

KAF DANA AL-IDDHIKHAR (KDAI)

JANUARY 2026

The fund aims to seek to provide a regular stream of income by investing primarily in Islamic money market instruments and other fixed income securities, which comply with Shariah requirements.

THE FUND IS SUITABLE FOR INVESTORS WHO:

- Conservative in nature in terms of Shariah-compliant investment;
- Prefer a consistent, reasonable and stable level of return on Shariah-compliant investment;
- Prefer a lower level of investment risk; and
- Have a short-term investment horizon.

MANAGER'S COMMENTS

Malaysia's exports grew by 7.0% while imports increased by 15.8% Year-on-Year (YoY) in November 2025 (November). The trade surplus decreased to Malaysian Ringgit (MYR) 6.1 billion (bn) in November; down from MYR19.0bn in the previous month (October). Malaysia's Consumer Price Index (CPI) was higher at 1.40% YoY in November compared to 1.30% in October 2025 (October). Malaysian foreign reserves increased in December 2025 (December) to United States Dollar (USD) 124.3bn from USD123.1bn in November. Meanwhile, Malaysia's Purchasing Managers' Index (PMI) was flat at 50.1 in December compared to 50.1 in the previous month. US Treasury yields were higher in December with the Treasury 2-year, 5-year and 10-year benchmark yield closing the month at 3.47%, 3.73% and 4.17% respectively compared to 3.49%, 3.60% and 4.01% in November. Malaysian Government Securities (MGS) 3-year, 5-year yield and 10-year yield were flat, ending at 3.00%, 3.26% and 3.49% in December compared to 3.02%, 3.25% and 3.44% in the previous month.

The tumultuous 2025 ended on a relatively quiet note with most global fixed income markets trading in narrow ranges despite an avalanche of US economic data releases throughout December as exhausted investors crawled to the finish line marking the end of a volatile year. As 2026 rolls in, the only thing that is certain is that uncertainty is still very high. The year 2025 was a year of upheaval and possibly the beginning of a new normal in which financial markets have become even less predictable and more volatile than before. The US economy continues to chug along after printing a strong preliminary Third Quarter (3Q) Gross Domestic Product (GDP) at 4.3% and inflation making a sharp drop to 2.7% during the December data releases. The US labour market has been giving mixed signals as Unemployment rose but Payrolls expanded. Furthermore, US Federal Reserve (the Fed) Chairman Jerome Powell's term will end in May 2026 (May) and US President Donald Trump has expressly mentioned that a dovish candidate will take on the role of new Chairman. All things being considered, market participants expect the Fed to cut the Fed Funds rate down to 3.25% from the current 3.75% in the second half of 2026 after Jerome Powell steps down. However, the rate cuts are not set in stone as the Federal Open Market Committee (FOMC) is fiercely divided between the hawks and doves with no certainty that the new Chairman will be able to steer the committee in any clear direction. In Malaysia, the local economy remains on firm footing while inflation continues to stay low. For the first time since May 2023, Bank Negara Malaysia (BNM) cut the Overnight Policy Rate (OPR) by 25 basis points in July 2025 (July) to sustain growth and has held rates at 2.75% for the past 6 months. Peering into 2026, the bar for further rate cuts is currently quite high given the stable local economy. However, there is possibility that BNM may bring the OPR down further in the event of an external shock such as a recession in the US or China. For now, the Malaysian bond market remains healthy with the last government auction for 2025 being the 10-year MGS 07/2035 minted a Bid-to-Cover ratio of 1.924x which was decent given the quiet year end. In 2026, the primary challenge for Malaysian Fixed Income will be generating a solid return amid the low yield environment. We have positioned the portfolio to mitigate the risks amid high uncertainty going into the new year. We also continue to look for opportunities to buy quality assets at attractive prices while maintaining our conservative stance of medium portfolio duration and an emphasis on high credit quality.

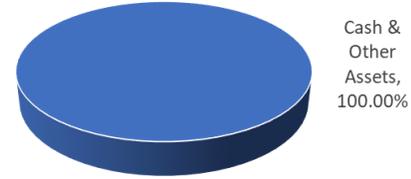
INVESTMENT STRATEGY

The fund seeks to achieve its objective by investing primarily in Islamic money market instruments and other Sukuk. The Manager will decide which instrument or security to buy based primarily on their yield, relative to their credit quality and the period to maturity. The fund will at all times place/invest its cash in Islamic money market deposits/instruments and Sukuk (listed or unlisted), which are rated by RAM, MARC or other approved rating agencies.

FUND DETAILS AS AT 31 DECEMBER 2025

Manager	KAF Investment Funds Bhd.
Trustee	CIMB Islamic Trustee Bhd.
Fund Category	Islamic Money Market Fund.
Fund Type	Income Fund.
Launch Date	6 October 2005
Unit net asset value (NAV)	RM0.5317
Fund size	RM3.134mil
Units in Circulation	5.895mil
Financial Year End	30 September.
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM1,000.00
Benchmark	Malayan Banking Berhad ("Maybank") one (1) month General Investment Account ("GIA") rate.
Sales Charge	None.
Repurchase Charge	None.
Annual management fee	0.375% per annum of NAV.
Annual trustee fee	0.025% of NAV per annum subject to a minimum trustee fee of RM 12,000.
Redemption payment period	Within 7 days after receipt of the request to repurchase.
Distribution policy	Income, if any, will be distributed on a monthly basis. All such distribution will be reinvested into the fund.

SECTOR ALLOCATION* AS AT 31 DECEMBER 2025



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

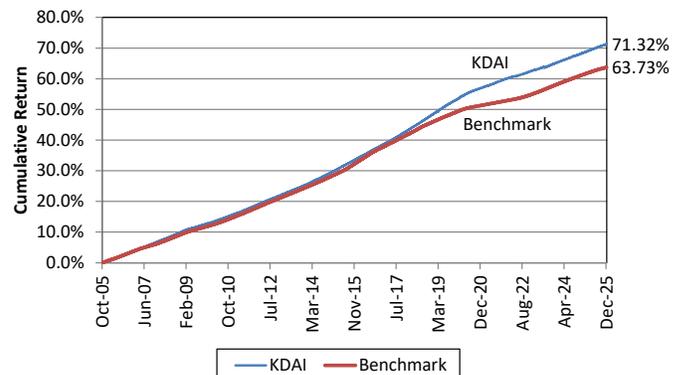
Source: KAF Investment Funds Berhad.

Distribution History

Month (2025)	Distribution (sen)
January	0.01
February	0.01
March	0.01
April	0.01
May	0.01
June	0.01
July	0.01
August	0.01
September	0.01
October	0.01
November	0.01
December	0.01

FUND PERFORMANCE ANALYSIS AS AT 31 DECEMBER 2025

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



%	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
KDAI	0.17	0.43	0.89	1.82	5.39	9.07
Benchmark	0.11	0.33	0.70	1.58	5.68	8.18

Source: Novagni Analytics & Advisory Sdn Bhd

LARGEST HOLDINGS* AS AT 31 DECEMBER 2025

Cash & other assets 100.00%

*as percentage of Net Asset Value.

Disclaimer:

Based on the Malaysian Fund Volatility Report issued by Refinitiv Lipper dated 12 January 2026, the Volatility Factor (VF) for this fund is 0.13 and is classified as "Very Low". "Very Low" includes funds with VF that are between 0 to 4.215. 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 and credit/default 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.