Shariah-compliant equities	206
Dividend earned	135
Profit income	104
Net amortization of premium	(10)
Management fee rebate on Islamic collective investment schemes	5
Unrealised Loss	
Shariah-compliant equities	(445)
Islamic collective investment schemes	246
Unquoted sukuk	79

6. Asset Allocation and Investment Strategies Employed

Allocation to Shariah-compliant equities remained at moderate level as the Fund Manager adopted the strategy to position the funds amid higher uncertainty and volatility in the market. The Fund will continue to increase dividend yielding Shariah-compliant stocks which provided stable income while tactically invested some portion in growth Shariah-compliant stocks which provided additional alpha.

Other than the investment strategy stated in the Replacement Master Prospectus dated 30 September 2023, the designated Fund Manager has not employed any other investment strategy.

There were no significant changes in the Fund's state of affairs during the period.

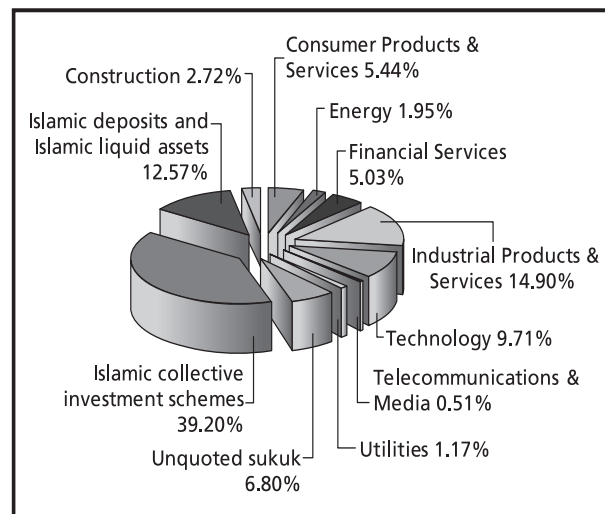
There were no circumstances which could materially affect any interest of the unit holders.

MANAGER'S REPORT

Asset Allocation

Asset class	Percentage of NAV as at		Changes in Exposure over period (%)
	30/09/2024 (%)	31/03/2025 (%)	
Shariah-compliant equity securities and Islamic derivative instruments	50.73	41.43	(9.30)
Islamic collective investment schemes	13.64	39.20	25.56
Unquoted sukuk	27.43	6.80	(20.63)
Islamic deposits and Islamic liquid assets	8.20	12.57	4.37

Portfolio of Shariah-compliant Equity and Other Assets as at 31 March 2025



7. Market Review

During the reporting period, global equities exhibited mixed trends amid political shifts and ongoing trade concerns. In the United States (U.S.) market, equities experienced a sharp rebound in November following Donald Trump's election victory, driven by expectations of business-friendly policies, following a decline in October 2024. However, gains moderated in December as the Federal Reserve implemented a rate cut and corporate earnings guidance weakened. Market volatility persisted into early 2025, with January seeing renewed optimism, followed by a pullback in February due to rising tariff uncertainties.

Over the period, major U.S. indices posted net declines: the Dow Jones fell by 0.78%, the S&P 500 by 2.61%, and the NASDAQ by 4.89%, though they experienced significant month-to-month fluctuations. In Europe, the STOXX Europe 600 struggled for much of the period due to sluggish economic data and concerns over energy prices. However, it rallied in January and February 2025 as defensive sectors outperformed and macroeconomic sentiment improved modestly. Japan's Nikkei 225 posted strong gains in October and December, supported by a weaker yen, but declined sharply in February amid renewed U.S. tariff threats—highlighting the vulnerability of Japan's export-driven economy. Chinese markets were choppy throughout the period. October and January saw declines driven by policy uncertainty and ongoing U.S. trade tensions. Conversely, markets rebounded in November and February on the back of government stimulus measures and optimism surrounding AI leader DeepSeek. The Hang Seng Index remained volatile, reflecting lingering investor caution.

In March 2025, global markets entered a state of turmoil amid rising uncertainties surrounding newly elected President Donald Trump's ambitious policy to bring investments back to the U.S., aimed at creating more jobs for American citizens. However, these policies were not well received by the market. U.S. equities tumbled, with the Dow Jones falling 4.20%, the S&P 500 down 5.75%, and the NASDAQ plummeting by 8.21%. Escalating geopolitical tensions—including new tariffs on imports from Canada, Mexico, and China—triggered broad-based weakness, raising fears of a global trade war. Concerns about potential stagflation intensified, as widespread layoffs, rising bond yields, and uncertain trade policies led to the steepest declines in U.S. equity markets since 2022.

8. Market Outlook & Strategy

Initially, the market anticipated a 100-basis-point rate cut by the Federal Reserve ("Fed") for 2025. However, this expectation was revised down to 50 basis points following economic data indicating continued resilience in the U.S. economy. In March 2025, the Fed adopted a "wait-and-see" approach, reflecting the need to assess the impact of reciprocal tariffs and the escalating U.S.–China tensions that could tip the economy into recession. Nevertheless, we believe a rate cut remains likely this year, as inflation trends toward the 2% target—a key threshold for Fed action.

China continues to be a drag on the global economy, with deepening deflation, slowing growth, a persistent property crisis, and mounting geopolitical tensions. We anticipate that the Chinese government will eventually introduce significant fiscal stimulus, although they are currently holding back as they assess the full extent of U.S. restrictions. Despite China being our largest trading partner, we expect increased relocation of supply chains out of China due to rising tariffs and regulatory hurdles. Vietnam had previously benefited most from the U.S.-China trade war, but it is now facing relatively higher reciprocal tariffs compared to Malaysia. As such, we foresee continued foreign direct investment ("FDI") inflows into Malaysia, driven not only by "China+1" strategies but also by "Vietnam+1" dynamics.

We believe the Malaysian equity market is trading at highly attractive valuations, presenting compelling buying opportunities. However, we prefer to remain cautious and wait for greater clarity on the global market outlook, particularly given the current volatility driven by President Trump's new policy direction. While we maintain a cautiously optimistic view on near-term risk assets, we recognize the potential for heightened volatility in the months ahead.

Our strategy remains anchored in disciplined analysis and selective positioning. We aim to identify mispricing and capitalize on market dislocations to optimize our portfolios amid this constantly evolving environment.

MANAGER'S REPORT

9. Changes made to the Fund's prospectus

There were no changes made to the Fund's prospectus during the reported period.

10. Soft Commission

The Manager had received a soft commission (in the form of goods and services) during the period under review, which intended to bring direct benefit or advantage to the management of KDL from one broker/dealer by virtue of transactions conducted for KDL. The broker/dealer had also executed trades for other funds or investments managed by the Manager.

The soft commission received is in the form of research services that can add value to the investment process by analysing data to extract insights and arrive at meaningful conclusions. Such data assists the Manager in the investment decision-making process which is of demonstrable benefit to unit holders of KDL and other funds or investments managed by the Manager.

The soft commissions received were for the benefit of the Fund, and there was no churning of trades.

KEY PERFORMANCE DATA

Portfolio Composition	As at 31 March		
	2025	2024	2023
	(Percent of NAV)		
	%	%	%
Quoted Shariah-compliant equities			
Construction	2.72	1.11	7.00
Consumer Products & Services	5.44	9.54	5.38
Energy	1.95	4.22	6.89
Finance Services	5.03	3.68	3.47
Health Care	-	1.55	-
Industrial Products & Services	14.90	18.18	11.25
Technology	9.71	12.63	13.45
Telecommunications & Media	0.51	1.66	0.64
Transportations & Logistics	-	1.06	-
Utilities	1.17	-	2.41
Total Quoted Shariah-compliant equities	41.43	53.63	50.49
Islamic collective investment schemes	39.20	20.20	7.01
Unquoted sukuk	6.80	23.34	36.09
Islamic deposits and Islamic liquid assets	12.57	2.83	6.41
Total	100.00	100.00	100.00
Total return for the year	RM'000	RM'000	RM'000
Capital growth	(1,110)	959	4,529
Income distribution	251	79	(1,581)

KEY PERFORMANCE DATA

Performance	Income Return	Capital Return	Annual Total Return	
	%	%	KDL %	Benchmark %
Financial year ended				
30/09/2024	1.52	6.16	7.78	8.40
30/09/2023	-	8.51	8.51	6.06
30/09/2022	3.50	(13.11)	(10.07)	(11.31)
30/09/2021	3.04	0.89	3.96	(1.99)
30/09/2020	1.92	5.40	7.42	6.86

	Average Total Return	
	KDL %	Benchmark %
One (1) year	(1.92)	(1.79)
Three (3) years	0.72	(0.53)
Five (5) years	6.30	2.04

Source: Novagni Analytics and Advisory Sdn Bhd, an independent source.

Basis of calculation and assumption made in calculating the returns:-

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return = NAV per Unit end / NAV per Unit begin - 1

Income return = Income distribution per Unit / NAV per Unit ex-date

Total return = (1+Capital return) x (1+Income return) - 1

KEY PERFORMANCE DATA

NAV and Units in Circulation	As at 31 March		
	2025	2024	2023
Total NAV (RM'000)	17,098	22,732	30,358
Units in circulation (in'000)	27,292	35,053	49,703
NAV per unit (RM)	0.6265	0.6485	0.6108
Unit Prices for the year (RM per unit)			
NAV (year high)	0.6856	0.6508	0.6354
NAV (year low)	0.6036	0.6118	0.5649
NAV (year high, ex-distribution)	Nil	Nil	Nil
NAV (year low, ex-distribution)	Nil	Nil	Nil
NAV	0.6265	0.6485	0.6108
Distributions	Nil	Nil	Nil
Unit split	Nil	Nil	Nil
Total Expense Ratio ("TER")	1.74%	1.75%	1.65%
Portfolio Turnover Ratio ("PTR")	0.29 times	0.28 times	0.25 times

Note: Total Expense Ratio ("TER") is calculated by taking the total fees and recovered expenses incurred by the Fund divided by the average fund size. Portfolio Turnover Ratio ("PTR") is calculated by taking the average of the acquisition and disposal of the Fund divided by the average fund size.

The TER was lower than the previous period due to decrease in the expenses during the period under review (refer to Note 15).

The PTR was higher than the previous period due to decrease in average NAV (refer to Note 16).

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may go down, as well as up.

SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF
KAF DANA ALIF ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, **KAF Investment Funds Berhad** has operated and managed the Fund for the period covered by these financial statements namely, the semi-annual period ended 31 March 2025, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant except for the securities which have been reclassified as Shariah non-compliant by the Shariah Advisory Council of the Securities Commission Malaysia as follows:

No.	Securities	Reclassification Effective Date	Remarks
(i)	Securemetric Berhad	29 November 2024	These securities have been completely disposed of on 16 December 2024 at a loss, in accordance with the Fund's Shariah investment guidelines as provided in the Fund's deed and disclosed in the Fund's prospectus.

For and on behalf of the Shariah Adviser,
BIMB Securities Sdn Bhd

MUHAMMAD SHAHIER SA'MIN
Designated Shariah Person

Kuala Lumpur, Malaysia
29 May 2025

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF
KAF DANA ALIF

We, **Universal Trustee (Malaysia) Berhad** ("the Trustee") being the Trustee of **KAF Dana Alif** ("the Fund") are of the opinion that **KAF Investment Funds Berhad** ("the Manager"), acting in the capacity of Manager of the Fund, has fulfilled their duties in the following manner for the financial period ended 31 March 2025.

- (a) The Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, Supplemental Deed, other provisions of the Deed, the SC's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation/pricing is carried out in accordance with the Deed and any regulatory requirements; and
- (c) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

For and on behalf of the Trustee,
Universal Trustee (Malaysia) Berhad

AHMAD MAHADI LOURDSAMY BIN ABDULLAH
Assistant Manager

Kuala Lumpur, Malaysia
29 May 2025

STATEMENT BY THE MANAGER

TO THE UNIT HOLDERS OF
KAF DANA ALIF

We, **Datuk Khatijah Ahmad** and **Mohammed Reza Tan Sri Abu Talib**, two of the Directors of **KAF Investment Funds Berhad**, do hereby state that, in the opinion of the Manager, the unaudited financial statements set out on pages 15 to 71 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 March 2025 and of its financial performance, changes in equity and cash flows of the Fund for the financial period ended on that date in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
KAF Investment Funds Berhad

Datuk Khatijah Ahmad **Mohammed Reza Tan Sri Abu Talib**
Director Executive Director

Kuala Lumpur, Malaysia
29 May 2025

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

	Note	2025 RM	2024 RM
INCOME			
Dividend income		135,441	140,052
Profit income from financial assets at fair value through profit or loss		70,522	51,913
Profit income from financial assets at amortised cost		22,581	16,765
Net (loss)/profit on financial assets at fair value through profit or loss	6	(899,096)	1,058,035
		(670,552)	1,266,765
EXPENSES			
Manager's fee	3	(136,709)	(173,330)
Trustee's fee	4	(9,000)	(9,244)
Transaction costs		(29,566)	(25,083)
Audit fee		(3,978)	(3,484)
Tax agent's fee		(1,790)	(1,800)
Other expenses		(7,950)	(16,124)
		(188,993)	(229,065)
NET (LOSS)/PROFIT BEFORE TAXATION		(859,545)	1,037,700
TAXATION	5	-	-
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD		(859,545)	1,037,700
Net (loss)/profit after taxation is made up of the following:			
Realised amount		250,670	78,862
Unrealised amount		(1,110,215)	958,838
		(859,545)	1,037,700

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

	Note	2025 RM	2024 RM
ASSETS			
Cash and cash equivalents	7	2,165,431	735,983
Financial assets at fair value through profit or loss	6	14,953,446	22,089,065
Amount due from Manager - creation of units		-	6,485
Other receivables	9	17,263	29,772
TOTAL ASSETS		17,136,140	22,861,305
LIABILITIES			
Amount due to brokers/dealers		-	69,027
Amount due to Manager - Cancellation of units		-	13,016
- Manager's fee		20,078	27,443
Amount due to Trustee		2,854	1,536
Other payables and accruals	10	15,253	17,911
TOTAL LIABILITIES		38,185	128,933
NET ASSET VALUE ("NAV") OF THE FUND		17,097,955	22,732,372
EQUITY			
Unit holders' capital		17,571,044	22,953,404
Accumulated losses		(473,089)	(221,032)
TOTAL NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		17,097,955	22,732,372
NUMBER OF UNITS IN CIRCULATION	12	27,292,228	35,053,067
NAV PER UNIT		0.6265	0.6485

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

	Unit holders' capital RM	Retained earnings/ (Accumulated losses) RM	Total RM
BALANCE AS AT 1 OCTOBER 2024	18,650,932	386,456	19,037,388
Movement in unit holders' capital:			
Creation of units arising from applications	506,514	-	506,514
Cancellation of units	(1,586,402)	-	(1,586,402)
	(1,079,888)	-	(1,079,888)
Total comprehensive loss for the financial period	-	(859,545)	(859,545)
BALANCE AS AT 31 MARCH 2025	17,571,044	(473,089)	17,097,955
BALANCE AS AT 1 OCTOBER 2023	25,734,102	(1,258,732)	24,475,370
Movement in unit holders' capital:			
Creation of units arising from applications	331,238	-	331,238
Cancellation of units	(3,111,936)	-	(3,111,936)
	(2,780,698)	-	(2,780,698)
Total comprehensive income for the financial period	-	1,037,700	1,037,700
BALANCE AS AT 31 MARCH 2024	22,953,404	(221,032)	22,732,372

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

	Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		9,384,946	5,360,383
Purchase of Shariah-compliant investments		(7,806,715)	(7,490,367)
Proceeds from maturity of Islamic deposits with licensed financial institution		-	4,600,000
Dividend received		136,559	144,385
Profit income received		104,340	-
Manager's fee paid		(134,452)	(169,346)
Trustee's fee paid		(7,585)	(9,450)
Payment of other fees and expenses		(17,186)	(19,543)
Net cash generated from operating activities		1,659,907	2,416,062
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		506,514	324,753
Payments for cancellation of units		(1,586,402)	(3,191,917)
Net cash used in financing activities		(1,079,888)	(2,867,164)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		580,019	(451,102)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		1,585,412	1,187,085
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7	2,165,431	735,983
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash at bank		220,475	49,246
Islamic deposits with licensed financial institution		1,944,956	686,737
	7	2,165,431	735,983

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(a) Standards, amendments to published standards and interpretations that are effective

- Amendments to MFRS 101 and MFRS Practice Statement 2 'Disclosure of Accounting Policies'.
- Amendment to MFRS 108 'Definition of Accounting Estimates'.
- Amendment to MFRS 101 'Classification of liabilities as current or non-current'.

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(b) Standards and amendments that have been issued but not yet effective

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
 - The new MFRS introduces a new structure of profit or loss statement.
- (a) Income and expenses are classified into 3 new main categories:
 - (i) Operating category which typically includes results from the main business activities;
 - (ii) Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - (iii) Financing category that presents income and expenses from financing liabilities.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(b) Standards and amendments that have been issued but not yet effective (cont'd)

- (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

Dividend income from Shariah-compliant investments are recognised on the ex-dividend date, when the right to receive the dividends have been established.

Profit income from Islamic deposits with licensed financial institutions and unquoted sukuk are recognised using the effective profit rate method on an accrual basis.

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

B INCOME RECOGNITION (CONT'D)

Realised gains or losses on sale of Shariah-compliant investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investments, which is determined on a weighted average cost basis (for Shariah-compliant equities and Islamic collective investment schemes) or cost adjusted for accretion of discount or amortisation of premium (for unquoted sukuk).

C DISTRIBUTION

A distribution to the Fund's unit holders is accounted for as a deduction from the realised reserve. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee of the Fund.

D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial year.

Withholding taxes on investment income from Shariah-compliant investments are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

E FUNCTIONAL AND PRESENTATION CURRENCY

Items included in 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 the Fund's functional and presentation currency.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its Shariah-compliant investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The contractual cash flows of the Fund's unquoted sukuk are solely principal and profit. However, these Shariah-compliant securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all Shariah-compliant investments are measured at fair value through profit or loss.

Investments in Islamic collective investment schemes (except Islamic REITs) are instruments with contractual cash flows that do not represent solely payments of principal and profit, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents and dividend receivables as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Manager, amount due to Trustee and other payables and accruals as financial liabilities measured at amortised cost.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within net gain/(loss) on financial assets at fair value through profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

In accordance to the Deeds, quoted Shariah-compliant equities (including Islamic REITs) in Malaysia are valued at the last traded market price quoted on Bursa Malaysia Securities Berhad ("Bursa Malaysia") at the date of the statement of financial position. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(ii) Recognition and measurement (cont'd)

Unquoted sukuk are revalued to reflect its fair value on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission ("SC") as per the SC's Guidelines on Unit Trust Funds. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

Islamic deposits with licensed financial institutions are stated at cost plus accrued profit calculated using the effective profit rate method over the period from the date of placement to the date of maturity of the respective Islamic deposits.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective profit rate method.

(iii) Impairment for assets carried at amortised cost

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month and lifetime expected credit losses as any such impairment would be wholly insignificant to the Fund.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(iii) Impairment for assets carried at amortised cost (cont'd)

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit impaired.

Qualitative criteria:

The obligor meets unlikelihood to pay criteria, which indicates the obligor is in significant financial difficulty. The Fund considers the following instances:

- the obligor is in breach of financial covenants;
- concessions have been made by the creditor relating to the obligor's financial difficulty;
- it is becoming probable that the obligor will enter bankruptcy or other financial reorganisation; and
- the obligor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(iii) Impairment for assets carried at amortised cost (cont'd)

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of obligor's sources of income or assets to generate sufficient future cash flows to pay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and Islamic deposits held in a licensed financial institution with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

H AMOUNT DUE FROM/(TO) BROKERS/DEALERS

Amounts due from/(to) brokers/dealers represent receivables for quoted Shariah-compliant equities, Islamic collective investment schemes and unquoted sukuk sold as well as payables for quoted Shariah-compliant equities, Islamic collective investment schemes and unquoted sukuk purchased that have been contracted for but have yet to be settled or delivered on the statement of financial position date respectively. The due from brokers/dealers balance is held for collection.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

H AMOUNT DUE FROM/(TO) BROKERS/DEALERS (CONT'D)

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers/dealers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker/dealers, probability that the brokers/dealers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, profit income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Any contractual payment which is more than 90 days past due is considered credit impaired.

I TRANSACTION COSTS

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

J CREATION AND CANCELLATION OF UNITS

The Fund issues cancellable units, which are cancelled at the unit holder'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 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 unit holder exercises the right to put the units back to the Fund.

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

K UNIT HOLDERS' CAPITAL

The unit holders' capital to the Fund meets the definition of puttable instruments classified as equity instruments under MFRS 132 'Financial Instruments: Presentation'. Those criteria include:

- the units entitle the unit holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units in the Fund over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if a unit holder exercises the right to put the unit back to the Fund.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission Malaysia's ("SC") Guidelines on Unit Trust Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

KAF Dana Alif (hereinafter referred to as "the Fund") was constituted pursuant to a Deed dated 21 February 2003 (hereinafter referred to as "the Deed"), between the Manager, KLCity Unit Trust Berhad, the Trustee, Universal Trustee (Malaysia) Berhad and the registered unit holders of the Fund. A Supplemental Deed dated 28 September 2007 has been registered with the SC for the change of Manager from KLCity Unit Trust Berhad to KAF Investment Funds Berhad ("the Manager") as well as the subsequent issuance of the Second Supplemental Deed dated 9 January 2014, Third Supplemental Deed dated 12 March 2015, Fourth Supplemental Deed dated 20 August 2018 and Fifth Supplemental Deed dated 9 January 2023 (collectively referred to as "the Deeds").

The principal activity of the Fund is to invest in "Permitted Investments" as defined under Article 7 of the Deed, which includes Shariah-compliant securities and shares of companies quoted on Bursa Malaysia and short-term Shariah-compliant investments.

All Shariah-compliant investments will be subject to the SC's Guidelines on Unit Trust Funds and the Deeds, except where exemptions and variations have been approved by the SC, internal policies and procedures and Fund's objective.

On 1 October 2007, KAF Investment Funds Berhad became its Manager and the Fund was renamed as KAF Dana Alif and will continue its operations until terminated according to the conditions in the Deed.

The Manager, KAF Investment Funds Berhad, is incorporated in Malaysia. Its principal activities are the management of unit trust funds and provision of fund management.

The principal place of business of the Manager is located at Level 13 Menara IQ, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund as at the financial period end are as follows:

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RM	RM	RM
2025			
Cash and cash equivalents	-	2,165,431	2,165,431
Financial assets at fair value through profit or loss	14,953,446	-	14,953,446
Dividend receivables	-	16,724	16,724
	<u>14,953,446</u>	<u>2,182,155</u>	<u>17,135,601</u>

2024

Cash and cash equivalents	-	735,983	735,983
Financial assets at fair value through profit or loss	22,089,065	-	22,089,065
Amount due from Manager - creation of units	-	6,485	6,485
Dividend receivables	-	29,241	29,241
	<u>22,089,065</u>	<u>771,709</u>	<u>22,860,774</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

All current liabilities are financial liabilities which are carried at amortised cost.

The Fund is exposed to a variety of risks which include market risk (including price risk and interest rate risk), liquidity risk, credit risk and Shariah status reclassification risk from its financial instruments.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the Shariah-compliant investment restrictions as stipulated in the Replacement Master Prospectus and the SC's Guidelines on Unit Trust Funds.

Market risk

(a) Price risk

The Fund is exposed to price risk because of the Shariah-compliant investments held by the Fund and classified at fair value through profit or loss. Price risk is the risk that the fair value of a Shariah-compliant investment will fluctuate because of changes in market prices (other than those arising from interest rate risk). Such fluctuation may cause the Fund's NAV and price of units to fall as well as rise and income produced by the Fund may also fluctuate. The price risk is managed through diversification and selection of Shariah-compliant securities and other Shariah-compliant financial instruments within specified limits according to the Deed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

(a) Price risk (cont'd)

The table below shows the financial assets of the Fund as at 31 March which are exposed to price risk:

	2025 RM	2024 RM
Shariah-compliant investments		
Quoted Shariah-compliant equities at fair value through profit or loss	7,086,380	12,190,972
Islamic collective investment schemes at fair value through profit or loss	6,703,551	4,591,438
Unquoted sukuk at fair value through profit or loss*	1,163,515	5,306,655
	<u>14,953,446</u>	<u>22,089,065</u>

* Includes profit receivables of RM12,185 (2024: RM94,625).

The following table summarises the sensitivity of the Fund's Shariah-compliant investments to price risk movements as at 31 March. The analysis is based on the assumptions that the market price increased and decreased by 5% (2024: 5%) with all other variables held constant and that the fair value of the Fund's Shariah-compliant investments moved according to the historical correlation of the index. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

(a) Price risk (cont'd)

2025

	Changes in price %	Impact on (loss)/profit before taxation/NAV RM
Quoted Shariah-compliant equities at fair value through profit or loss	+/- 5	<u>354,319</u>
Islamic collective investment schemes at fair value through profit or loss	+/- 5	<u>335,178</u>
Unquoted sukuk at fair value through profit or loss	+/- 5	<u>57,567</u>

2024

Quoted Shariah-compliant equities at fair value through profit or loss	+/- 5	<u>609,549</u>
Islamic collective investment schemes at fair value through profit or loss	+/- 5	<u>229,572</u>
Unquoted sukuk at fair value through profit or loss	+/- 5	<u>260,602</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

(b) Interest rate risk

Interest rate risk is the risk that the value of the Funds will fluctuate because of changes in market interest rates.

The Fund's exposure to the interest rate risk is mainly confined to short-term Islamic deposits with a licensed financial institution and unquoted sukuk. Interest rate risk is actively managed by duration targeting based on the interest rate outlook. The Manager overcomes the exposure to interest rate risk of short-term Islamic deposits with a licensed financial institution by way of maintaining Islamic deposits with a licensed financial institution on a short-term basis.

Interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments are carried out for the Fund are in accordance with Shariah requirements.

The table below summarises the sensitivity of the Fund's NAV to movements in price of unquoted sukuk held by the Fund as at 31 March as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 5% (2024: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

(b) Interest rate risk (cont'd)

Increase/(Decrease) in profit before taxation/NAV	
+5%	-5%
RM	RM

2025

Unquoted sukuk at fair value through profit or loss	(18,348)	18,754
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2024

Unquoted sukuk at fair value through profit or loss	(36,560)	37,097
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The effective weighted average profit rates per annum and the average remaining maturities of unquoted sukuk and Islamic deposit with a licensed financial institution as at the date of the statement of financial position are as follows:

	Weighted average profit rate		Average remaining maturities	
	2025 %	2024 %	2025 Day(s)	2024 Day(s)
Unquoted sukuk	3.90	3.55	3,938	2,608
Islamic deposit with a licensed financial institution	2.85	2.90	2	1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulties in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of Islamic liquid assets to meet anticipated payment and cancellations of unit by unit holders. Islamic liquid assets comprise cash at bank, Islamic deposits with licensed financial institutions and other Shariah-compliant instruments, which are capable of being converted into cash within 7 days.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cashflows.

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM

As at 31 March 2025

Amount due to Manager			
- Manager's fee	20,078	-	20,078
Amount due to Trustee	2,854	-	2,854
Other payables and accruals	-	15,253	15,253
Contractual undiscounted cash outflows	22,932	15,253	38,185

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM

As at 31 March 2024

Amount due to brokers/dealers	69,027	-	69,027
Amount due to Manager			
- Cancellation of units	13,016	-	13,016
- Manager's fee	27,443	-	27,443
Amount due to Trustee	1,536	-	1,536
Other payables and accruals	-	17,911	17,911
Contractual undiscounted cash outflows	111,022	17,911	128,933

Credit risk

Credit risk refers to the inability of an issuer or counterparty to make timely payments of profit, principals and proceeds from realisation of Shariah-compliant investment. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from unquoted sukuk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the Shariah-compliant investment in accordance with the objective of the Fund.

Credit risk arising from placements in Islamic deposit with a licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The maximum exposure to credit risk before any credit enhancements is the carrying amount of the financial assets as set out below:

	2025 RM	2024 RM
Cash and cash equivalents	2,165,431	735,983
Financial assets at fair value through profit or loss	1,163,515	5,306,655
Other assets*	16,724	35,726
	<u>3,345,670</u>	<u>6,078,364</u>

The following table sets out the credit risk concentration of the Fund:

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Other assets* RM	Total RM
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As at 31 March 2025

Unquoted sukuk

- AAA 1,163,515 - 1,163,515

Financial services

- AA3 - 1,944,956 - 1,944,956

- A1 - 220,475 - 220,475

Others

- not rated - - 16,724 16,724

1,163,515 2,165,431 16,724 3,345,670

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

The following table sets out the credit risk concentration of the Fund: (cont'd)

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Other assets* RM	Total RM
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As at 31

March

2024

Unquoted sukuk

- AAA 1,164,370 - 1,164,370

- not rated 4,142,285 - 4,142,285

Financial services

- AAA - 686,737 - 686,737

- A1 - 49,246 - 49,246

Others

- not rated - - 35,726 35,726

5,306,655 735,983 35,726 6,078,364

* Other assets comprises amount due from Manager-creation of units and dividend receivables.

Shariah status reclassification risk

(a) Shariah-compliant equity securities

This risk refers to the risk that the currently held Shariah-compliant equity securities in the portfolio of the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council ("SAC") of the SC. If this occurs, the Manager will take the necessary steps to dispose of such securities.

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Shariah status reclassification risk (cont'd)

(a) Shariah-compliant equity securities (cont'd)

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- (i) to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the reclassification effective date by the SAC of the SC. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the reclassification effective date. However, any dividends received and excess capital gains from the disposal of Shariah non-compliant securities after the reclassification effective date should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;
- (ii) to hold such securities if the value of the said securities is below the investment cost on the reclassification effective date until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser; or
- (iii) to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Shariah status reclassification risk (cont'd)

(b) Sukuk or Islamic money market instruments or Islamic collective investment schemes or Islamic deposits

This risk refers to the risk of a possibility that the currently held sukuk or Islamic money market instruments or Islamic collective investment schemes or Islamic deposits invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such bond or money market instruments or collective investment schemes or deposits.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the Shariah-compliant investment activities of the Fund.

Fair value estimation

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. exit price).

The fair value of financial assets traded in active markets (such as publicly-traded Shariah-compliant securities) are based on quoted market prices at the close of trading on the financial year end date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair value estimation (cont'd)

An active market is a market in which transactions for the assets and liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

The carrying values of cash and cash equivalents, dividend receivables and all current liabilities are reasonable approximations of their fair values due to their short-term nature.

Fair value hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair value hierarchy (cont'd)

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
As at 31 March 2025				
Financial assets at fair value through profit or loss				
- Quoted Shariah-compliant equities	7,086,380	-	-	7,086,380
- Islamic collective investment schemes	6,703,551	-	-	6,703,551
- Unquoted sukuk	-	1,163,515	-	1,163,515
	<u>13,789,931</u>	<u>1,163,515</u>	<u>-</u>	<u>14,953,446</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair value hierarchy (cont'd)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value: (cont'd)

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
As at 31 March 2024				
Financial assets at fair value through profit or loss				
- Quoted Shariah-compliant equities	12,190,972	-	- 12,190,972	
- Islamic collective investment schemes	4,591,438	-	- 4,591,438	
- Unquoted sukuk	- 5,306,655		- 5,306,655	
	<u>16,782,410</u>	<u>5,306,655</u>	<u>- 22,089,065</u>	

Investments whose values are based on quoted market prices in active markets, are therefore classified within Level 1, include active quoted Shariah-compliant equities and Islamic collective investment schemes.

Financial instruments that are traded in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable input are classified within Level 2. These include unquoted investment-grade corporate sukuk and Islamic commercial papers. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair value hierarchy (cont'd)

The Fund's policies on valuation of these financial assets are stated in Note F.

3. MANAGER'S FEE

The Seventh Schedule of the Deed provides that the Manager is entitled to an annual management fee at a rate not exceeding 2.00% per annum based on the Fund's NAV on a daily basis before deducting the Manager's and Trustee's fees calculated for that particular day.

The Manager's fee provided in the financial statements is computed on this basis at a rate of 1.50% (2024: 1.50%) per annum.

There will be no further liability to the Manager in respect of Manager's fee other than amounts recognised in the financial statements.

4. TRUSTEE'S FEE

The Eighth Schedule of the Deed provides that the Trustee is entitled to an annual trustee fee at a rate not exceeding 0.10% per annum based on the Fund's NAV on a daily basis before deducting the Manager's and Trustee's fees calculated for that particular day or subject to a minimum of RM18,000 per annum.

The Trustee's fee provided in the financial statements is computed on this basis at a rate of 0.08% (2024: 0.08%) per annum.

There will be no further liability to the Trustee in respect of Trustee's fee other than the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

5. TAXATION

	2025 RM	2024 RM
Current taxation		
- Malaysia taxation	-	-

The numerical reconciliation between net (loss)/profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	2025 RM	2024 RM
Net (loss)/profit before taxation	(859,545)	1,037,700
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(206,291)	249,048
Tax effects of:		
Investment loss not deductible for tax purpose/(Investment income not subject to tax)	160,932	(304,024)
Expenses not deductible for tax purposes	11,031	9,611
Restriction on tax deductible expenses for unit trust funds	34,328	45,365
Tax expense	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RM	2024 RM
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised gain on sale of Shariah-compliant investments	206,192	90,444
- unrealised (loss)/gain on fair value movement	(1,110,215)	958,838
- management fee rebate on Islamic collective investment scheme#	4,927	8,753
	(899,096)	1,058,035
Financial assets at fair value through profit or loss:		
- Quoted Shariah-compliant equities	7,086,380	12,190,972
- Islamic collective investment schemes	6,703,551	4,591,438
- Unquoted sukuk*	1,163,515	5,306,655
	14,953,446	22,089,065

* Includes profit receivable of RM12,185 (2024: RM94,625).

In arriving at the fair value of the Islamic collective investment scheme, the management fee initially paid to the Manager of the Islamic collective investment scheme has been considered as part of its NAV. In order to prevent the double charging of management fee which is not permissible under the SC's Guidelines on Unit Trust Fund, management fee charged on the Fund's investment in the Islamic collective investment scheme has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of the Islamic collective investment scheme is reflected as an increase in the NAV of the Islamic collective investment scheme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted Shariah-compliant equities as at 31 March 2025 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2025 expressed as	
			as at 31/03/2025	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES				
Construction				
Gamuda Berhad	110,656	521,496	464,755	2.72
Consumer Products & Services				
Able Global Berhad	50,000	102,005	72,500	0.42
Farm Price Holdings Berhad	500,000	203,350	205,000	1.20
Hong Leong Industries Berhad	46,900	618,203	653,786	3.82
	596,900	923,558	931,286	5.44
Energy				
Hibiscus Petroleum Berhad	100,000	196,018	189,000	1.11
Petra Energy Berhad	120,000	151,083	142,800	0.84
	220,000	347,101	331,800	1.95

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted Shariah-compliant equities as at 31 March 2025 are set out as follows:(cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2025 expressed as	
			as at 31/03/2025	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES				
Financial Services				
Bank Islam Malaysia Berhad	245,300	643,207	627,968	3.67
Syarikat Takaful Malaysia Keluarga Berhad	64,389	285,279	233,088	1.36
	309,689	928,486	861,056	5.03
Industrial Products & Services				
Ancom Nylex Berhad	233,116	209,146	226,123	1.32
Aurelius Technologies Berhad	43,400	120,041	137,578	0.80
CPE Technology Berhad	455,300	487,171	305,051	1.78
EG Industries Berhad	300,000	605,000	609,000	3.56

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted Shariah-compliant equities as at 31 March 2025 are set out as follows:(cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2025 expressed as		percentage of NAV of Fund
			31/03/2025	as at 31/03/2025	
	Units	RM	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES					
Industrial Products & Services					
Kelington Group Berhad	150,000	210,300	519,000		3.04
Northeast Group Berhad	500,000	262,100	205,000		1.20
Pantech Group Holdings Berhad	600,000	443,952	441,000		2.58
SKP Resources Berhad-WB	196,700	-	1,967		0.01
YBS International Berhad	250,000	201,250	103,750		0.61
	2,728,516	2,538,960	2,548,469		14.90

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted Shariah-compliant equities as at 31 March 2025 are set out as follows:(cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2025 expressed as		percentage of NAV of Fund
			31/03/2025	as at 31/03/2025	
	Units	RM	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES					
Technology					
Cloudpoint Technology Berhad	435,600	305,284	344,124		2.01
Frontken Corporation Berhad	164,000	433,255	611,720		3.58
Genetec Technology Berhad	220,000	257,400	261,800		1.53
Malaysian Pacific Industries Berhad	23,200	931,374	443,120		2.59
	842,800	1,927,313	1,660,764		9.71
Telecommunications & Media					
REDtone Digital Berhad	150,000	138,000	87,750		0.51
Utilities					
Mega First Corporation Berhad	50,000	206,250	200,500		1.17

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted Shariah-compliant equities as at 31 March 2025 are set out as follows:(cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2025 expressed as	
			as at 31/03/2025	percentage of NAV of Fund
	Units	RM	RM	%
TOTAL QUOTED SHARIAH-COMPLIANT EQUITIES	5,008,561	7,531,164	7,086,380	41.43
UNREALISED LOSS ON QUOTED SHARIAH-COMPLIANT EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		(444,784)		
FAIR VALUE OF TOTAL QUOTED SHARIAH-COMPLIANT EQUITIES		7,086,380		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of Islamic collective investment schemes as at 31 March 2025 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2025 expressed as	
			as at 31/03/2025	percentage of NAV of Fund
	Units	RM	RM	%
ISLAMIC COLLECTIVE INVESTMENT SCHEMES				
Islamic Real Estate Investment Trusts (REITs)				
AME Real Estate Investment Trust	205,000	231,650	328,000	1.92
Axis Real Estate Investment Trust	141,504	251,305	254,707	1.49
	346,504	482,955	582,707	3.41
Islamic Unit Trust Fund				
KAF iCASH Fund*	2,727,435	3,000,179	3,003,179	17.56
KAF Sukuk Fund*	18,734	2,974,804	3,117,665	18.23
	2,746,169	5,974,983	6,120,844	35.79

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of Islamic collective investment schemes as at 31 March 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2025 expressed as	
			as at 31/03/2025	percentage of NAV of Fund
	Units	RM	RM	%
TOTAL ISLAMIC COLLECTIVE INVESTMENT SCHEMES	3,092,673	6,457,938	6,703,551	39.20
UNREALISED GAIN ON ISLAMIC COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		245,613		
FAIR VALUE OF TOTAL ISLAMIC COLLECTIVE INVESTMENT SCHEMES		6,703,551		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of unquoted sukuk as at 31 March 2025 are set out as follows:

Name of issuer	Nominal value	Aggregate cost	Fair value as at 31/03/2025 expressed as	
			as at 31/03/2025	percentage of NAV of Fund
	RM	RM	RM	%
UNQUOTED SUKUK				
Projek Lebuhraya Usahasama Berhad - 5.63% 11/01/2036	1,000,000	1,084,467	1,163,515	6.80
TOTAL UNQUOTED SUKUK	1,000,000	1,084,467	1,163,515	6.80
UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS		79,048		
FAIR VALUE OF TOTAL UNQUOTED SUKUK		1,163,515		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted Shariah-compliant equities as at 31 March 2024 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2024	Fair value as at 31/03/2024 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES				
Construction				
MN Holdings Berhad	400,000	128,794	252,000	1.11
Consumer Products & Services				
CAB Cakaran Corporation Berhad	300,000	210,000	211,500	0.93
MSM Malaysia Holdings Berhad	50,000	91,250	162,500	0.71
MST Golf Group Berhad	200,000	144,040	90,000	0.40
PETRONAS Dagangan Berhad	30,000	622,724	647,400	2.85
Power Root Berhad	193,100	359,086	318,615	1.40
PWF Corporation Berhad	80,000	68,800	69,200	0.30
QL Resources Berhad	64,000	376,250	377,600	1.66
Sime Darby Berhad	112,500	241,841	292,500	1.29
	1,029,600	2,113,991	2,169,315	9.54

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted Shariah-compliant equities as at 31 March 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2024	Fair value as at 31/03/2024 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES				
Energy				
Dayang Enterprise Holdings Berhad	66,700	123,062	160,747	0.71
Hibiscus Petroleum Berhad	284,600	550,563	737,114	3.24
Petra Energy Berhad	50,000	47,250	61,000	0.27
	401,300	720,875	958,861	4.22
Financial Services				
Bank Islam Malaysia Berhad	245,300	643,208	615,703	2.71
Syarikat Takaful Malaysia Keluarga Berhad	61,289	274,925	220,640	0.97
	306,589	918,133	836,343	3.68
Health Care				
Supercomnet Technologies Berhad	290,900	378,352	351,989	1.55

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted Shariah-compliant equities as at 31 March 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2024	Fair value as at 31/03/2024 expressed as percentage of NAV of Fund
	Units	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Industrial Products & Services

Ancom Nylex Berhad	924,150	862,290	924,150	4.07
Aurelius Technologies Berhad	32,500	87,276	86,775	0.38
CPE Technology Berhad	625,300	669,071	662,818	2.91
Kelington Group Berhad	187,500	262,875	498,750	2.19
Kinergy Advancement Berhad	1,300,000	446,750	455,000	2.00
P.I.E. Industrial Berhad	357,800	1,112,918	1,273,768	5.60
SKP Resources Berhad	245,000	235,855	221,725	0.98
SKP Resources Berhad - VVB	196,700	-	10,818	0.05
	<u>3,868,950</u>	<u>3,677,034</u>	<u>4,133,804</u>	<u>18.18</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted Shariah-compliant equities as at 31 March 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2024	Fair value as at 31/03/2024 expressed as percentage of NAV of Fund
	Units	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Technology

Cloudpoint Technology Berhad	500,000	298,500	320,000	1.40
D&O Green Technologies Berhad	135,400	670,001	433,280	1.91
Frontken Corporation Berhad	310,000	818,958	1,202,800	5.29
Malaysian Pacific Industries Berhad	23,200	931,374	719,200	3.16
ViTrox Corporation Berhad	26,000	200,783	197,080	0.87
	<u>994,600</u>	<u>2,919,616</u>	<u>2,872,360</u>	<u>12.63</u>

Telecommunications & Media

REDtone Digital Berhad	200,000	184,000	195,000	0.86
TIME dotCom Berhad	35,000	170,016	181,300	0.80
	<u>235,000</u>	<u>354,016</u>	<u>376,300</u>	<u>1.66</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted Shariah-compliant equities as at 31 March 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2024	Fair value as at 31/03/2024 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES				
Transportation & Logistics				
AGX Group Berhad	750,000	262,500	240,000	1.06
TOTAL QUOTED SHARIAH-COMPLIANT EQUITIES	8,276,939	11,473,311	12,190,972	53.63
UNREALISED GAIN ON QUOTED SHARIAH-COMPLIANT EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
		717,661		
FAIR VALUE OF TOTAL QUOTED SHARIAH-COMPLIANT EQUITIES				
		12,190,972		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of Islamic collective investment schemes as at 31 March 2024 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2024	Fair value as at 31/03/2024 expressed as percentage of NAV of Fund
	Units	RM	RM	%
ISLAMIC COLLECTIVE INVESTMENT SCHEMES				
Islamic Real Estate Investment Trusts (REITs)				
AME Real Estate Investment Trust	205,000	231,650	278,800	1.23
Axis Real Estate Investment Trust	181,504	322,343	328,522	1.44
	386,504	553,993	607,322	2.67
Islamic Unit Trust Fund				
KAF Sukuk Fund*	24,871	3,864,922	3,984,116	17.53

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of Islamic collective investment schemes as at 31 March 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/03/2024 expressed as	
			as at 31/03/2024	percentage of NAV of Fund
	Units	RM	RM	%

TOTAL ISLAMIC COLLECTIVE INVESTMENT SCHEMES

411,375	4,418,915	4,591,438	20.20
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UNREALISED GAIN ON ISLAMIC COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS

172,523

FAIR VALUE OF TOTAL ISLAMIC COLLECTIVE INVESTMENT SCHEMES

4,591,438

*Funds managed by the Manager of the Fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of unquoted sukuk as at 31 March 2024 are set out as follows:

Name of issuer	Nominal value	Aggregate cost	Fair value as at 31/03/2024 expressed as	
			as at 31/03/2024	percentage of NAV of Fund
	RM	RM	RM	%

UNQUOTED SUKUK

Government of Malaysia - 4.07%				
30/09/2026	4,000,000	4,138,954	4,142,285	18.22
Projek Lebuhraya Usahasama Berhad - 5.63%				
11/01/2036	1,000,000	1,091,321	1,164,370	5.12

TOTAL UNQUOTED SUKUK

5,000,000	5,230,275	5,306,655	23.34
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UNREALISED GAIN ON UNQUOTED SUKUK AT FAIR VALUE THROUGH PROFIT OR LOSS

76,380

FAIR VALUE OF TOTAL UNQUOTED SUKUK

5,306,655

The weighted average profit rates per annum and the average remaining maturities of unquoted sukuk are shown in Note 2(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

7. CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Cash at bank	220,475	49,246
Islamic deposits with licensed financial institution*	1,944,956	686,737
	2,165,431	735,983

* A total of RM1,944,956 (2024: Nil) short-term Islamic deposit is placed with KAF Investment Bank Berhad, the intermediate holding company of the Manager.

The weighted average profit rates per annum and the average remaining maturities of Islamic deposits with a licensed financial institution are shown in Note 2(b) to the financial statements.

8. AMOUNT DUE FROM/(TO) BROKERS/DEALERS

The amount due from/(to) brokers/dealers which relates to sale/(purchase) of Shariah-compliant investment securities and instruments are unsecured, interest-free and receivable/(payable) according to the settlement rules of the applicable stock exchange.

9. OTHER RECEIVABLES

	2025 RM	2024 RM
Dividend receivables	16,724	29,241
Prepayment of Shariah advisory fees	539	531
	17,263	29,772

10. OTHER PAYABLES AND ACCRUALS

	2025 RM	2024 RM
Audit and tax agent's fees	10,853	10,111
Sundry accruals	4,400	7,800
	15,253	17,911

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

11. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant, which comprises:

- (a) Equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the SAC of the SC except for;

No.	Securities	Reclassification Date	Remark
(i)	Securemetric Berhad	29 November 2024	These securities have been completely disposed of on 16 December 2024 at a loss.

- (b) Collective investment schemes which were verified as Shariah-compliant by the Shariah Adviser;

- (c) Sukuk as per the list of sukuk available at Bond Info Hub, Fully Automated System For Issuing/Tendering of Bank Negara Malaysia and The Bond and Sukuk Information Exchange; and

- (d) Cash placements and liquid assets in local market which are placed in Shariah-compliant instruments.

12. NUMBER OF UNITS IN CIRCULATION

	2025 Number of units	2024 Number of units
At the beginning of the financial period	28,927,228	39,483,067
Creation of units arising from applications	785,000	520,000
Cancellation of units	(2,420,000)	(4,950,000)
At the end of the financial period	27,292,228	35,053,067

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

13. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with brokers/dealers for the financial period ended 31 March 2025 are as follows:

Name of brokers/ dealers	Percentage		Percentage	
	Value of trades	of total trades	Brokerage fees	of total brokerage
	RM	%	RM	%
2025				
RHB				
Investment				
Bank Berhad	5,535,733	42.12	3,104	17.80
Affin Hwang				
Investment				
Bank Berhad	2,108,206	16.04	3,237	18.57
Maybank				
Investment				
Bank Berhad	1,735,878	13.21	3,472	19.91
MIDF Amanah				
Investment				
Bank Berhad	1,421,848	10.82	2,849	16.34
Public				
Investment				
Bank Berhad	697,367	5.30	1,569	9.00
Hong Leong				
Investment				
Bank Berhad	512,213	3.90	947	5.43
UOB Kay Hian				
Securities (M)				
Sdn Bhd	485,622	3.69	971	5.57
UBS Securities				
Malaysia Sdn				
Bhd	424,396	3.23	764	4.38
CIMB Securities				
Sdn Bhd	205,628	1.56	483	2.77
CGS				
International				
Securities				
Malaysia Sdn				
Bhd	17,250	0.13	40	0.23
	<u>13,144,141</u>	<u>100.00</u>	<u>17,436</u>	<u>100.00</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

13. TRANSACTIONS WITH BROKERS/DEALERS (CONT'D)

Details of transactions with brokers/dealers for the financial period ended 31 March 2024 are as follows:

Name of brokers/ dealers	Percentage		Percentage	
	Value of trades	of total trades	Brokerage fees	of total brokerage
	RM	%	RM	%
2024				
RHB				
Investment				
Bank Berhad	4,631,717	37.73	1,021	6.52
Maybank				
Investment				
Bank Berhad	2,999,265	24.44	5,860	37.43
Affin Hwang				
Investment				
Bank Berhad	1,470,959	11.98	2,683	17.14
CIMB				
Investment				
Bank Berhad	1,152,601	9.39	1,854	11.84
CIMB				
Securities Sdn				
Bhd (formerly				
known as KAF				
Equities Sdn				
Bhd)	936,796	7.63	1,613	10.30
KAF				
Investment				
Bank Berhad#	820,690	6.69	-	-
TA Securities				
Holdings				
Berhad	262,500	2.14	2,625	16.77
	<u>12,274,528</u>	<u>100.00</u>	<u>15,656</u>	<u>100.00</u>

#The intermediate holding company of the Manager.

The Manager is of the opinion that all the transactions with the related company have been entered into in the normal course of business and have been established on term and conditions that have been agreed upon by the parties involved.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

14. UNITS HELD BY MANAGER AND RELATED PARTIES

The related parties and their relationships with the Fund are as follows:

Related parties	Relationships
KAF Investment Funds Berhad	The Manager
KAF-Seagroatt & Campbell Berhad	Immediate holding company of the Manager
AKKA Sdn Bhd	Ultimate holding company of the Manager
Subsidiaries and associates of the ultimate holding company of the Manager as disclosed in its financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager

Significant related party transactions and balances that are not already disclosed in other notes to the financial statements are set out below:

	2025		2024	
	No. of units	RM	No. of units	RM
KAF Investment Funds Berhad	28,176	17,652	4,982	3,231

The above units were transacted at the prevailing market price. All related party units are held legally.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

15. TOTAL EXPENSE RATIO ("TER")

	2025	2024
TER ("annualised")	1.74%	1.75%

TER is derived from the following calculation:

$$\text{TER} = \frac{(A+B+C+D+E) \times 100}{F}$$

- A = Manager's fee
- B = Trustee's fee
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses, excluding withholding taxes
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis was RM18,277,120 (2024: RM23,109,709).

16. PORTFOLIO TURNOVER RATIO ("PTR")

	2025	2024
PTR	0.29 times	0.28 times

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund}}$$

for the financial period calculated on a daily basis

where: total acquisition for the financial period
= RM1,424,634 (2024: RM7,550,040)
total disposal for the financial period
= RM9,219,321 (2024: RM5,285,668)

17. SEMI-ANNUAL ACCOUNTS

The semi-annual accounts for the six months' period ended 31 March 2025 is unaudited.

CORPORATE INFORMATION

Manager

KAF Investment Funds Berhad
Reg. No: 199501004999

Registered Office

Level 13A, Menara IQ
Lingkaran TRX
Tun Razak Exchange
55188 Kuala Lumpur

Business Office

Level 13, Menara IQ
Lingkaran TRX
Tun Razak Exchange
55188 Kuala Lumpur
Tel: 03-9767 6000 Fax: 03-9767 6001
Website: www.kaf.com.my

Board of Directors

Datuk Khatijah binti Ahmad
Tan Sri Abu Talib Othman
Mohammed Reza Tan Sri Abu Talib
Mohd Hasnul Ismar bin Mohd Ismail
Nor Rejina binti Abdul Rahim

Secretary

Siti Nurmazita binti Mustapha (LS 0009160)

Trustee

Universal Trustee (Malaysia) Berhad

Auditor & Reporting Accountant

PricewaterhouseCoopers PLT

Tax Adviser

PricewaterhouseCoopers Taxation Services Sdn Bhd

Shariah Adviser

BIMB Securities Sdn Bhd
Reg. No: 199401004484

Banker

Alliance Bank Malaysia Berhad

KAF Investment Funds Berhad Reg. No: 199501004999
Level 13, Menara IQ,
Lingkaran TRX, Tun Razak Exchange
55188 Kuala Lumpur
Tel: 03-9767 6000 Fax: 03-9767 6001

For more information,
log on to **www.kaf.com.my**