KAF INVESTMENT FUNDS BERHAD

3-year Fund Volatility
14.08
Very High
Lipper Analytics
12 January 2026

KAF ISLAMIC DIVIDEND INCOME FUND (KIDIF)

JANUARY 2026

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

THE FUND IS SUITABLE FOR INVESTORS WHO:

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

MANAGER'S COMMENTS

Global markets saw mixed performance in December 2025 (December) amid year-end positioning and a complex macro and geopolitical backdrop. In the United States (US), equity markets ended the month mixed as profit taking and valuation concerns outweighed optimism around monetary easing. The Dow Jones rose 0.73%, supported by defensive and value-oriented stocks, while the Standard & Poor (S&P) 500 edged down slightly by 0.05%. The Nasdaq fell 0.53% as investors trimmed exposure to mega-cap Artificial Intelligence (AI) and growth stocks following a strong run earlier in the year, with positioning shifting toward lower-volatility segments into year end. Meanwhile, European equities outperformed, with the STOXX 600 rising 2.73% as easing inflation pressures and a more supportive interest-rate outlook lifted sentiment. Financials and industrials benefited from expectations of less restrictive policy settings, while defensives continued to attract steady demand. In Asia, performance was mixed. Japan's Nikkei 225 ended the month largely flat, rising 0.17%, as profit taking after a strong earlier rally and caution around technology valuations offset support from a weaker yen and continued policy optimism. On the other hand, Chinese equities delivered uneven results. The Hang Seng Index slipped 0.88% amid persistent property-sector weakness and soft consumer sentiment, while mainland markets outperformed. The Shanghai Composite and Shenzhen Composite gained 2.06% and 3.14%, respectively, supported by targeted policy measures, year-end rebalancing, and selective bargain hunting in oversold sectors. On the local front, Malaysia's equity indices closed the year on a strong note. The Financial Times Stock Exchange Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI), FBM EMAS, FBM EMAS Shariah and FBM Small Cap Shariah indices posted solid gains of 4.71%, 3.25%, 2.07% and 0.22%, respectively. The rally was supported by year-end window dressing, improved global sentiment following the Fed's rate cut, and steady domestic participation, although overall trading volume declined by 3.45% from the previous month. In commodities, crude oil prices fell 3.72% to US Dollar (USD) 60.85 per barrel in December, as softer demand expectations, ample global supply conditions, and year-end profit taking outweighed geopolitical risk premiums. In contrast, gold prices climbed 2.91% on heightened safe-haven demand. Crude palm oil prices declined 1.56% on the back of higher inventory levels and easing demand. Meanwhile, the Malaysian ringgit appreciated 1.75% against the US dollar, closing at RM4.0603 at the end of December.

As markets move into January 2026 (January), attention is turning to upcoming US economic releases and the Federal Reserve's first policy meeting of the year, which should offer clearer direction on the pace and timing of rate cuts in 2026 alongside December inflation, labour market data, and the advance estimate of fourth-quarter Gross Domestic Product (GDP). As policy visibility improves, attention is also shifting toward corporate earnings guidance, particularly within AI-related and technology sectors, reinforcing expectations that growth remains intact despite recent volatility. Despite ongoing policy support, Chinese equities have yet to experience a clear rerating, leaving broader Asia and Emerging Market sentiment cautious but broadly stable. On the geopolitical front, US-brokered truce talks between Russia and Ukraine have introduced a degree of cautious optimism, while tensions involving Venezuela have added a modest risk premium to energy markets, prompting investors to reassess heavily concentrated developed-market exposures. Ultimately, we remain bullish heading into January and the new year, as easing policy uncertainty, early-year portfolio rebalancing, and a firmer Malaysian ringgit are expected to support improving capital flows into Emerging Markets (EM) and create a more constructive backdrop for EM equities as risk appetite recovers.

INVESTMENT STRATEGY

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

FUND DETAILS AS AT 31 DECEMBER 2025

Manager	KAF Investment Funds Bhd.
Trustee	Maybank Trustees Berhad.
Fund Category	Equity Fund (Shariah-compliant).
Fund Type	Income Fund.
Launch Date	15 January 2016
Unit net asset value (NAV)	RM0.6897
Fund size	RM113.750mil
Units in Circulation	164.938mil
Financial Year End	31 January.
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	FTSE Bursa Malaysia Emas Shariah Index.
Sales Charge	Up to 6.50% of NAV per Unit.
Repurchase Charge	None.
Annual management fee	1.50% per annum of NAV.
Annual trustee fee	0.06% of NAV, subject to a minimum fee of RM12,000
Redemption payment period	Within 7 days after receipt of the request to repurchase.
Distribution policy	The fund will distribute income on a half yearly basis, subject to the availability of income and/or realized gains.

SECTOR ALLOCATION* AS AT 31 DECEMBER 2025

*As percentage Net Asset Value of the fund. Asset exposure is subject to change on a daily basis.
Source: KAF Investment Funds Berhad.

Distribution History

Year	Distribution (sen)
2020 (Annual)	0.50
2020 (Semi-annual)	2.00
2021 (Annual)	0.50
2021 (Semi-annual)	3.00
2022 (Annual)	0.50
2022 (Semi-annual)	3.00
2023 (Annual)	0.50
2023 (Semi-annual)	2.00
2024 (Annual)	0.50
2024 (Semi-annual)	1.00
2025 (Annual)	0.50

FUND PERFORMANCE ANALYSIS AS AT 31 DECEMBER 2025

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

%	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
KIDIF	NIL	-3.94	9.18	-8.03	18.08	23.49
Benchmark	2.07	0.66	5.75	-3.93	10.58	-8.08

Source: Novagni Analytics & Advisory Sdn Bhd

LARGEST HOLDINGS* AS AT 31 DECEMBER 2025

Southern Cable Group Berhad	9.07%
Oriental Kopi Holdings Berhad	6.15%
Mi Technovation Berhad	5.53%
Money Market (KAF)	4.92%
MN Holdings Berhad	4.86%

*as percentage of Net Asset Value.

Disclaimer:
Based on the Malaysian Fund Volatility Report issued by Refinitiv Lipper dated 12 January 2026, the Volatility Factor (VF) for this fund is 14.08 and is classified as " Very High". "Very High" includes funds with VF that are more than 13.66. The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.
A Product Highlights Sheet ("PHS") highlighting the key features and risks of the fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Replacement Master Prospectus dated 30 September 2023 and its supplementary(ies) (if any) ("the Prospectus") before investing. The Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, investors should be highlighted of the fact that the value of their investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units. Any issue of units to which the Prospectus relates will only be made on receipt of a form of application referred to in the Prospectus. For more details, please call 03-9767 6000 for a copy of the PHS and the Prospectus or collect one from any of our authorised distributors. The Manager wishes to highlight the specific risks of the fund are specific equity risk, interest rate risk, credit/default risk, distribution risk and reclassification of Shariah status risk. These risks and other general risks are elaborated in the Prospectus.
This factsheet is prepared for information purposes only and has not been reviewed by Securities Commission Malaysia. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide for future performance. Returns may vary from year to year.

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