



**KAF MILLENNIUM FUND**

**SEMI-ANNUAL REPORT**

**31 DECEMBER 2025**

# MANAGER'S REPORT

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

## 1. Launch Date

KAF Millennium Fund ("KMF/the Fund") was launched on 15 April 1999. The Fund commenced operations on 6 May 1999 and will continue its operations until terminated according to the Master Deed dated 14 April 1999, First Supplemental Deed dated 13 June 2000, Second Supplemental Deed dated 7 August 2000, Third Supplemental Deed dated 18 December 2000, Fourth Supplemental Deed dated 30 August 2007, Supplemental Master Deed dated 27 April 2011, Second Supplemental Master Deed dated 2 June 2011, Third Supplemental Master Deed dated 4 March 2013, Fourth Supplemental Master Deed dated 5 October 2020, Fifth Supplemental Master Deed dated 6 November 2020, Sixth Supplemental Master Deed dated 25 November 2020 and Seventh Supplemental Master Deed dated 8 August 2022.

## 2. Type of Fund

Growth and Income Fund.

## 3. Category of Fund

Equity Fund.

## 4. Fund's Objective, Benchmark and Distribution Policy

The Fund aims to achieve long-term capital growth, with income<sup>^</sup> as its secondary objective, by investing mainly in fundamentally sound large market capitalisation companies and also any other investments as may be permitted by the Securities Commission from time to time.

<sup>^</sup>Note: Please refer to the Fund's distribution policy.

The Fund may invest up to 100% (minimum equity allocation is 70%) of its Net Asset Value ("NAV") in equities and equity-related securities\*. An internal allocation for cash and other liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.

## MANAGER'S REPORT

\* Equity-related securities include warrants and preference shares.

The balance of the NAV that is not invested in equities and equity-related securities, will be invested in fixed-income securities and money market instruments.

The benchmark is FTSE Bursa Malaysia Top 100 Index ("FBM 100").

Distribution of income, if any, will be made once a year.

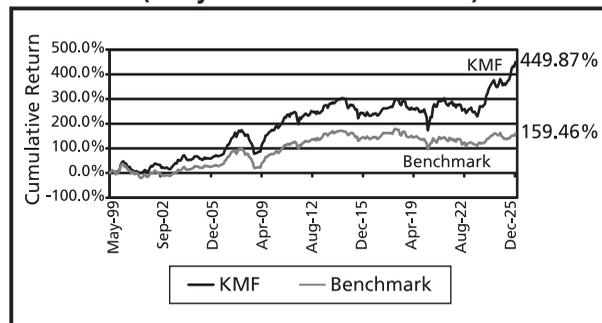
### 5. Review of Fund Operations and Performance

For the financial period under review, the Fund registered a return of 16.24%, outperforming its benchmark, which recorded a return of 7.82%. The outperformance was attributable to the Fund's timely sector rotations and bottom-up stock picking. Overweight positions in technology and construction stocks – accumulated during the market bottom in April – provided a good start for the Fund in the third quarter of calendar year 2025. The Fund's performance in September and October 2025 was driven by a strategic focus on **Ranhill Utilities Berhad** and **Malayan Cement Berhad**. By identifying mispriced operating leverage that broader market models had overlooked, we were able to build significant positions ahead of their value realisation. A rotation back into banking stocks, following better-than-expected earnings releases in late November, helped seal the Fund's outperformance for the period.

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

## MANAGER'S REPORT

**Performance Chart since Commencement  
(6 May 1999 to 31 December 2025)**



\*Prior to 6 July 2009, Kuala Lumpur Composite Index ("KLCI").  
\*\*With effect from 6 July 2009, FTSE Bursa Malaysia Top 100 Index ("FBM 100").

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

Since its inception, KMF registered a return of 449.87% and outperformed its benchmark, which recorded a return of 159.46%.

### Fund Performance as ranked by Lipper Asia Limited

Period	KMF		Mean of the Industry's Equity Malaysia Non-Islamic Funds
	% Return	Rank	% Return
<b>3 months</b> 26/09/2025 - 26/12/2025	4.11	5/68	0.91
<b>6 months</b> 26/06/2025 - 26/12/2025	16.40	4/68	9.46
<b>1 year</b> 26/12/2024 - 26/12/2025	14.93	1/68	1.08
<b>3 years</b> 26/12/2022 - 26/12/2025	53.39	2/66	29.24
<b>5 years</b> 25/12/2020 - 26/12/2025	37.82	14/62	24.28

Source: The Edge, 5 January 2026 issue, The Edge-Lipper Fund Performance Table, an independent source.

**Past performance is not necessarily indicative of future performance.**

## MANAGER'S REPORT

For the six months period, the Fund ranked at No. 4 out of 68 funds in the Equity Malaysia Non-Islamic Funds category by Lipper Asia Limited.

The Fund realised a net gain of RM3.64 million from gain on disposal of equities and after accounting for dividend income, interest earned and loss on foreign exchange transactions. The unrealised gain arising from investments stood at RM1.75 million.

KMF's NAV increased to RM30.03 million on 31 December 2025 from RM28.81 million on 30 June 2025 as a result of appreciation in the value of investments. The NAV per unit of the Fund increased to RM0.5418 as at 31 December 2025 from RM0.4661 as at 30 June 2025 as a result of positive performance recorded during the period.

### 6. Asset Allocation and Investment Strategies Employed

The allocation of quoted equity securities in KMF increased to 88.68% as at 31 December 2025, up from 82.56% as at 30 June 2025, as the Fund moved investments from quoted real estate investment trusts (classified as collective investment scheme) to quoted local equities for alpha generation. The cash and other liquid assets position declined slightly to 9.42% of NAV, as the Fund acquired key benchmark index stocks to reduce tracking error during the final month of the year.

Other than the investment strategy stated in the Replacement Prospectus dated 21 December 2022, the designated Fund Manager has not employed any other investment strategy since the last reporting period.

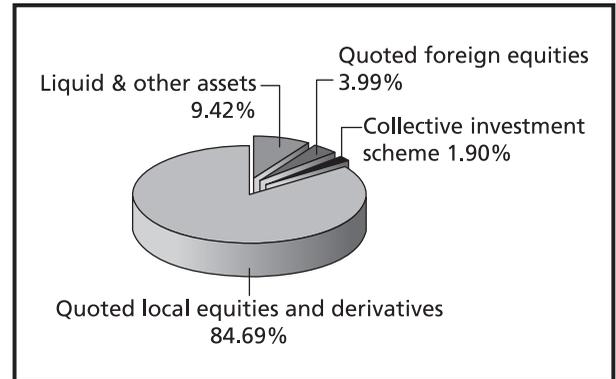
There were no significant changes in the Fund's state of affairs during the period.

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

## MANAGER'S REPORT

Asset Class	Percentage of NAV as at		Change in Exposure over Period (%)
	30/06/2025 (%)	31/12/2025 (%)	
Quoted foreign equities	10.45	3.99	(6.46)
Collective investment scheme	5.64	1.90	(3.74)
Quoted local equities and derivatives	72.11	84.69	12.58
Liquid and other assets	11.80	9.42	(2.38)

**Portfolio of Investment and Other Assets as at 31 December 2025**



**7. Market Review**

Global equities performed well during the financial period under review, with MSCI World, MSCI Asia Pacific and MSCI ASEAN appreciating by 10.03%, 11.95% and 8.34%, respectively. In the United States ("US"), S&P 500, Dow Jones Industrial Index and NASDAQ increased by 10.32%, 9.00% and 14.10%, respectively, during the review period. However, the performance of local equities during the period was mixed. Large-cap names, represented by FBM-KLCI, performed in line with global markets with a return of 9.60%. Mid-cap and small-cap names, represented by FBM70 and FBM Small Cap Index, recorded tepid returns of 2.46% and 3.08%, respectively.

Global fixed-income markets rallied ahead of the Federal Open Market Committee ("FOMC") meeting in September, anticipating rate cuts, but stagnated subsequently despite the three 25 basis point (bp) reductions by US Federal Reserve ("the Fed") over the last four months of the year. The Fed's forward guidance remains murky as it navigates a softening labor market against stubbornly high tariff-fueled inflation. In Malaysia, Bank Negara ("BNM") had already acted preemptively, cutting its key interest rate by 25 bp in July. This was a protective measure to shield the domestic economy from escalating external trade risks and preserve growth momentum.

The Malaysian Government Securities ("MGS") benchmark 3-year, 5-year and 10-year yields closed the year at 3.00%, 3.26% and 3.49%, from 3.15%, 3.19% and 3.47%, respectively, in June 2025. US Treasury benchmark 2-year, 5-year and 10-year yields declined to 3.47%, 3.73% and 4.17% from 3.72%, 3.80% and 4.23% as at the end of the previous financial period. The Malaysian Ringgit appreciated against the US Dollar in the second half of 2025, closing at RM4.06 from RM4.21 previously.

Malaysia's Gross Domestic Product ("GDP") grew by 5.2% Year-on-Year ("YoY") in the third quarter of 2025, an acceleration from the 4.4% recorded in the previous quarter. Private consumption rose 5.0%, supported by favorable labor market conditions and the government's continued social assistance programs such as Sumbangan Tunai Rahmah ("STR"). Malaysia continued to see a surge in tourism-related activities, with the services sector bolstered by a

9.5% increase in the food, beverage and accommodation sub-sector. Exports grew by 1.4%, which, while softer than the previous quarter's 2.6%, still contributed positively to the overall balance of payments as net exports rebounded from earlier declines. On the supply side, all major sectors recorded positive growth, with the mining and quarrying sector notably soaring by 9.7% to reverse four consecutive quarters of contraction.

**8. Market Outlook and Strategy**

The primary driver of economic and financial market volatility in 2025 has been the uncertainty surrounding the new US administration's policy agenda. While the administration has proposed sweeping fiscal and regulatory changes, significant political and logistical hurdles are limiting their implementation. Nevertheless, the new reciprocal tariffs appear to be a lasting feature of US economic policy, not just a short-term negotiating tactic. Interestingly, global trade volumes have not declined as some models predicted. This resilience suggests two possibilities: either underlying global economic demand is strong enough to absorb the costs, or trade is effectively being rerouted to non-tariff countries, changing trade patterns rather than destroying volume.

Given the relative underperformance of Malaysian equities and the strong macroeconomic backdrop, we believe that the domestic market provides a great risk-reward proposition to global investors. Recent developments also suggest that the Malaysian political scene will likely remain stable until early 2028, when the next general election is due. The appreciation of Malaysian Ringgit and the compression of Malaysian bond yields are good signs of increased foreign interest in domestic assets.

Our new portfolio allocation strategy that is loosely based on the Black-Litterman model has been effective in optimising the Fund's risk-adjusted returns since October 2024. We believe that this approach, which emphasises diversification and the management of active risk, will continue to work well in a volatile market environment.

## MANAGER'S REPORT

### 9. Changes made to the Fund's Prospectus

There were no changes made to the Fund's prospectus during the reporting 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 KMF from one broker/dealer by virtue of transactions conducted for KMF. 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 KMF 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 December		
	2025	2024	2023
	(Percentage of NAV)		
	%	%	%
<b>Quoted local equities and derivatives</b>			
Construction	6.03	2.83	9.07
Consumer Products & Services	16.57	0.43	12.36
Energy	5.01	9.02	15.71
Financial Services	22.19	25.51	11.04
Health Care	4.03	-	3.64
Industrial Products & Services	5.25	7.26	5.38
Plantation	-	3.52	-
Property	5.00	11.33	-
Technology	6.89	6.97	15.14
Telecommunications & Media	1.07	4.48	3.41
Transportation & Logistics	5.29	9.43	-
Utilities	7.26	9.37	14.58
Warrants	0.10	0.17	0.10
<b>Total Quoted local equities and derivatives</b>	<b>84.69</b>	<b>90.32</b>	<b>90.43</b>
<b>Quoted foreign equities</b>			
Consumer Discretionary	-	-	0.72
Health Care	2.10	-	-
Industrials	1.89	-	-
<b>Total Quoted foreign equities</b>	<b>3.99</b>	<b>-</b>	<b>0.72</b>
<b>Collective investment scheme</b>	<b>1.90</b>	<b>-</b>	<b>-</b>
<b>Liquid and other assets</b>	<b>9.42</b>	<b>9.68</b>	<b>8.85</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Total return for the year</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Capital growth	1,177	(1,986)	2,555
Income distribution	3,203	2,721	1,150

## KEY PERFORMANCE DATA

Performance	Income Return	Capital Return	Annual Total Return	
	%	%	KMF %	Benchmark %
<b>Financial year ended</b>				
30/06/2025	5.41	(4.45)	0.72	(4.82)
30/06/2024	4.03	36.98	42.51	19.85
30/06/2023	-	(6.73)	(6.73)	(2.03)
30/06/2022	0.26	(6.63)	(6.38)	(7.61)
30/06/2021	-	15.97	15.97	4.44
			<b>Average Total Return</b>	
			<b>KMF %</b>	<b>Benchmark %</b>
One (1) year			14.31	(1.29)
Three (3) years			17.57	5.40
Five (5) years			7.93	1.05

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 December		
	2025	2024	2023
Total NAV (RM'000)	30,034	30,196	27,707
Units in circulation (in '000)	55,428	60,436	67,512
NAV per unit (RM)	0.5418	0.4996	0.4104
<b>Unit Prices for the year (RM per unit)</b>			
NAV (year high)	0.5419	0.5062	0.4128
NAV (year low)	0.4680	0.4491	0.3567
NAV (year high, ex-distribution)	Nil	Nil	Nil
NAV (year low, ex-distribution)	Nil	Nil	Nil
NAV	0.5418	0.4996	0.4104
<b>Unit Split</b>	Nil	Nil	Nil
<b>Distribution</b>	Nil	Nil	Nil
<b>Total Expense Ratio ("TER")</b>	1.71%	1.62%	1.68%
<b>Portfolio Turnover Ratio ("PTR")</b>	0.93 times	1.06 times	0.29 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 periods due to overall decrease in average NAV (refer to Note 13).

PTR was lower than the previous period due to decrease in portfolio rebalancing activities undertaken by the Fund (refer to Note 14).

**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 MILLENNIUM FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 December 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **KAF Investment Funds Berhad** has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of  
**CIMB Commerce Trustee Berhad**

**Tok Puan Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
26 February 2026

## STATEMENT BY THE MANAGER

TO THE UNIT HOLDERS OF  
**KAF MILLENNIUM 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 14 to 68 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 December 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 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  
26 February 2026

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

	Note	2025 RM	2024 RM
<b>INCOME</b>			
Dividend income		490,526	342,659
Interest income from financial assets at amortised cost		20,318	52,067
Net gain on financial assets at fair value through profit or loss	6	4,372,122	795,914
Net foreign currency exchange loss		(64,718)	(2,682)
		<u>4,818,248</u>	<u>1,187,958</u>
<b>EXPENSES</b>			
Manager's fee	3	(229,996)	(226,623)
Trustee's fee	4	(9,200)	(9,065)
Transaction costs		(185,739)	(208,768)
Audit fee		(5,042)	(5,042)
Tax agent's fee		(2,118)	(2,672)
Other expenses		(6,098)	(615)
		<u>(438,193)</u>	<u>(452,785)</u>
<b>NET PROFIT BEFORE TAXATION</b>		4,380,055	735,173
<b>TAXATION</b>	5	-	-
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>4,380,055</u>	<u>735,173</u>
Net profit after taxation is made up of the following:			
Realised amount		3,202,611	2,720,920
Unrealised amount		1,177,444	(1,985,747)
		<u>4,380,055</u>	<u>735,173</u>

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 DECEMBER 2025

	Note	2025 RM	2024 RM
<b>ASSETS</b>			
Cash and cash equivalents	7	1,326,953	3,087,586
Financial assets at fair value through profit or loss	6	27,205,772	27,273,075
Amount due from brokers	8	2,639,652	146,616
Amount due from Manager - creation of units		-	4,986
Dividend receivables		50,650	37,825
Tax recoverable		5,008	5,008
<b>TOTAL ASSETS</b>		<u>31,228,035</u>	<u>30,555,096</u>
<b>LIABILITIES</b>			
Amount due to broker	8	1,109,508	300,634
Amount due to Manager			
- Manager's fee		40,799	38,304
- Cancellation of units		27,095	-
Amount due to Trustee		1,632	2,992
Other payables and accruals	9	15,209	17,534
<b>TOTAL LIABILITIES</b>		<u>1,194,243</u>	<u>359,464</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>30,033,792</u>	<u>30,195,632</u>
<b>EQUITY</b>			
Unit holders' capital		20,999,717	23,554,744
Retained earnings		9,034,075	6,640,888
<b>TOTAL NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>30,033,792</u>	<u>30,195,632</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>55,428,021</u>	<u>60,435,511</u>
<b>NAV PER UNIT</b>		<u>0.5418</u>	<u>0.4996</u>

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 31 DECEMBER 2025

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
<b>BALANCE AS AT 1 JULY 2025</b>	24,152,393	4,654,020	28,806,413
<b>Movement in unit holders' capital:</b>			
Creation of units arising from applications	685,962	-	685,962
Cancellation of units	(3,838,638)	-	(3,838,638)
	<u>(3,152,676)</u>	<u>-</u>	<u>(3,152,676)</u>
Total comprehensive income for the financial period	-	4,380,055	4,380,055
<b>BALANCE AS AT 31 DECEMBER 2025</b>	<u>20,999,717</u>	<u>9,034,075</u>	<u>30,033,792</u>
<b>BALANCE AS AT 1 JULY 2024</b>	25,525,020	5,905,715	31,430,735
<b>Movement in unit holders' capital:</b>			
Creation of units arising from applications	319,382	-	319,382
Cancellation of units	(2,289,658)	-	(2,289,658)
	<u>(1,970,276)</u>	<u>-</u>	<u>(1,970,276)</u>
Total comprehensive income for the financial period	-	735,173	735,173
<b>BALANCE AS AT 31 DECEMBER 2024</b>	<u>23,554,744</u>	<u>6,640,888</u>	<u>30,195,632</u>

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 DECEMBER 2025

	Note	2025 RM	2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		27,353,373	34,122,511
Purchase of investments		(26,844,291)	(31,995,003)
Dividends received		511,412	337,490
Interest income received		20,318	52,067
Manager's fee paid		(224,518)	(226,953)
Trustee's fee paid		(8,981)	(7,618)
Realised foreign currency exchange loss		(48,231)	(2,430)
Payment of other fees and expenses		(17,818)	(21,594)
<b>Net cash generated from operating activities</b>		<u>741,264</u>	<u>2,258,470</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		685,962	338,711
Payments for cancellation of units		(3,825,385)	(2,289,658)
<b>Net cash used in financing activities</b>		<u>(3,139,423)</u>	<u>(1,950,947)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(2,398,159)	307,523
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		(16,487)	(252)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		3,741,599	2,780,315
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	7	<u>1,326,953</u>	<u>3,087,586</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Cash at banks		902,264	23,890
Deposit with a licensed financial institution		424,689	3,063,696
	7	<u>1,326,953</u>	<u>3,087,586</u>

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 DECEMBER 2025

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 judgement 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.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

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

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

#### (b) Standards and amendments 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;

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

#### (b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective: (cont'd)

- Amendments to MFRS9 and MFRS7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026). (cont'd)
  - 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").
- 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 DECEMBER 2025

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

#### (b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective: (cont'd)

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'. (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.
    - 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 is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Interest income earned from deposits with licensed financial institutions 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).

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### B INCOME RECOGNITION (CONT'D)

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.

Withholding taxes on investment income from foreign 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.

### 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 FOREIGN CURRENCY TRANSLATIONS

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing as at the date of the statement of financial position. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the statement of comprehensive income.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### E FOREIGN CURRENCY TRANSLATIONS (CONT'D)

Translation differences on non-monetary financial assets such as foreign quoted investments classified as financial assets at fair value through profit or loss are included in the statement of comprehensive income as part of net gain/(loss) on financial assets at fair value through profit or loss.

The principal closing rates used in the translation of foreign currency amounts are as follows:

	2025 RM	2024 RM
<b>Foreign currency</b>		
Hong Kong Dollar	0.5217	0.5755
Singapore Dollar	3.1586	3.2835

### 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 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 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.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES**  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

**F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)**

**(i) Classification (cont'd)**

Investments in collective investment scheme 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.

The Fund classifies cash and cash equivalents, amount due from brokers, amount due from Manager - creation of units 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 broker, amount due to Manager, amount due to Trustee and other payables and accruals as financial liabilities 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.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES**  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

**F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)**

**(ii) Recognition and measurement (cont'd)**

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.

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.

Foreign exchange gains and losses on the financial instrument are recognised in statement of comprehensive income when settled or at date of the statement of financial position at which time they are included in the measurement of the financial instrument.

In accordance to the Deed, 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. Quoted investments outside Malaysia are valued at the last traded market price quoted on the respective foreign stock exchanges as 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 using 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.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### F 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.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### F 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 repay 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 banks and deposit with 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.

## **SUMMARY OF MATERIAL ACCOUNTING POLICIES**

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### **H 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.

### **I AMOUNT DUE FROM/(TO) BROKERS**

Amounts due from/(to) brokers represent receivables for quoted securities sold and payables for quoted securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection.

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 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 brokers, probability that the brokers 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, interest 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.

## **SUMMARY OF MATERIAL ACCOUNTING POLICIES**

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 DECEMBER 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 on 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 DECEMBER 2025

### 1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

KAF Millennium Fund (hereinafter referred to as "the Fund"), was constituted pursuant to the execution of a Master Deed dated 14 April 1999 as amended by the First Supplemental Deed dated 13 June 2000, Second Supplemental Deed dated 7 August 2000, Third Supplemental Deed dated 18 December 2000, Fourth Supplemental Deed dated 30 August 2007, Supplemental Master Deed dated 27 April 2011, Second Supplemental Master Deed dated 2 June 2011, Third Supplemental Master Deed dated 4 March 2013, Fourth Supplemental Master Deed dated 5 October 2020, Fifth Supplemental Master Deed dated 6 November 2020 and Sixth Supplemental Master Deed dated 25 November 2020 (collectively referred to as "the Deeds") made between the previous Manager, BOS Wealth Management Malaysia Berhad (the Manager prior to 1 December 2022) and the Trustee, CIMB Commerce Trustee Berhad for the registered unit holders of the Fund.

With issuance of the Seventh Supplemental Master Deed dated 8 August 2022 and following the retirement of the previous Manager effective from 1 December 2022, KAF Investment Funds Berhad took over the management of the Fund.

The principal activity of the Fund is to invest in "Permitted Investments" as defined in the Deeds, which include stocks and shares of companies quoted on Bursa Malaysia Securities Berhad, foreign securities, fixed income securities and money market instruments as approved by the SC Malaysia. The Fund commenced operations on 6 May 1999 and will continue its operations until terminated as provided in the Deeds.

All investments will be subject to the SC's Guidelines on Unit Trust Funds, 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 trusts funds and provision of fund management.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES (CONT'D)

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 RM	Financial assets at amortised cost RM	Total RM
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#### 2025

Cash and cash equivalents	-	1,326,953	1,326,953
Financial assets at fair value through profit or loss	27,205,772	-	27,205,772
Amount due from brokers	-	2,639,652	2,639,652
Dividend receivables	-	50,650	50,650
	<u>27,205,772</u>	<u>4,017,255</u>	<u>31,223,027</u>

#### 2024

Cash and cash equivalents	-	3,087,586	3,087,586
Financial assets at fair value through profit or loss	27,273,075	-	27,273,075
Amount due from brokers	-	146,616	146,616
Amount due from Manager - creation of units	-	4,986	4,986
Dividend receivables	-	37,825	37,825
	<u>27,273,075</u>	<u>3,277,013</u>	<u>30,550,088</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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, foreign currency 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 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 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 Deeds.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 December which are exposed to price risk:

	2025 RM	2024 RM
<b>Investments</b>		
Quoted foreign equities at fair value through profit or loss	1,198,674	-
Collective investment scheme at fair value through profit or loss	570,000	-
Quoted local equities at fair value through profit or loss	25,437,098	27,273,075
	<u>27,205,772</u>	<u>27,273,075</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

#### Market risk (cont'd)

##### (a) Price risk (cont'd)

The following table summarises the sensitivity of the Fund's investments to price risk movements as at 31 December. 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 fair value of the Fund's investments moves according to the historical volatility of the index. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on profit before tax/NAV RM
<b>2025</b>		
Quoted foreign equities at fair value through profit or loss	+/- 5	<u>59,934</u>
Collective investment scheme at fair value through profit or loss	+/- 5	<u>28,500</u>
Quoted local equities at fair value through profit or loss	+/- 5	<u>1,271,855</u>
<b>2024</b>		
Quoted local equities at fair value through profit or loss	+/- 5	<u>1,363,654</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

#### Market risk (cont'd)

#### (b) Foreign currency risk

The foreign quoted investments of the Fund are denominated in Hong Kong Dollar and Singapore Dollar. Foreign currency risk is the risk that the value of each financial instruments will fluctuate due to changes in foreign exchange rates. As such, the foreign currency risks may have a significant impact on the returns of the Fund. The Manager will evaluate the likely directions of the foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign currency risk concentrations and counterparties of the Fund.

#### Financial assets

Financial assets at fair value through profit or loss	Cash and cash equivalents	Total

#### 2025

#### Foreign currency

Hong Kong Dollar	-	1,043	1,043
Singapore Dollar	1,198,674	783,802	1,982,476
<b>Total</b>	<b>1,198,674</b>	<b>784,845</b>	<b>1,983,519</b>

#### 2024

#### Foreign currency

Hong Kong Dollar	-	1,151	1,151
Singapore Dollar	-	5,087	5,087
<b>Total</b>	<b>-</b>	<b>6,238</b>	<b>6,238</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

#### Market risk (cont'd)

#### (b) Foreign currency risk (cont'd)

The table below summarises the sensitivity of the Fund's profit before tax and NAV to changes in foreign exchange movements as at 31 December. The analysis is based on the assumption that the foreign exchange rate changes by 5% (2024: 5%) to Hong Kong Dollar and Singapore Dollar with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	2025		2024	
	Increase/(Decrease) in profit before tax/NAV		Increase/(Decrease) in profit before tax/NAV	
	+5% RM	-5% RM	+5% RM	-5% RM
<b>Foreign currency</b>				
Hong Kong Dollar	52	(52)	58	(58)
Singapore Dollar	99,124	(99,124)	254	(254)

#### (c) Interest rate risk

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

#### Market risk (cont'd)

#### (c) Interest rate risk (cont'd)

The Fund's exposure to the interest rate risk is mainly confined to short-term deposit with a licensed financial institution. 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 a licensed financial institution by way of maintaining deposit with a licensed financial institution on a short-term basis.

The effective weighted average interest rates per annum and the average remaining maturities of deposit with a licensed financial institution as at the date of the statement of financial position is as follows:

	Weighted average interest rates		Average remaining maturities	
	2025	2024	2025	2024
	%	%	Day(s)	Day(s)
Deposit with a licensed financial institution	2.65	3.20	2	2

#### 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 a licensed financial institution 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

#### Liquidity risk (cont'd)

The amounts in the table below are the contractual undiscounted cash flows.

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

#### As at 31 December 2025

Amount due to broker	1,109,508	-	1,109,508
Amount due to Manager			
- Manager's fee	40,799	-	40,799
- Cancellation of units	27,095	-	27,095
Amount due to Trustee	1,632	-	1,632
Other payables and accruals	-	15,209	15,209
<b>Contractual undiscounted cash outflows</b>	<b>1,179,034</b>	<b>15,209</b>	<b>1,194,243</b>

#### As at 31 December 2024

Amount due to broker	300,634	-	300,634
Amount due to Manager			
- Manager's fee	38,304	-	38,304
Amount due to Trustee	2,992	-	2,992
Other payables and accruals	-	17,534	17,534
<b>Contractual undiscounted cash outflows</b>	<b>341,930</b>	<b>17,534</b>	<b>359,464</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 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 deposit with a licensed financial institution 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:

	2025 RM	2024 RM
Cash and cash equivalents	1,326,953	3,087,586
Other assets*	2,690,302	189,427
	<u>4,017,255</u>	<u>3,277,013</u>

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

	Cash and cash equivalents RM	Other assets* RM	Total RM
--	---------------------------------------	------------------------	-------------

#### As at 31

#### December 2025

#### Financial services

- AAA 1,326,953 - 1,326,953

#### Others

- not rated - 2,690,302 2,690,302

	<u>1,326,953</u>	<u>2,690,302</u>	<u>4,017,255</u>
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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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)

	Cash and cash equivalents RM	Other assets* RM	Total RM
--	---------------------------------------	------------------------	-------------

#### As at 31

#### December 2024

#### Financial services

- AAA 23,890 - 23,890

- AA3 3,063,696 - 3,063,696

#### Others

- not rated - 189,427 189,427

	<u>3,087,586</u>	<u>189,427</u>	<u>3,277,013</u>
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\* Other assets comprises amount due from brokers, amount due from Manager - creation of units and 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 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, amount due from brokers, amount due from Manager - creation of units, 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 31 DECEMBER 2025

### 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 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	Level 2	Level 3	Total
	RM	RM	RM	RM
<b>As at 31 December 2025</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Quoted foreign equities	1,198,674	-	-	1,198,674
- Collective investment scheme	570,000	-	-	570,000
- Quoted local equities	25,437,098	-	-	25,437,098
	<u>27,205,772</u>	-	-	<u>27,205,772</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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

December  
2024

#### Financial assets at fair value through profit or loss

- Quoted local equities	27,273,075	-	- 27,273,075
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Investments whose values are based on quoted market prices in active markets, are therefore classified within Level 1, which include active listed equities and collective investment scheme. The Fund does not adjust the quoted prices for these instruments.

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

### 3. MANAGER'S FEE

Clause 12.1.2 of the Seventh Supplemental Master Deed dated 8 August 2022 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 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 the amounts recognised in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 4. TRUSTEE'S FEE

Clause 12.2.2 of the Seventh Supplemental Master Deed dated 8 August 2022 provides that the Trustee is entitled to an annual trustee fee at a rate not exceeding 0.08% 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 RM12,000 per annum.

The Trustee's fee provided in the financial statements is computed on this basis at a rate of 0.06% (2024: 0.06%) per annum or at the minimum of RM12,000 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.

### 5. TAXATION

	2025 RM	2024 RM
Current taxation		
- Malaysia taxation	-	-

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

	2025 RM	2024 RM
Net profit before taxation	4,380,055	735,173
Taxation at Malaysian statutory rate of 24% (2024: 24%)	1,051,213	176,442
Tax effects of:		
Investment income not subject to tax	(1,156,379)	(285,110)
Expenses not deductible for tax purposes	48,484	53,342
Restriction on tax deductible expenses for unit trust funds	56,682	55,326
Tax expense	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RM	2024 RM
Net gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	3,178,191	2,781,409
- unrealised gain/(loss) on fair value movement	1,193,931	(1,985,495)
	<u>4,372,122</u>	<u>795,914</u>
Financial assets at fair value through profit or loss:		
- Quoted foreign equities	1,198,674	-
- Collective investment scheme	570,000	-
- Quoted local equities	25,437,098	27,273,075
	<u>27,205,772</u>	<u>27,273,075</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted foreign equities as at 31 December 2025 are set out as follows:

Name of counter	Quantity Units	Aggregate cost RM	Fair value as at 31/12/2025 RM	Fair value as at 31/12/2025 expressed as percentage of NAV of Fund %
<b>QUOTED FOREIGN EQUITIES</b>				
<b>SINGAPORE</b>				
<b>Health Care</b>				
Riverstone Holdings Limited	230,000	611,187	632,028	2.10
<b>Industrials</b>				
Frencken Group Limited	130,000	598,569	566,646	1.89
<b>TOTAL QUOTED FOREIGN EQUITIES</b>				
	<u>360,000</u>	1,209,756	<u>1,198,674</u>	3.99
<b>UNREALISED LOSS ON QUOTED FOREIGN EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
			<u>(11,082)</u>	
<b>FAIR VALUE OF TOTAL QUOTED FOREIGN EQUITIES</b>				
			<u>1,198,674</u>	

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of collective investment scheme as at 31 December 2025 are set out as follows:

Name of Counter	Quantity	Aggregate cost	Fair value as at 31/12/2025 expressed as	
			as at 31/12/2025	percentage of NAV of Fund
	Units	RM	RM	%
<b>COLLECTIVE INVESTMENT SCHEME</b>				
<b>Real Estate Investment Trust (REIT)</b>				
Paradigm Real Estate Investment Trust	600,000	601,692	570,000	1.90
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<b>600,000</b>	<b>601,692</b>	<b>570,000</b>	<b>1.90</b>
<b>UNREALISED LOSS ON COLLECTIVE INVESTMENT SCHEME AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		(31,692)		
<b>FAIR VALUE OF TOTAL COLLECTIVE INVESTMENT SCHEME</b>				
		<b>570,000</b>		

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2025 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 31/12/2025 expressed as	
			as at 31/12/2025	percentage of NAV of Fund
	Units	RM	RM	%
<b>QUOTED LOCAL EQUITIES</b>				
<b>Construction</b>				
Gamuda Berhad	120,000	611,418	597,600	1.99
IJM Corporation Berhad	270,000	646,743	612,900	2.04
Kerjaya Prospek Group Berhad	100,000	211,385	266,000	0.89
Lim Seong Hai Capital Berhad	160,000	298,760	332,800	1.11
	<b>650,000</b>	<b>1,768,306</b>	<b>1,809,300</b>	<b>6.03</b>
<b>Consumer Products &amp; Services</b>				
Dutch Lady Milk Industries Berhad	70,000	1,936,959	2,170,000	7.22
Heineken Malaysia Berhad	14,000	288,569	321,440	1.07
Hong Leong Industries Berhad	90,000	1,201,739	1,510,200	5.03

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value	
			as at 31/12/2025	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED LOCAL EQUITIES

##### Consumer Products & Services

Mr D.I.Y. Group (M) Berhad	180,000	313,896	275,400	0.92
Oriental Kopi Holdings Berhad	500,000	560,000	700,000	2.33
	<u>854,000</u>	<u>4,301,163</u>	<u>4,977,040</u>	<u>16.57</u>

##### Energy

Bumi Armada Berhad	2,000,000	796,380	590,000	1.96
Dayang Enterprise Holdings Berhad	360,000	694,607	608,400	2.03
Yinson Holdings Berhad	130,000	305,045	306,800	1.02
	<u>2,490,000</u>	<u>1,796,032</u>	<u>1,505,200</u>	<u>5.01</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value	
			as at 31/12/2025	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED LOCAL EQUITIES

##### Financial Services

AEON Credit Service (M) Berhad	100,000	614,868	574,000	1.91
Affin Bank Berhad	130,000	306,096	305,500	1.02
Allianz Malaysia Berhad - ICPS	38,000	675,764	769,880	2.56
Bank Islam Malaysia Berhad	130,000	293,453	297,700	0.99
CIMB Group Holdings Berhad	40,000	275,586	330,000	1.10
Malayan Banking Berhad	230,000	2,294,293	2,410,400	8.02
RHB Bank Berhad	160,000	1,003,207	1,233,600	4.11
Syarikat Takaful Malaysia Keluarga Berhad	240,000	811,438	744,000	2.48
	<u>1,068,000</u>	<u>6,274,705</u>	<u>6,665,080</u>	<u>22.19</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/12/2025 expressed as percentage of NAV of Fund	
			as at 31/12/2025	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED LOCAL EQUITIES

##### Health Care

Alpha IVF Group Berhad	2,950,000	958,335	870,250	2.90
IHH Healthcare Berhad	38,800	308,072	339,500	1.13
	<u>2,988,800</u>	<u>1,266,407</u>	<u>1,209,750</u>	<u>4.03</u>

##### Industrial Products & Services

Malayan Cement Berhad	170,000	864,094	1,302,200	4.33
Nationgate Holdings Berhad	310,000	291,617	275,900	0.92
	<u>480,000</u>	<u>1,155,711</u>	<u>1,578,100</u>	<u>5.25</u>

##### Property

Eastern & Oriental Berhad	840,000	755,212	617,400	2.06
Matrix Concepts Holdings Berhad	220,000	292,045	286,000	0.95
SP Setia Berhad	820,000	633,368	598,600	1.99
	<u>1,880,000</u>	<u>1,680,625</u>	<u>1,502,000</u>	<u>5.00</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/12/2025 expressed as percentage of NAV of Fund	
			as at 31/12/2025	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED LOCAL EQUITIES

##### Technology

CTOS Digital Berhad	380,000	302,586	305,900	1.02
Malaysian Pacific Industries Berhad	10,000	239,864	322,400	1.07
Mi Technovation Berhad	500,000	975,869	1,440,000	4.80
	<u>890,000</u>	<u>1,518,319</u>	<u>2,068,300</u>	<u>6.89</u>

##### Telecommunications & Media

Telekom Malaysia Berhad	40,000	270,498	322,000	1.07
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##### Transportation & Logistics

MIISC Berhad	120,000	933,623	936,000	3.12
Westports Holdings Berhad	115,199	566,974	653,178	2.17
	<u>235,199</u>	<u>1,500,597</u>	<u>1,589,178</u>	<u>5.29</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/12/2025		percentage of NAV of Fund
			as at 31/12/2025	expressed as at 31/12/2025	
	Units	RM	RM		%
<b>QUOTED LOCAL EQUITIES</b>					
<b>Utilities</b>					
Gas Malaysia Berhad	70,000	303,863	305,900		1.02
Petronas Gas Berhad	22,500	411,122	408,150		1.36
Ranhill Utilities Berhad	620,000	935,720	1,054,000		3.51
Tenaga Nasional Berhad	30,000	404,043	411,600		1.37
	<u>742,500</u>	<u>2,054,748</u>	<u>2,179,650</u>		<u>7.26</u>
<b>Warrants</b>					
Frontken Corporation Berhad - WB 03/05/2026	140,000	61,068	31,500		0.10

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/12/2025		percentage of NAV of Fund
			as at 31/12/2025	expressed as at 31/12/2025	
	Units	RM	RM		%
<b>TOTAL QUOTED LOCAL EQUITIES</b>					
	<u>12,458,499</u>	<u>23,648,179</u>	<u>25,437,098</u>		<u>84.69</u>
<b>UNREALISED GAIN ON QUOTED LOCAL EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>					
			<u>1,788,919</u>		
<b>FAIR VALUE OF TOTAL QUOTED LOCAL EQUITIES</b>					
			<u>25,437,098</u>		

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2024 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value		percentage of NAV of Fund
			as at 31/12/2024	as at 31/12/2024 expressed as	
	Units	RM	RM		%
<b>QUOTED LOCAL EQUITIES</b>					
<b>Construction</b>					
Gamuda Berhad	180,000	393,834	853,200		2.83
<b>Consumer Products &amp; Services</b>					
DXN Holdings Berhad	250,000	127,500	128,750		0.43
<b>Energy</b>					
Bumi Armada Berhad	3,000,000	1,557,931	1,965,000		6.51
Dayang Enterprise Holdings Berhad	133,000	292,440	277,970		0.92
Dialog Group Berhad	260,000	566,696	481,000		1.59
	<u>3,393,000</u>	<u>2,417,067</u>	<u>2,723,970</u>		<u>9.02</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value		percentage of NAV of Fund
			as at 31/12/2024	as at 31/12/2024 expressed as	
	Units	RM	RM		%
<b>QUOTED LOCAL EQUITIES</b>					
<b>Financial Services</b>					
AEON Credit Service (M) Berhad	100,000	619,810	626,000		2.07
AMMB Holdings Berhad	120,000	585,456	657,600		2.18
Bank Islam Malaysia Berhad	220,000	598,249	543,400		1.80
CIMB Group Holdings Berhad	111,000	908,702	910,200		3.01
LPI Capital Berhad	60,000	755,473	753,600		2.50
Malayan Banking Berhad	90,000	913,995	921,600		3.05
MBSB Berhad	400,000	302,000	296,000		0.98
Public Bank Berhad	330,000	1,485,578	1,504,800		4.98
RHB Bank Berhad	230,000	1,431,651	1,490,400		4.94
	<u>1,661,000</u>	<u>7,600,914</u>	<u>7,703,600</u>		<u>25.51</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/12/2024 expressed as	
			as at 31/12/2024	percentage of NAV of Fund
	Units	RM	RM	%
<b>QUOTED LOCAL EQUITIES</b>				
<b>Industrial Products &amp; Services</b>				
P.I.E. Industrial Berhad	15,000	83,227	91,350	0.30
Petronas Chemicals Group Berhad	60,000	296,802	310,200	1.03
Petronas Gas Berhad	33,000	589,499	583,440	1.93
Press Metal Aluminium Holdings Berhad	120,000	605,820	588,000	1.95
SKP Resources Berhad	520,000	675,901	618,800	2.05
	<u>748,000</u>	<u>2,251,249</u>	<u>2,191,790</u>	<u>7.26</u>
<b>Plantation</b>				
Johor Plantations Group Berhad	329,800	382,143	445,230	1.47
SD Guthrie Berhad	125,000	587,712	618,750	2.05
	<u>454,800</u>	<u>969,855</u>	<u>1,063,980</u>	<u>3.52</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/12/2024 expressed as	
			as at 31/12/2024	percentage of NAV of Fund
	Units	RM	RM	%
<b>QUOTED LOCAL EQUITIES</b>				
<b>Property</b>				
Eastern & Oriental Berhad	1,559,000	1,459,656	1,488,845	4.93
KSL Holdings Berhad	360,000	653,292	622,800	2.06
OSK Holdings Berhad	735,000	1,197,778	1,308,300	4.34
	<u>2,654,000</u>	<u>3,310,726</u>	<u>3,419,945</u>	<u>11.33</u>
<b>Technology</b>				
Malaysian Pacific Industries Berhad	23,000	601,595	595,700	1.97
Mi Technovation Berhad	560,000	1,090,904	1,265,600	4.19
SFP Tech Holdings Berhad	335,000	244,954	244,550	0.81
	<u>918,000</u>	<u>1,937,453</u>	<u>2,105,850</u>	<u>6.97</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/12/2024 expressed as	
			as at 31/12/2024	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED LOCAL EQUITIES

##### Telecommunications & Media

Axiata Group Berhad	250,000	594,195	622,500	2.06
Telekom Malaysia Berhad	110,000	722,513	731,500	2.42
	<u>360,000</u>	<u>1,316,708</u>	<u>1,354,000</u>	<u>4.48</u>

##### Transportation & Logistics

Magnum Berhad	500,000	588,000	630,000	2.09
Malakoff Corporation Berhad	600,000	508,322	507,000	1.68
Malaysia Airports Holdings Berhad	100,000	917,510	1,058,000	3.50
Westports Holdings Berhad	140,000	602,154	652,400	2.16
	<u>1,340,000</u>	<u>2,615,986</u>	<u>2,847,400</u>	<u>9.43</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/12/2024 expressed as	
			as at 31/12/2024	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED LOCAL EQUITIES

##### Utilities

Gas Malaysia Berhad	360,000	1,365,954	1,544,400	5.11
Tenaga Nasional Berhad	86,000	1,232,277	1,284,840	4.26
	<u>446,000</u>	<u>2,598,231</u>	<u>2,829,240</u>	<u>9.37</u>

##### Warrants

Frontken Corporation Berhad - WB 03/05/2026	130,000	54,288	51,350	0.17
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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

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

Details of quoted local equities as at 31 December 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/12/2024 expressed as	
			Fair value as at 31/12/2024	percentage of NAV of Fund
	Units	RM	RM	%
<b>TOTAL QUOTED LOCAL EQUITIES</b>	<u>12,534,800</u>	25,593,811	<u>27,273,075</u>	90.32
<b>UNREALISED GAIN ON QUOTED LOCAL EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>1,679,264</u>		
<b>FAIR VALUE OF TOTAL QUOTED LOCAL EQUITIES</b>			<u>27,273,075</u>	

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 7. CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Cash at banks	902,264	23,890
Deposit with a licensed financial institution*	424,689	3,063,696
	<u>1,326,953</u>	<u>3,087,586</u>

\* A total of Nil (2024: RM3,063,696) 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 deposit with a licensed financial institution are shown in Note 2(c) to the financial statements.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 9. OTHER PAYABLES AND ACCRUALS

	2025 RM	2024 RM
Audit and tax agent's fees	13,209	14,634
Sundry accruals	2,000	2,900
	<u>15,209</u>	<u>17,534</u>

### 10. NUMBER OF UNITS IN CIRCULATION

	2025 Number of units	2024 Number of units
At the beginning of the financial period	61,798,021	64,435,511
Creation of units arising from applications	1,340,000	680,000
Cancellation of units	(7,710,000)	(4,680,000)
At the end of the financial period	<u>55,428,021</u>	<u>60,435,511</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 11. TRANSACTIONS WITH BROKERS

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

Name of brokers	Value of trades RM	Percentage of total trades	Brokerage fees RM	Percentage of total brokerage
		%		%

#### 2025

Public				
Investment				
Bank Berhad	6,801,034	12.61	15,302	14.05
CGS				
International				
Securities				
Malaysia Sdn				
Bhd	5,965,746	11.06	11,932	10.96
UOB Kay Hian				
(M) Sdn Bhd	5,869,492	10.88	11,748	10.79
Phillip Capital				
Sdn Bhd	4,947,038	9.17	9,899	9.09
Hong Leong				
Investment				
Bank Berhad	4,910,106	9.11	9,093	8.35
RHB				
Investment				
Bank Berhad	4,817,804	8.93	10,840	9.95
Affin Hwang				
Investment				
Bank Berhad	4,351,849	8.07	5,970	5.48
Maybank				
Investment				
Bank Berhad	4,203,262	7.80	10,087	9.26
UBS Securities				
Malaysia Sdn				
Bhd	3,399,052	6.30	6,396	5.87
MBSB				
Investment				
Bank Berhad	3,380,956	6.27	6,762	6.21
Others	5,282,090	9.80	10,873	9.99
	<u>53,928,429</u>	<u>100.00</u>	<u>108,902</u>	<u>100.00</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 11. TRANSACTIONS WITH BROKERS (CONT'D)

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

Name of brokers	Percentage of total trades		Percentage of total Brokerage fees	
	Value of trades RM	%	RM	%
<b>2024</b>				
CGS International Securities Malaysia Sdn Bhd	8,731,561	13.12	17,463	14.14
RHB Investment Bank Berhad	8,680,363	13.05	13,804	11.18
Public Investment Bank Berhad	8,591,329	12.91	19,331	15.66
Affin Hwang Investment Bank Berhad	8,018,880	12.05	11,619	9.41
Maybank Investment Bank Berhad	6,792,378	10.21	11,862	9.61
UBS Securities Malaysia Sdn Bhd	6,512,148	9.79	11,773	9.54
Hong Leong Investment Bank Berhad	5,540,073	8.33	10,249	8.30
MIDF Amanah Investment Bank Berhad	5,161,283	7.76	10,323	8.36
Phillip Capital Sdn Bhd	4,446,640	6.68	8,893	7.20
UOB Kay Hian Securities (M) Sdn Bhd	4,055,214	6.10	8,147	6.60
	<b>66,529,869</b>	<b>100.00</b>	<b>123,464</b>	<b>100.00</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 12. 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

	2025		2024	
	No. of units	RM	No. of units	RM
KAF Investment Funds Berhad	6,627	3,591	9,555	4,774

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 DECEMBER 2025

**13. TOTAL EXPENSE RATIO (“TER”)**

	2025	2024
TER (“annualised”)	1.71%	1.62%

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 RM29,222,981 (2024: RM29,968,802).

**14. PORTFOLIO TURNOVER RATIO (“PTR”)**

	2025	2024
PTR	0.93 times	1.06 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  
= RM27,445,548 (2024: RM32,194,004)  
Total disposal for the financial period  
= RM26,840,067 (2024: RM31,594,852)

**15. SEMI-ANNUAL ACCOUNTS**

The semi-annual accounts for the financial period ended 31 December 2025 is unaudited.

**CORPORATE INFORMATION**

**Manager**

KAF Investment Funds Berhad  
Reg. No: 199501004999

**Registered Office**

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

**Business Office**

Level 13, Menara IQ  
Lingkar 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**

CIMB Commerce Trustee Berhad

**Auditor & Reporting Accountant**

PricewaterhouseCoopers PLT

**Tax Adviser**

Ernst & Young Tax Consultants Sdn Bhd

**Banker**

CIMB Bank Berhad

**KAF Investment Funds Berhad** Reg. No: 199501004999  
Level 13, Menara IQ,  
Lingkar 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](http://www.kaf.com.my)