

KAF BOND FUND (KBF)

AUGUST 2026

The fund aims to provide a regular income stream by investing in medium to long-term local fixed income instruments.

THE FUND IS SUITABLE FOR INVESTORS WHO:

- Have a low to medium risk profile; and
- Seek a steady income stream over the medium to long term.

MANAGER'S COMMENTS

Malaysia's exports rose by 45.4% while imports increased by 43.9% Year-on-Year (YoY) in June 2026 (June). The trade surplus reduced to Malaysian Ringgit (MYR) 14.9 billion (bn) in June; down from MYR40.4bn in the previous month. Malaysia's Consumer Price Index (CPI) was lower at 1.9% YoY in June compared to 2.00% in May 2026 (May). Malaysian foreign reserves increased in July 2026 (July) to United States Dollar (USD) 131.8bn from USD130.5bn in June. Meanwhile, Malaysia's Purchasing Managers' Index (PMI) was flat at 50.7 in July compared to 50.7 in the previous month. US Treasury yields were higher in July with the Treasury 2-year, 5-year and 10-year benchmark yield closing the month at 4.29%, 4.45% and 4.73% respectively compared to 4.17%, 4.23% and 4.47% in June. Malaysian Government Securities (MGS) 3-year, 5-year yield and 10-year yield were higher, ending at 3.30%, 3.49% and 3.70% in July compared to 3.26%, 3.40% and 3.60% in the previous month.

July was looking like another quiet month for global bond markets until tensions in the Middle East flared up again and sent crude oil prices flying. The threat of an expanding prolonged war, supply chain disruptions, rising inflation and higher interest rates came roaring back to the forefront causing investors to scramble to exit their bond positions. Although the US Federal Reserve (the Fed) committee held rates unchanged during the Federal Open Market Committee (FOMC) meeting in July, the selloff was aggravated by Fed Chairman Kevin Warsh's hawkish stance to fight stubborn US inflation. Most market participants are pricing in a 25 basis point (bp) hike in September which will bring the Fed Funds Rate up to the 4.00%. Back in Malaysia, local bonds were also sold off in tandem with global peers with the 10-year Malaysian Government Securities (MGS) spiking up 10 basis points to breach the 3.70% level by the end of July. While Malaysia has been viewed by foreign investors as more resilient than its regional peers due to the local oil & gas industry, the recent political uncertainty has dampened investor confidence. Furthermore, local inflation appeared to be under control after Year-on-Year (YoY) CPI fell slightly to 1.90% until compared to with the Producer Price Index (PPI) which further accelerated to an alarming 9.2% YoY suggesting that rising inflation is likely brewing below the surface. Bank Negara Malaysia left the Overnight Policy Rate (OPR) unchanged at 2.75% during the July Monetary Policy Committee (MPC) but the soft investor sentiment was reflected in the 3 government auctions for the month namely the 10-year MGS 07/2035, 3-year Government Investment Issue (GI) 10/2029 and 15-year MGS 01/2041 which minted Bid-to-Cover (BTC) ratios of 1.867x, 2.26x and 2.05x respectively. Despite the risks of a prolonged conflict in the Middle East and potential rate hikes, bond yields have risen to attractive levels. Hence, we look for opportunities to buy quality assets while keeping an eye on potential inflationary risks. For now, we maintain our conservative stance of medium portfolio duration and an emphasis on high credit quality.

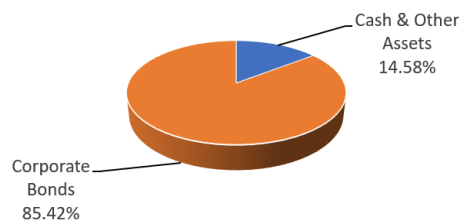
INVESTMENT STRATEGY

The fund seeks to meet its objective of producing a steady and recurring annual income stream by investing in a portfolio of fixed income securities such as sovereign bonds and corporate debt with the balance invested in money market instruments.

FUND DETAILS AS AT 31 JULY 2026

Manager	KAF Investment Funds Bhd.
Trustee	CIMB Commerce Trustee Bhd.
Fund Category	Bond/Fixed Income Fund.
Fund Type	Income Fund.
Launch Date	1 November 2006
Unit net asset value (NAV)	RM267.5348
Fund size	RM469.780mil
Units in Circulation	1.756mil
Financial Year End	31 August.
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM1,000.00
Benchmark	RAM-Quant MGS Index (All Durations).
Sales Charge	None.
Repurchase Charge	None.
Annual management fee	0.40% per annum of NAV.
Annual trustee fee	Up to 0.05% per annum of NAV, subject to a minimum of RM12,000 per annum (excluding foreign custodian fee and charges).
Redemption payment period	Within 7 days after receipt of the request to repurchase.
Distribution policy	It is intended that the fund will distribute income at least once a year.

SECTOR ALLOCATION* AS AT 31 JULY 2026

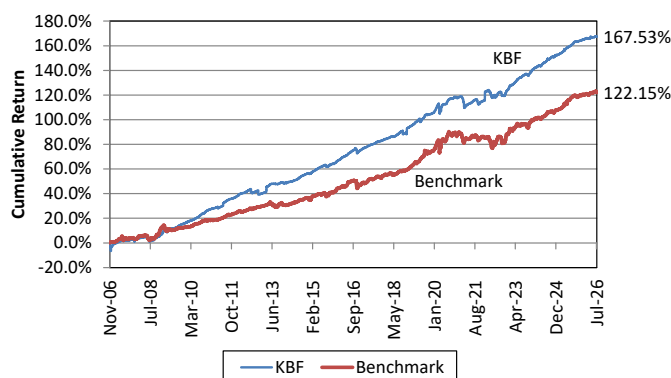


*As percentage Net Asset Value of the fund. Asset exposure is subject to change on a daily basis.

Source: KAF Investment Funds Berhad.

FUND PERFORMANCE ANALYSIS AS AT 31 JULY 2026

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



%	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
KBF	0.12	0.04	0.77	2.49	13.66	24.39
Benchmark	-0.19	0.21	0.73	1.64	13.16	18.81

Source: Novagani Analytics & Advisory Sdn Bhd

LARGEST HOLDINGS* AS AT 31 JULY 2026

Great Eastern Life Assurance (Malaysia) Berhad	6.38%
Malaysian Government Securities	6.29%
Tenaga Nasional Berhad	4.64%
YTL Power International Berhad	4.41%
AmBank (M) Berhad	4.36%

*as percentage of Net Asset Value.

Disclaimer:

Based on the Malaysian Fund Volatility Report issued by Refinitiv Lipper dated 11 August 2026, the Volatility Factor (VF) for this fund is 1.13 and is classified as "Very Low". "Very Low" includes funds with VF that are between 0 and 4.635. 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 Master Prospectus") before investing. The Master 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 Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 03-9767 6000 for a copy of the PHS and the Master Prospectus or collect one from any of our authorised distributors.

The Manager wishes to highlight the specific risks of the fund are interest rate risk, credit risk and liquidity risk. These risks and other general risks are elaborated in the Master 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.