KAF FIRST FUND

SEMI-ANNUAL REPORT

30 JUNE 2026

KAF INVESTMENT FUNDS BERHAD Reg. No: 199501004999

MANAGER'S REPORT

We are pleased to present the Manager's semi-annual report for the financial period ended 30 June 2026 ("the period").

1. Launch Date

The KAF First Fund ("KFF/the Fund") commenced operations on 16 January 1996 and will continue its operations until terminated according to the Deed dated 22 December 1995, Second Supplemental Deed dated 8 January 1999, Third Supplemental Deed dated 27 July 2001, Fourth Supplemental Deed dated 9 January 2014, Fifth Supplemental Deed dated 12 March 2015 and Sixth Supplemental Deed dated 20 March 2023.

2. Type of Fund

Income & Growth Fund.

3. Category of Fund

Balanced Fund.

4. Fund's Objective, Benchmark and Distribution Policy

KFF seeks to provide medium-to-long term investors with a reasonable level of income and capital growth by investing in both equities and fixed-income securities.

Diversification of investments across equities, fixed-income securities and money market instruments is a strategy used to reduce investment risks. The equity portion is expected to contribute both capital and income returns. Investors will benefit from the stability arising from investments in fixed-income securities, which are expected to offer a steady flow of income and lower volatility.

KFF's asset allocation is subject to a maximum 60% exposure in equities and a minimum 40% in fixed-income securities and other liquid assets.

The benchmark used to measure KFF's performance is a weighted index derived by taking 60% from the returns of the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM-KLCI") and 40% of Maybank's monthly average 12-month fixed deposit rate. The weighted benchmark index is designed to replicate KFF's investment policy of investing up to a maximum 60% of the Net Asset Value ("NAV") in equities.

Income distribution (if any) is incidental.

5. Review of Fund Operations and Performance

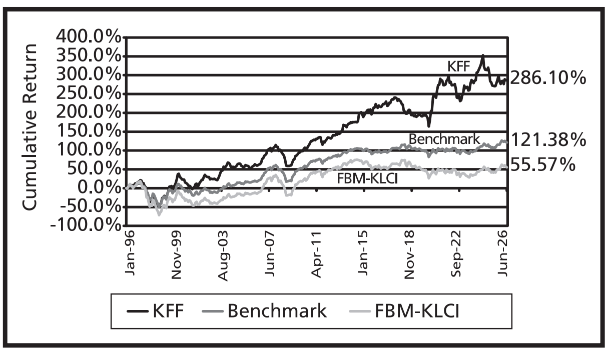
For the financial period under review, the Fund based on its NAV, recorded a return of 2.50%, overperforming the benchmark which recorded a return of -0.12% due to the Fund's overweighting of technology stocks, which outperformed the broader market during the period.

The Fund maintained a high equity exposure for most of the period with stock selections comprising a combination of value and growth stocks. KFF's objective remains in place, which is to grow the value of investments and providing medium to long-term capital growth.

Since its inception, based on its NAV, KFF recorded a return of 286.10% compared to its benchmark, composite FTSE Bursa Malaysia KLCI Index and the Maybank 1-month GIA rate ("Balanced FBMS Index"), which rose by 121.38%.

No cross-trade transaction carried out during the reported period ended 30 June 2026. The Fund has not undertaken any securities lending or repurchase transaction for the reported period.

Performance Chart since Inception
(16 January 1996 to 30 June 2026)



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

Fund Performance as ranked by Lipper Asia Limited

Period	KFF % Change	KFF Rank	Mean of Industry: Non-Islamic Mixed Asset Balanced % Change
3 months 26/03/2026 - 26/06/2026	2.00	17/25	5.29
6 months 26/12/2025 - 26/06/2026	2.05	12/25	4.21
1 years 26/06/2025 - 26/06/2026	3.86	23/25	10.19
3 years 26/06/2023 - 26/06/2026	7.67	24/25	27.78
5 years 25/06/2021 - 26/06/2026	2.09	23/23	23.61

Source: The Edge, 6 July 2026 issue, The Edge-Lipper Fund Performance Table, an independent source.

Past performance is not necessary indication of future performance.

During the period under review, the Fund realised net gain amounted to RM1.88 million. These arise from realised gain from the disposal of shares and income earned from dividends and interest.

As at end of the financial period under review, the Fund stood at net unrealised loss position of RM0.26 million. The Fund's NAV decreased to RM19.71 million as at 30 June 2026 from RM19.86 million as at 31 December 2025.

Returns	RM'000
Realised gain	
Equities securities	1,611
Management fee rebate on collective investment schemes	12
Dividend earned	212
Interest income	43
Unrealised loss	
Equities securities	(811)
Collective investment schemes	552

The NAV per unit of the Fund increased to RM0.3941 as at 30 June 2026 from RM0.3845 as at 31 December 2025.

There is no distribution declared in the semi-annual period ended 30 June 2026.

6. Asset Allocation and Investment Strategies Employed

The Fund's equity exposure increased slightly during the review period; nevertheless, we intend to maintain it close to the 60% level. Equity selections were focused mainly on large caps and a mixture of small to mid cap stocks, whilst bond holdings were primarily held, indirectly through fixed-income unit trust funds, in high-grade papers with short to mid-duration positioning.

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

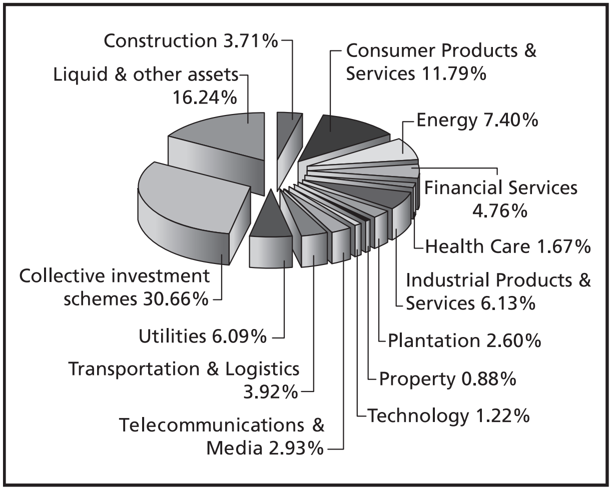
There were no significant changes in the Fund's state of affairs during the period. Also, there were no circumstances which could materially affect any of the unit holders.

Asset Allocation

Asset Class	Percentage of NAV as at		Changes in Exposure over period (%)
	31/12/2025 (%)	30/06/2026 (%)	
Equity & derivative securities	52.61	53.10	0.49
Collective investment schemes	30.13	30.66	0.53
Liquid & other assets	17.26	16.24	(1.02)

MANAGER'S REPORT

Portfolio of Investments and Other Assets as at 30 June 2026



7. Market Review

Driven by optimism surrounding Artificial Intelligence ("AI") demand, global equities generally performed well during the period under review; the MSCI World and MSCI Asia Pacific appreciated by 8.92% and 20.34%, respectively. Tech-heavy markets enjoyed a strong run, with the US S&P 500, Japan's Nikkei 225, and South Korea's KOSPI advancing 9.55%, 39.18%, and 101.14%, respectively. Conversely, markets with less exposure to the AI supply chain underperformed, as the MSCI ASEAN Index retreated 0.86%. This performance divergence was mirrored in Malaysian equities: the FBM-KLCI Index, which lacks technology exposure, declined 0.96%, whereas the FBM70 Index, boasting meaningful AI supply chain exposure, advanced 6.63%.

Uncertainties surrounding US trade policies and the recent US-Israel-Iran conflict have continued to cloud the global economic outlook. While AI-related investments helped accelerate US Gross Domestic Product ("GDP") growth to 2.1% in the first quarter of 2026 from 0.5% in the previous quarter, consensus forecasts expect the economy to grow by 2.1% in 2026, unchanged from the previous year. Meanwhile, China's economy has lost momentum, with second-quarter 2026 GDP growth slowing to 4.3% year-on-year from 5.0% in the preceding quarter, as weak domestic demand offset resilient exports. Although Malaysia has bucked the trend, with advance estimates indicating that GDP growth accelerated to 5.8% in the second quarter of 2026 from 5.4% in the first quarter, supported by robust investment and export activities, the external environment remains challenging. Reflecting these headwinds, the World Bank expects global GDP growth to slow to 2.5% in 2026 from 2.9% in 2025.

While the US Federal Reserve ("the Fed") delivered three 25-basis-point ("bp") reductions in the federal funds rate over the last four months of 2025, the central bank has held the rate steady at 3.50%–3.75% during the period under review, citing supply chain disruptions and rising energy costs stemming from the Middle East conflict. Market participants now expect the Fed to reverse its easing cycle and deliver one 25 bp rate hike by the end of 2026. This shift in expectations is reflected in the Treasury market, where the benchmark US Treasury 2-year, 5-year and 10-year yields closed at 4.17%, 4.23% and 4.47%, respectively, up from 3.47%, 3.73% and 4.17% in the previous period. Similarly, the benchmark 3-year, 5-year and 10-year Malaysia Government Securities ("MGS") yields increased to 3.26%, 3.40% and 3.60%, respectively, from 3.00%, 3.26% and 3.49% during the period under review, despite the consensus expectation that Bank Negara Malaysia ("BNM") will maintain its Overnight Policy Rate ("OPR") throughout 2026. Partly due to the more hawkish outlook for the Fed, the Malaysian ringgit softened slightly against the US dollar during the period, closing at RM4.08 per US dollar, compared with RM4.06 in the previous period.

8. Market Outlook and Strategy

Global financial markets experienced heightened volatility in 2025, driven by policy uncertainty, geopolitical tensions, and unpredictability surrounding the direction of the new US administration. With reciprocal tariffs increasingly appearing to be a structural feature of US economic policy rather than a temporary negotiating tool, global supply chains have evolved to offset their impact. Rather than contracting, trade flows are gradually being redirected toward non-tariff jurisdictions, reflecting the continued strength of global demand.

While we had anticipated heightened market volatility under Donald Trump's second presidential term, we were surprised by his willingness to initiate a war with Iran, given his track record of drawing down US troops

stationed overseas during his first term. The US-Israel-Iran war introduces fresh risks and uncertainties to the global economy, as a surge in input and logistics costs may drive global inflation higher and impede consumer demand.

Against this backdrop, our investment strategy remains focused on identifying high-quality companies trading at attractive valuations. Periods of heightened volatility often lead to sentiment-driven market dislocations, creating opportunities to buy fundamentally strong businesses trading below their intrinsic value. We remain disciplined in our stock-picking approach to outperform the benchmark and deliver positive returns to unitholders.

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 year under review, which intended to bring direct benefit or advantage to the management of KFF from one broker/dealer by virtue of transactions conducted for KFF. 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 KFF 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.

11. Other Information

The designated fund manager is Mr. Neoh Jia En. His profile is available on the website, www.kaf.com.my.

Portfolio Composition	As At 30 June		
	2026	2025	2024
	(Percentage of NAV)		
	%	%	%
Quoted Equities			
Construction	3.71	5.67	4.00
Consumer Products & Services	11.79	7.69	12.49
Energy	7.40	13.04	16.88
Financial Services	4.76	2.01	2.04
Health care	1.67	-	-
Industrial Products & Services	6.13	11.34	11.57
Plantation	2.60	-	-
Property	0.88	-	-
Technology	1.22	5.51	12.03
Telecommunications & Media	2.93	3.43	4.36
Transportation & Logistics	3.92	3.23	1.51
Utilities	6.09	-	-
Total Quoted Equities	53.10	51.92	64.88
Collective investment schemes	30.66	29.76	18.21
Liquid and other assets	16.24	18.32	16.91
Total	100.00	100.00	100.00
Total return for the year	**(RM'000)**	**(RM'000)**	**(RM'000)**
Capital growth	(1,123)	(2,192)	1,365
Income Distribution	1,618	(468)	1,704

Performance	Income Return	Capital Return	Annual Total Return	
			KFF	Benchmark
	%	%	%	%
Financial year ended				
31.12.2025	2.62	(12.67)	(10.39)	2.46
31.12.2024	2.28	6.35	8.78	8.79
31.12.2023	2.40	7.64	10.23	(0.47)
31.12.2022	2.59	(10.70)	(8.39)	(1.75)
31.12.2021	3.07	(0.65)	2.41	(1.36)

	Average Annual Return	
	KFF	Benchmark
	%	%
One (1) year	4.07	6.02
Three (3) years	2.38	5.25
Five (5) years	0.67	2.17

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 30 June 2026	2025	2024
Total NAV (RM'000)	19,707	19,697	24,998
Units in Circulation (in '000)	50,001	50,691	53,100
NAV per unit (RM)	0.3941	0.3886	0.4708
Unit Prices for the year (RM per unit)			
NAV (year high)	0.4007	0.4430	0.4724
NAV (year low)	0.3827	0.3638	0.4138
NAV (year high, ex-distribution)	Nil	Nil	Nil
NAV (year low, ex-distribution)	Nil	Nil	Nil
NAV	0.3941	0.3886	0.4708
Distribution	Nil	Nil	Nil
Unit Split (unit)	Nil	Nil	Nil
Total Expense Ratio ("TER")	1.80%	1.72%	1.74%
Portfolio Turnover Ratio ("PTR")	0.58 times	0.16 times	0.19 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 higher than the previous period due to overall decrease in average NAV during the period under review (refer to Note 12).

The PTR was higher than the previous period due to increase in portfolio rebalancing activities undertaken by the Fund (refer to Note 13).

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

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF
KAF FIRST FUND

We, **Universal Trustee (Malaysia) Berhad** ("the Trustee") being the Trustee of **KAF First Fund** ("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 30 June 2026.

(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 the 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
Manager

Kuala Lumpur, Malaysia
21 August 2026

STATEMENT BY THE MANAGER

TO THE UNIT HOLDERS OF
KAF FIRST FUND

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 13 to 60 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 30 June 2026 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 the 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
21 August 2026

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	Note	2026 RM	2025 RM
INCOME			
Dividend income		211,866	111,942
Interest income from financial assets at amortised cost		42,993	55,931
Net gain/(loss) on financial assets at fair value through profit or loss	6	500,898	(2,631,750)
		755,757	(2,463,877)
EXPENSES			
Manager's fee	3	(159,081)	(153,107)
Trustee's fee	4	(6,398)	(6,089)
Transaction costs		(82,681)	(20,914)
Audit fee		(4,463)	(4,464)
Tax agent's fee		(3,075)	(3,075)
Other expenses		(4,695)	(8,474)
		(260,393)	(196,123)
NET PROFIT/(LOSS) BEFORE TAXATION		495,364	(2,660,000)
TAXATION	5	-	-
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD		495,364	(2,660,000)
Net profit/(loss) after taxation is made up of the following:			
Realised amount		1,617,836	(467,687)
Unrealised amount		(1,122,472)	(2,192,313)
		495,364	(2,660,000)

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 30 JUNE 2026

	Note	2026 RM	2025 RM
ASSETS			
Cash and cash equivalents	7	3,208,134	3,639,501
Financial assets at fair value through profit or loss	6	16,505,997	16,089,254
Dividend receivables		35,392	22,428
TOTAL ASSETS		19,749,523	19,751,183
LIABILITIES			
Amount due to Manager			
- Cancellation of units		-	15,504
- Manager's fee		24,282	22,498
Amount due to Trustee		1,057	977
Other payables and accruals	8	17,095	15,534
TOTAL LIABILITIES		42,434	54,513
NET ASSET VALUE ("NAV") OF THE FUND		19,707,089	19,696,670
EQUITY			
Unit holders' capital		18,421,395	18,710,351
Retained earnings		1,285,694	986,319
TOTAL NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		19,707,089	19,696,670
NUMBER OF UNITS IN CIRCULATION	9	50,001,107	50,691,141
NAV PER UNIT		0.3941	0.3886

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	Unit holders' capital RM	Retained earnings RM	Total RM
BALANCE AS AT 1 JANUARY 2026	19,069,038	790,330	19,859,368
Movement in unit holders' capital:			
Creation of units arising from applications	258,478	-	258,478
Cancellation of units	(906,121)	-	(906,121)
	(647,643)	-	(647,643)
Total comprehensive income for the financial period	-	495,364	495,364
BALANCE AS AT 30 JUNE 2026	18,421,395	1,285,694	19,707,089
BALANCE AS AT 1 JANUARY 2025	19,021,097	3,646,319	22,667,416
Movement in unit holders' capital:			
Creation of units arising from applications	241,808	-	241,808
Cancellation of units	(552,554)	-	(552,554)
	(310,746)	-	(310,746)
Total comprehensive loss for the financial period	-	(2,660,000)	(2,660,000)
BALANCE AS AT 30 JUNE 2025	18,710,351	986,319	19,696,670

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 30 JUNE 2026

	Note	2026 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		13,035,652	3,092,182
Purchase of investments		(12,616,737)	(3,159,402)
Dividends received		192,126	89,514
Interest income received		42,993	55,931
Manager's fee paid		(148,141)	(145,953)
Trustee's fee paid		(6,437)	(6,236)
Payment of other fees and expenses		(13,886)	(24,683)
Net cash generated from/ (used in) operating activities		485,570	(98,647)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		258,478	241,808
Payments for cancellation of units		(906,121)	(537,050)
Net cash used in financing activities		(647,643)	(295,242)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(162,073)	(393,889)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		3,370,207	4,033,390
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7	3,208,134	3,639,501
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash at bank		15,301	17,026
Deposits with licensed financial institutions		3,192,833	3,622,475
	7	3,208,134	3,639,501

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 30 JUNE 2026

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.

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

The preparation of financial statements in conformity with MFRS and International Financial Reporting Standards 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 J.

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

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

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2025 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations that have been issued that are applicable to the Fund but not yet effective:

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026).

  - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition);

  - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;

  - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;

  - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

  - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

SUMMARY OF MATERIAL ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

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

(b) New standards, amendments and interpretations that have been issued that are applicable to the Fund but not yet effective: (cont'd)

- Annual Improvements to MFRS Accounting Standards for enhanced consistency (effective 1 January 2026).

- 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.

  (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.

  - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

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

(b) New standards, amendments and interpretations that have been issued that are applicable to the Fund but not yet effective: (cont'd)

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 is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Interest income from deposits with licensed financial institutions and unquoted fixed-income security are recognised using the effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest 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 interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gains or losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, which is determined on a weighted average cost basis.

C 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.

D 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.

E 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 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 Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest. However, these 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 investments are measured at fair value through profit or loss.

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

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(i) Classification (cont'd)

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.

(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. 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 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 financial year in which they arise.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(ii) Recognition and measurement (cont'd)

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.

Collective investment schemes are valued based on the most recent published NAV per unit or share of such collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

In accordance to the Deeds, quoted investments in Malaysia are valued at the last traded market price quoted on the Bursa Malaysia Securities Berhad ("Bursa Securities") 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.

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

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

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(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.

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.

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

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

Qualitative criteria:

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

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

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

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 debtor'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.

F CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and deposit held with licensed financial institutions 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.

G 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.

H 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.

I 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

I UNIT HOLDERS' CAPITAL (CONT'D)

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.

J 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.

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

KAF First Fund (hereinafter referred to as "the Fund") was constituted pursuant to a Deed dated 22 December 1995, between KAF Investment Funds Berhad ("the Manager") and Universal Trustee (Malaysia) Berhad ("the Trustee") as well as subsequent issuance of the 1st Supplementary Deed dated 8 July 1996, 2nd Supplementary Deed dated 8 January 1999, 3rd Supplementary Deed dated 27 July 2001, 4th Supplementary Deed dated 9 January 2014, 5th Supplementary Deed dated 12 March 2015 and 6th Supplementary Deed dated 20 March 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 securities and shares of companies quoted on Bursa Securities, fixed-income securities and short-term investments. The Fund commenced operations on 16 January 1996 and will continue its operations until terminated according to the conditions in the Deed.

All 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 the Fund's objective.

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.

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RM	RM	RM
2026			
Cash and cash equivalents	-	3,208,134	3,208,134
Financial assets at fair value through profit or loss	16,505,997	-	16,505,997
Dividend receivables	-	35,392	35,392
	16,505,997	3,243,526	19,749,523
2025			
Cash and cash equivalents	-	3,639,501	3,639,501
Financial assets at fair value through profit or loss	16,089,254	-	16,089,254
Dividend receivables	-	22,428	22,428
	16,089,254	3,661,929	19,751,183

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 and credit risk from its financial instruments.

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

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

Market risk

(a) Price risk

The Fund is exposed to price risk because of the investments held by the Fund and classified at fair value through profit or loss. Price risk is the risk that the fair value of an 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 securities and other financial instruments within specified limits according to the Deed.

The table below shows the financial assets of the Fund as at 30 June which are exposed to price risk:

	2026 RM	2025 RM
Investments		
Quoted equities at fair value through profit or loss	10,463,907	10,226,652
Collective investment schemes at fair value through profit or loss	6,042,090	5,862,602
	16,505,997	16,089,254

The following table summarises the sensitivity of the Fund's investments to price risk movements as at 30 June. The analysis is based on the assumptions that the market price increased and decreased by 5% (2025: 5%) with all other variables held constant. This represent management's best estimate of a reasonable possible shift in the quoted equities, having regard to the historical volatility of the prices. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

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

Market risk (cont'd)

(a) Price risk (cont'd)

	Change in price %	Impact on profit/(loss) before taxation/ NAV RM
2026		
Quoted equities at fair value through profit or loss	+/- 5	523,195
Collective investment schemes at fair value through profit or loss	+/- 5	302,105
2025		
Quoted equities at fair value through profit or loss	+/- 5	511,333
Collective investment schemes at fair value through profit or loss	+/- 5	293,130

(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 deposits with licensed financial institutions. 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 deposit with licensed financial institutions by way of maintaining deposits with licensed financial institutions on a short-term basis.

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

Market risk (cont'd)

(b) Interest rate risk (cont'd)

The effective weighted average interest rates per annum and the average remaining maturities of deposits with licensed financial institutions as at the date of the statement of financial position are as follows:

	Weighted average interest rate		Average remaining maturities	
	2026 %	2025 %	2026 Days	2025 Days
Deposits with licensed financial institutions	2.82	3.05	1	1

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 levels of liquid assets to meet anticipated payment and cancellations of unit by unit holders. Liquid assets comprise cash at bank, deposit with licensed financial institutions and other 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.

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

Liquidity risk (cont'd)

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
As at 30 June 2026			
Amount due to Manager			
- Manager's fees	24,282	-	24,282
Amount due to Trustee	1,057	-	1,057
Other payables and accruals	-	17,095	17,095
Contractual undiscounted cash outflows	25,339	17,095	42,434
As at 30 June 2025			
Amount due to Manager			
- Cancellation of units	15,504	-	15,504
- Manager's fees	22,498	-	22,498
Amount due to Trustee	977	-	977
Other payables and accruals	-	15,534	15,534
Contractual undiscounted cash outflows	38,979	15,534	54,513

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

Credit risk

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

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

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:

	2026 RM	2025 RM
Cash and cash equivalents	3,208,134	3,639,501
Other assets*	35,392	22,428
	3,243,526	3,661,929

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:

	Cash and cash equivalents RM	Other assets* RM	Total RM
As at 30 June 2026			
Financial services			
- AAA	1,672,487	-	1,672,487
- AA3	1,535,647	-	1,535,647
Others			
- not rated	-	35,392	35,392
	3,208,134	35,392	3,243,526
As at 30 June 2025			
Financial services			
- AAA	1,560,022	-	1,560,022
- AA3	2,062,453	-	2,062,453
- A1	17,026	-	17,026
Others			
- not rated	-	22,428	22,428
	3,639,501	22,428	3,661,929

*Other assets comprise dividend receivables.

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 investment activities of the Fund.

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

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 securities) are based on quoted market prices at the close of trading on the financial year end date.

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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

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

Fair value hierarchy (cont'd)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety 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.

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 RM	Level 2 RM	Level 3 RM	Total RM
As at 30 June 2026				
Financial assets at fair value through profit or loss				
- Quoted equities	10,463,907	-	-	10,463,907
- Collective investment schemes	6,042,090	-	-	6,042,090
	16,505,997	-	-	16,505,997

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 RM	Level 2 RM	Level 3 RM	Total RM
As at 30 June 2025				
Financial assets at fair value through profit or loss				
- Quoted equities	10,226,652	-	-	10,226,652
- Collective investment scheme	5,862,602	-	-	5,862,602
	16,089,254	-	-	16,089,254

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

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

3. MANAGER'S FEE

Clause 14.1.2 of the Deed provides that the Manager is entitled to an annual management fee at a rate not exceeding 1.50% per annum based on the Fund's NAV on a daily basis before deducting the Manager's and Trustee's fee for that particular day.

The Manager's fee provided in the financial statements is computed on this basis at a rate of 1.50% (2025: 1.50%) per annum.

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

4. TRUSTEE'S FEE

Clause 14.2.2 of the Deed provides that the Trustee is entitled to a fee not exceeding the following sums:

Size of Fund	Fee
First RM20 million	RM12,000
Next RM20 million	RM10,000
Next RM20 million	RM 8,000
Next RM20 million	RM 6,000
Next RM20 million	RM 4,000
Any amount above RM100 million	RM15,000

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

5. TAXATION

	2026 RM	2025 RM
Current taxation		
- Malaysia taxation	-	-

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

	2026 RM	2025 RM
Net profit/(loss) before taxation.	495,364	(2,660,000)
Taxation at Malaysian statutory rate of 24% (2025: 24%)	118,887	(638,400)
Tax effects of:		
(Investment income not subject to tax)/ Investment loss not deductible for tax purposes	(181,382)	591,330
Expenses not deductible for tax purposes	22,740	7,448
Restriction on tax deductible expenses for unit trust funds	39,755	39,622
Tax expense	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 RM	2025 RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised gain/(loss) on sale of investments	1,611,482	(451,431)
- unrealised loss on fair value movement	(1,122,472)	(2,192,313)
- management fee rebate on collective investment schemes#	11,888	11,994
	500,898	(2,631,750)
Financial assets at fair value through profit or loss:		
- Quoted equities	10,463,907	10,226,652
- Collective investment schemes	6,042,090	5,862,602
	16,505,997	16,089,254

In arriving at the fair value of the collective investment schemes the management fee initially paid to the Manager of collective investment schemes 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 Funds, management fee charged on the Fund's investment in the collective investment schemes has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment schemes is reflected as an increase in the NAV of the collective investment schemes.

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

Details of quoted equities as at 30 June 2026 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2026	Fair value as at 30/06/2026 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Construction				
Gamuda Berhad	37,000	160,700	161,690	0.82
IJM Corporation Berhad	100,000	230,695	226,000	1.15
Mudajaya Group Berhad	56,000	20,474	17,640	0.09
Muhibbah Engineering (M) Berhad	625,000	376,338	325,000	1.65
	818,000	788,207	730,330	3.71
Consumer Products & Services				
Able Global Berhad	199,600	414,725	303,392	1.54
DRB-HICOM Berhad	305,000	368,839	317,200	1.61
Dutch Lady Milk Industries Berhad	12,000	393,066	396,000	2.01

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

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

Details of quoted equities as at 30 June 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2026	Fair value as at 30/06/2026 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Consumer Products & Services				
Eco-Shop Marketing Berhad	180,000	233,431	237,600	1.21
Farm Price Holdings Berhad	423,600	171,558	139,788	0.71
Farm Price Holdings Berhad - WA	200,000	-	16,000	0.08
Heineken Malaysia Berhad	12,000	271,687	233,040	1.18
Malayan Flour Mills Berhad	215,000	137,629	119,325	0.60
MR. D.I.Y. Group (M) Berhad	145,000	261,402	237,800	1.21
Sime Darby Berhad	56,000	120,154	119,840	0.61
Spritzer Berhad	69,600	174,696	202,536	1.03
	1,817,800	2,547,187	2,322,521	11.79

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

Details of quoted equities as at 30 June 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2026	Fair value as at 30/06/2026 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Energy				
Bumi Armada Berhad	1,564,500	419,959	539,753	2.74
Dayang Enterprise Holdings Berhad	200,000	324,900	326,000	1.65
Hibiscus Petroleum Berhad	115,000	257,706	210,450	1.07
Uzma Berhad	702,100	316,311	259,777	1.32
Wasco Greenergy Berhad	350,000	350,000	122,500	0.62
	2,931,600	1,668,876	1,458,480	7.40

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

Details of quoted equities as at 30 June 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2026	Fair value as at 30/06/2026 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Financial Services				
AMMB Holdings Berhad	19,000	123,143	121,030	0.61
Bank Islam Malaysia Berhad	105,000	245,147	221,550	1.12
Hong Leong Financial Group Berhad	6,500	120,062	119,600	0.61
MNRB Holdings Berhad	45,000	119,482	123,300	0.63
Public Bank Berhad	50,000	236,432	240,000	1.22
Tune Protect Group Berhad	400,000	140,066	112,000	0.57
	625,500	984,332	937,480	4.76
Health Care				
Duopharma Biotech Berhad	100,000	137,633	119,000	0.60
IHH Healthcare Berhad	25,000	229,120	210,000	1.07
	125,000	366,753	329,000	1.67

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

Details of quoted equities as at 30 June 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2026	Fair value as at 30/06/2026 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Industrial Products & Services				
Coraza Integrated Technology Berhad	103,400	52,713	102,366	0.52
EG Industries Berhad - WD	330,000	227,222	297,000	1.51
HSS Engineers Berhad	543,500	700,888	239,140	1.21
Malayan Cement Berhad	20,000	129,567	127,600	0.65
Pantech Group Holdings Berhad	300,000	184,989	186,000	0.94
Southern Cable Group Berhad	55,000	121,000	130,350	0.66
Wentel Engineering Holdings Berhad	485,000	118,238	126,100	0.64
	1,836,900	1,534,617	1,208,556	6.13

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

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

Details of quoted equities as at 30 June 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2026	Fair value as at 30/06/2026 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Plantation				
Batu Kawan Berhad	6,000	118,597	126,600	0.64
Johor Plantations Group Berhad	75,000	123,750	133,500	0.68
Sarawak Oil Palms Berhad	26,000	119,275	120,120	0.61
Ta Ann Holdings Berhad	25,000	133,358	132,250	0.67
	132,000	494,980	512,470	2.60
Property				
LBS Bina Group Berhad	420,000	197,400	174,300	0.88
Technology				
Mi Technovation Berhad	50,000	111,737	241,000	1.22

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

Details of quoted equities as at 30 June 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2026	Fair value as at 30/06/2026 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Telecommunications & Media				
OCK Group Berhad	550,000	313,500	206,250	1.04
Telekom Malaysia Berhad	50,000	363,671	372,000	1.89
	600,000	677,171	578,250	2.93
Transportation & Logistics				
AGX Group Berhad	610,000	213,500	256,200	1.30
MISC Berhad	35,000	285,784	273,000	1.39
Westports Holdings Berhad	40,000	239,200	242,400	1.23
	685,000	738,484	771,600	3.92

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

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

Details of quoted equities as at 30 June 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2026	Fair value as at 30/06/2026 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Utilities				
Mega First Corporation Berhad	40,000	124,118	115,200	0.59
PETRONAS Gas Berhad	7,000	121,193	122,360	0.62
Ranhill Utilities Berhad	185,000	328,137	362,600	1.84
Tenaga Nasional Berhad	42,000	591,863	599,760	3.04
	274,000	1,165,311	1,199,920	6.09
TOTAL QUOTED EQUITIES	10,315,800	11,275,055	10,463,907	53.10
UNREALISED LOSS ON QUOTED EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		(811,148)		
FAIR VALUE OF TOTAL QUOTED EQUITIES		10,463,907		

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

Details of collective investment schemes as at 30 June 2026 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2026	Fair value as at 30/06/2026 expressed as percentage of NAV of Fund
	Units	RM	RM	%
COLLECTIVE INVESTMENT SCHEMES				
Unit Trust				
KAF Bond Fund*	13,452	3,190,583	3,594,665	18.24
KAF Sukuk Fund*	14,001	2,300,000	2,447,425	12.42
TOTAL COLLECTIVE INVESTMENT SCHEMES	27,453	5,490,583	6,042,090	30.66
UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		551,507		
FAIR VALUE OF TOTAL COLLECTIVE INVESTMENT SCHEMES		6,042,090		

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

Details of quoted equities as at 30 June 2025 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2025	Fair value as at 30/06/2025 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Construction				
Gamuda Berhad	111,443	483,646	533,812	2.71
Lim Seong Hai Capital Berhad	250,000	206,250	201,250	1.02
Muhibbah Engineering (M) Berhad	625,000	376,338	381,250	1.94
	986,443	1,066,234	1,116,312	5.67
Consumer Products & Services				
Able Global Berhad	199,600	414,725	315,368	1.60
Farm Price Holdings Berhad	1,000,000	405,000	430,000	2.18
Oriental Kopi Holdings Berhad	900,000	752,660	769,500	3.91
	2,099,600	1,572,385	1,514,868	7.69

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

Details of quoted equities as at 30 June 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2025	Fair value as at 30/06/2025 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Energy				
Bumi Armada Berhad	1,564,500	419,959	704,025	3.57
Carimin Petroleum Berhad	550,000	463,172	357,500	1.81
Coastal Contracts Berhad	100,000	164,670	135,000	0.69
Dayang Enterprise Holdings Berhad	280,000	454,860	515,200	2.62
Keyfield International Berhad	197,000	423,067	334,900	1.70
Perdana Petroleum Berhad	2,200,000	445,940	374,000	1.90
Uzma Berhad	400,000	183,000	148,000	0.75
	5,291,500	2,554,667	2,568,625	13.04
Financial Services				
Tune Protect Group Berhad	1,416,900	496,150	396,732	2.01

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

Details of quoted equities as at 30 June 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2025	Fair value as at 30/06/2025 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Industrial Products & Services				
Coraza Integrated Technology Berhad	800,000	407,840	372,000	1.89
EG Industries Berhad	1,000,000	429,650	1,120,000	5.69
HSS Engineers Berhad	543,500	700,888	304,360	1.54
Northeast Group Berhad	260,900	137,546	139,582	0.71
Pantech Group Holdings Berhad	453,700	279,570	297,174	1.51
	3,058,100	1,955,494	2,233,115	11.34
Technology				
Frontken Corporation Berhad	150,000	394,512	594,000	3.02
Genetec Technology Berhad	350,000	458,395	323,750	1.64
Infoline Tec Group Berhad	300,000	240,000	168,000	0.85
	800,000	1,092,907	1,085,750	5.51

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

Details of quoted equities as at 30 June 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2025	Fair value as at 30/06/2025 expressed as percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Telecommunications & Media				
OCK Group Berhad	900,000	513,000	364,500	1.85
REDtone Digital Berhad	550,000	502,315	310,750	1.58
	1,450,000	1,015,315	675,250	3.43
Transportation & Logistics				
AGX Group Berhad	1,200,000	420,000	636,000	3.23
TOTAL QUOTED EQUITIES	16,302,543	10,173,152	10,226,652	51.92
UNREALISED GAIN ON QUOTED EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		53,500		
FAIR VALUE OF TOTAL QUOTED EQUITIES		10,226,652		

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

Details of collective investment schemes as at 30 June 2025 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 30/06/2025	Fair value as at 30/06/2025 expressed as percentage of NAV of Fund
	Units	RM	RM	%
COLLECTIVE INVESTMENT SCHEMES				
Unit Trust				
KAF Bond Fund*	13,452	3,190,583	3,493,243	17.73
KAF Sukuk Fund*	14,001	2,300,000	2,369,359	12.03
TOTAL COLLECTIVE INVESTMENT SCHEMES	27,453	5,490,583	5,862,602	29.76
UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS		372,019		
FAIR VALUE OF TOTAL COLLECTIVE INVESTMENT SCHEMES		5,862,602		

*Fund managed by the Manager of the Fund.

7. CASH AND CASH EQUIVALENTS

	2026 RM	2025 RM
Cash at bank	15,301	17,026
Deposits with licensed financial institutions*	3,192,833	3,622,475
	3,208,134	3,639,501

* A total of RM1,520,346 (2025: RM2,062,453) of the short-term deposit is placed with KAF Investment Bank Berhad, the intermediate holding company of the Manager.

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

8. OTHER PAYABLES AND ACCRUALS

	2026 RM	2025 RM
Audit and tax agent's fees	15,595	8,534
Sundry accruals	1,500	7,000
	17,095	15,534

9. NUMBER OF UNITS IN CIRCULATION

	2026 Number of units	2025 Number of units
At the beginning of the financial period	51,646,107	51,480,141
Creation of units arising from applications	655,000	601,000
Cancellation of units	(2,300,000)	(1,390,000)
At the end of the financial period	50,001,107	50,691,141

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

10. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial period ended 30 June 2026 are as follows:

Name of brokers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage %
2026				
Public Investment Bank Berhad	3,468,825	14.17	7,141	14.43
UBS Securities Malaysia Sdn Bhd	3,430,533	14.01	6,713	13.56
RHB Investment Bank Berhad	3,247,261	13.26	7,306	14.76
Hong Leong Investment Bank Berhad	2,707,271	11.06	5,033	10.17
Affin Hwang Investment Bank Berhad	2,617,590	10.69	5,235	10.58
Phillip Capital Sdn Bhd	2,122,236	8.67	4,245	8.57
CLSA Securities Malaysia Sdn Bhd	1,917,243	7.83	3,835	7.75
MBSB Investment Bank Berhad	1,662,384	6.79	3,325	6.72
UOB Kay Hian Securities Sdn Bhd	1,634,569	6.68	3,269	6.60
AM Investment Bank Berhad	659,693	2.69	1,319	2.67
Others	1,016,104	4.15	2,075	4.19
	24,483,709	100.00	49,496	100.00

10. TRANSACTIONS WITH BROKERS (CONT'D)

Details of transactions with brokers for the financial period ended 30 June 2025 are as follows:

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage
	RM	%	RM	%
2025				
Affin Hwang Investment Bank Berhad	1,550,215	24.82	3,101	24.26
CGS International Securities (M) Sdn Bhd	1,523,040	24.39	3,046	23.83
Maybank Investment Bank Berhad	1,110,671	17.78	2,221	17.38
Public Investment Bank Berhad	936,543	15.00	2,107	16.48
UOB Kay Hian Securities Sdn Bhd	397,952	6.37	796	6.23
Phillip Capital Sdn Bhd	279,985	4.48	560	4.38
CLSA Securities Malaysia Sdn Bhd	263,340	4.22	527	4.12
Cimb Securities Sdn Bhd	109,412	1.75	246	1.92
MIDF Amanah Investment Bank Berhad	69,620	1.11	139	1.09
Hong Leong Investment Bank Berhad	5,000	0.08	40	0.31
	6,245,778	100.00	12,783	100.00

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 terms and conditions that have been agreed upon by the parties involved.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

11. UNITS HELD BY THE 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

	2026 No. of units	2026 RM	2025 No. of units	2025 RM
KAF Investment Funds Berhad	11,847	4,669	3,901	1,516

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

12. TOTAL EXPENSE RATIO ("TER")

	2026	2025
TER ("annualised")	1.80%	1.72%

TER is derived from the following calculation:

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

A = Manager's fee
B = Trustee's fee
C = Audit fee
D = Tax agent's fee
E = Other expenses
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 RM19,919,940 (2025: RM20,582,639).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2026	2025
PTR	0.58 times	0.16 times

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM12,166,310 (2025: RM3,148,791)
total disposal for the financial period = RM10,970,727 (2025: RM3,553,916)

14. SEMI-ANNUAL ACCOUNTS

The semi-annual accounts for the financial period ended 30 June 2026 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
Mohammed Reza Tan Sri Abu Talib
Nor Rejina binti Abdul Rahim
Tunku Rozita binti Tunku Abdul Malek

Secretary
Siti Nurmazita binti Mustapha (LS 0009160)

Trustee
Universal Trustee (Malaysia) Berhad

Auditor & Reporting Accountant
PricewaterhouseCoopers PLT

Tax Adviser
PricewaterhouseCoopers Taxation Services Sdn Bhd

Banker
Alliance Bank Malaysia Berhad

KAF Investment Funds Berhad Reg. No: 199501004999
Level 13, Menara IQ,
Lingkaran TRX, Tun Razak Exchange
55188 Kuala Lumpur
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For more information,
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