



KAF ISLAMIC DIVIDEND INCOME FUND

SEMI-ANNUAL REPORT

31 JULY 2026

MANAGER'S REPORT

We are pleased to present the Manager's semi-annual report for the financial period ended 31 July 2026 ("the period").

1. Launch Date

KAF Islamic Dividend Income Fund ("KIDIF/the Fund") was launched on 15 January 2016 and commenced operations on 5 February 2016. The Fund will continue its operations until terminated according to the Deed dated 25 May 2015 and First Supplemental Deed dated 9 January 2023.

2. Type of Fund

Income Fund.

3. Category of Fund

Equity Fund (Islamic).

4. Fund's Objective, Benchmark and Distribution Policy

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

KIDIF will invest at least 70% of its Net Asset Value ("NAV") in Shariah-compliant equities listed on Bursa Malaysia. The Fund will focus its investments in Shariah-compliant equities with dividend yield that are able to generate income for the Fund. The Fund's portfolio may also include sukuk, Islamic money market instruments, Islamic collective investment scheme and Islamic deposit.

The benchmark of the Fund is the FTSE Bursa Malaysia EMAS Shariah Index ("FBMS Index").

The Fund will distribute income on a half yearly basis, subject to the availability of income and/or realised gains.

5. Review of Fund Operations and Performance

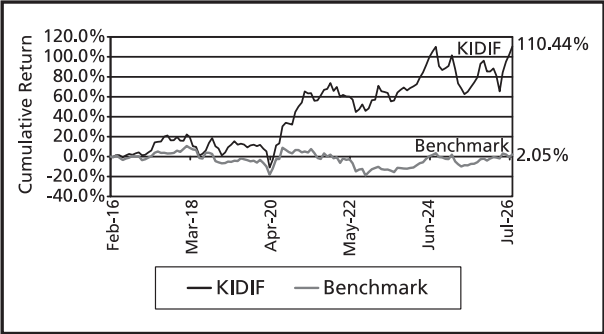
The Fund outperformed the benchmark by 9.10% during the period of review with a total return of 11.71% compared to the benchmark of 2.61%. This outperformance was largely driven by our tactical overweight position in technology, industrial and power infrastructure sector, of which outperformed the broader market.

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Since its commencement, based on its NAV, KIDIF has registered a return of 110.44% compared to its benchmark, the composite FBMS Index which recorded a return of 2.05%. As such, the Fund outperformed its benchmark by 108.39%.

No cross-trade transaction carried out during the reported period ended 31 July 2026. The Fund has not undertaken any securities lending or repurchase transaction for the reported period.

Performance Chart since Commencement
(5 February 2016 - 31 July 2026)



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

KIDIF’s Performance against the Benchmark and Indices of Bursa Malaysia

Fund/Index	31/01/2026	31/07/2026	% Change
KIDIF (RM)	0.6959	0.7774*	11.71
FBM EMAS Shariah Index (benchmark)	12,275.32	12,596.29	2.61
FBM-KLCI	1,740.88	1,724.90	(0.92)
FBM EMAS Index	12,745.99	12,751.79	0.05

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

*Note: NAV per unit adjusted for income distribution.

MANAGER’S REPORT

We are pleased to declare an interim gross/net distribution of 1.00 sen per unit declared on 15 July 2026, represents a yield of 1.30% based on the Fund’s closing NAV per unit of RM0.7696 on 15 July 2026. The impact on NAV per unit arising from the distribution is as follows:

	RM/Unit as at 15 July 2026
NAV before distribution	0.7696
Less: Distribution of 1.00 sen net	(0.0100)
NAV after distribution	0.7596

During the period under review, KIDIF was ranked No. 1 out of 14 in the Edge-Lipper Fund Performance in the 6-month Equity Malaysia Income Islamic Fund category by Lipper Asia Limited, based on The Edge, 3 August 2026 issue.

Fund Performance as ranked by Lipper Asia Limited

Period	KIDIF		Average of Industry’s Equity Malaysia Income Islamic Funds
	% Change	Rank	% Change
3 months 24/04/2026 - 24/07/2026	12.54	1/14	1.57
6 months 23/01/2026 - 24/07/2026	8.98	1/14	2.36
1 year 24/07/2025 - 24/07/2026	19.39	2/14	8.66
3 years 24/07/2023 - 24/07/2026	27.64	6/11	25.57
5 years 23/07/2021 - 24/07/2026	28.49	4/11	27.49

Source: The Edge, 3 August 2026 issue, The Edge-Lipper Fund Performance Table, an independent source.

Past performance is not necessarily indicative of future performance.

MANAGER'S REPORT

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During the financial period under review, KIDIF realised a net gain of RM1.53 million from disposal of Shariah-compliant equities. In addition, the Fund earned approximately RM1.25 million from dividend income and Islamic deposits. As at end of financial period, KIDIF's unrealised gain stood at RM13.48 million.

KIDIF's NAV increased to RM129.02 million on 31 July 2026 from RM117.05 million on 31 January 2026 as a result of appreciation in the value of Shariah-compliant investments. The NAV per unit increased to RM0.7774 (adjusted for income distribution) as at 31 July 2026 from RM0.6959 on 31 January 2026 due to positive return recorded during the financial period under review.

6. Asset Allocation and Investment Strategies

During the period, the designated Fund Manager did not employ any other investment strategy other than the investment strategy stated in the Replacement Master Prospectus dated 30 September 2023.

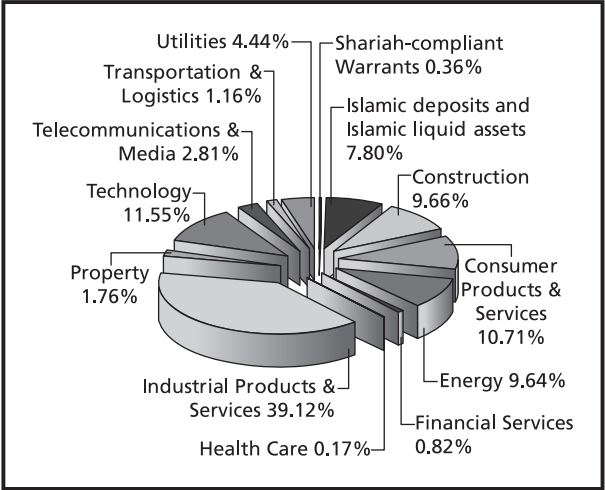
There were no significant changes in the Fund's state of affairs during the period.

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

Asset Allocation

Asset Class	Percentage of NAV as at		Change in Exposure over period (%)
	31/01/2026 (%)	31/07/2026 (%)	
Shariah-compliant equities	94.09	92.20	(1.89)
Islamic deposits and Islamic liquid assets	5.91	7.80	1.89

Portfolio of Investment and Other Assets as at 31 July 2026



7. Review of the Market

During the review period, global and regional equity markets generally delivered positive returns. The MSCI Asia Pacific and MSCI ASEAN indices rose by 14.08% and 6.43%, respectively, while the MSCI World gained 10.85%. Within the small-cap segment, the MSCI World Small Cap and MSCI Asia Pacific Small Cap advanced by 10.60% and 6.34%, respectively, while the MSCI ASEAN Small Cap declined by 1.35%. United States ("US") equities also performed strongly, with the Dow Jones Industrial Average, S&P 500 and NASDAQ gaining 11.13%, 11.74% and 11.96%, respectively. In comparison, the Malaysian equity market was relatively subdued, with the FBM-KLCI declining by 0.92% and the FBM Small Cap falling by 1.88%, while the FBM EMAS was broadly flat, edging up by 0.05% over the same period.

Meanwhile, global bond markets came under pressure as renewed tensions in the Middle East triggered a sharp rise in crude oil prices. Concerns over a potentially prolonged conflict, supply chain disruptions and renewed inflationary pressures raised expectations for interest rates to remain higher for longer, prompting a sell-off across bond markets. Although the US Federal Reserve ("the Fed") kept interest rates unchanged at its July Federal Open Market Committee ("FOMC") meeting, the sell-off was further compounded by Fed Chairman Kevin Warsh's hawkish stance amid persistent US inflation. Market participants subsequently priced in a

MANAGER'S REPORT

25 basis point ("bp") rate hike in September, which would bring the Fed Funds Rate to 4.00%.

In line with the broader sell-off in global bond markets, Malaysian Government Securities ("MGS") yields moved higher in July. The 3-year, 5-year and 10-year MGS yields ended July at 3.30%, 3.49% and 3.70%, respectively, compared with 3.26%, 3.40% and 3.60% in June. Similarly, US Treasury yields rose across the curve, with the 2-year, 5-year and 10-year benchmark yields closing July at 4.29%, 4.45% and 4.73%, respectively, from 4.17%, 4.23% and 4.47% in the previous month. Meanwhile, the Malaysian Ringgit ("MYR") depreciated marginally by 0.05% against the US Dollar, ending July at RM4.0860 per US Dollar.

Malaysia's Gross Domestic Product ("GDP") expanded by 6.0% Year-on-Year ("YoY") in the second quarter of 2026, accelerating from the 5.4% growth recorded in the previous quarter. Growth remained supported by resilient domestic demand, underpinned by continued household spending and investment activity. Private consumption grew by 4.8% YoY, while gross fixed capital formation expanded by 4.6% YoY during the quarter. Meanwhile, exports of goods and services accelerated sharply to 17.0% YoY in 2Q26 from 5.2% YoY in the first quarter, supported by continued strength in electrical and electronics ("E&E") products and services exports, alongside a recovery in LNG and non-E&E manufactured exports.

8. Market Outlook and Strategy

Global financial markets remained resilient during the period despite heightened geopolitical and policy uncertainties. Sentiment was supported by resilient economic growth, healthy corporate earnings and sustained investments in Artificial Intelligence ("AI") infrastructure. Global trade also remained robust despite higher tariffs, as supply chain diversification continued to redirect trade and investment flows towards alternative manufacturing hubs.

Market volatility intensified following escalating tensions in the Middle East, which drove crude oil prices higher and renewed concerns over inflation and interest rates. While the Fed kept interest rates unchanged in July, persistent inflation and a more hawkish policy stance raised expectations for interest rates to remain higher for longer. Malaysia, meanwhile, remained supported by resilient domestic demand, strong external trade and continued investments in the E&E, data centre and infrastructure sectors.

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Despite the heightened volatility, the portfolio remained relatively resilient through its exposure to fundamentally strong companies with healthy balance sheets and sustainable earnings growth. The portfolio continued to benefit from structural growth themes across technology, industrials and power infrastructure, supported by sustained investments in AI, advanced packaging, semiconductors, data centres and grid infrastructure.

Looking ahead, we remain cautiously optimistic and will maintain our disciplined bottom-up approach, focusing on companies with strong earnings visibility, resilient cash flows and attractive valuations. Market volatility will continue to provide opportunities to accumulate fundamentally strong companies with sustainable long-term growth prospects.

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 KIDIF from one broker/dealer by virtue of transactions conducted for KIDIF. 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 KIDIF and other funds or investments managed by the Manager.

The soft commissions received were for the benefit of the Fund, and there was no churning of trades.

11. Other Information

The designated fund manager is Encik Syed Hazeed Al Qadry bin Sayed Hazmie. His profile is available on the website, www.kaf.com.my.

KEY PERFORMANCE DATA

Portfolio Composition	As at 31 July		
	2026	2025	2024
	(Percentage of NAV)		
	%	%	%
Quoted Shariah-compliant equities			
Construction	9.66	15.05	7.53
Consumer Products & Services	10.71	7.91	6.75
Energy	9.64	9.37	11.32
Financial Services	0.82	-	1.11
Health Care	0.17	-	0.78
Industrial Products & Services	39.12	29.30	23.80
Property	1.76	3.93	1.93
Shariah-compliant Warrants	0.36	0.32	-
Technology	11.55	13.81	24.45
Telecommunications & Media	2.81	4.47	5.17
Transportation & Logistics	1.16	2.62	0.58
Utilities	4.44	4.44	2.24
Total Quoted Shariah-compliant equities	92.20	91.22	85.66
Islamic collective investment schemes	-	-	1.84
Islamic deposits and Islamic liquid assets	7.80	8.78	12.50
Total	100.00	100.00	100.00
Total return for the year	RM'000	RM'000	RM'000
Capital growth	11,007	(167)	12,728
Income distribution	1,553	(8,264)	1,341

KEY PERFORMANCE DATA

Performance	Income Return	Capital Return	Annual Total Return	
	%	%	KIDIF %	Benchmark %
Financial year ended				
31/01/2026	0.69	(0.34)	0.35	4.59
31/01/2025	1.94	6.69	8.76	4.07
31/01/2024	3.94	(2.88)	0.95	1.82
31/01/2023	5.91	0.94	6.91	(4.26)
31/01/2022	5.20	(1.39)	3.74	(10.11)
			Average Total Return	
			KIDIF %	Benchmark %
One (1) year			20.75	9.90
Three (3) years			9.37	5.00
Five (5) years			6.09	0.91

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:

$$\begin{aligned} \text{Capital return} &= \text{NAV per Unit end} / \text{NAV per Unit begin} - 1 \\ \text{Income return} &= \text{Income distribution per Unit} / \text{NAV per Unit ex-date} \\ \text{Total return} &= (1 + \text{Capital return}) \times (1 + \text{Income return}) - 1 \end{aligned}$$

KEY PERFORMANCE DATA

NAV and Units in Circulation	As at 31 July		
	2026	2025	2024
Total NAV (RM'000)	129,018	117,187	119,929
Units in circulation (in '000)	168,149	180,758	152,401
NAV per unit (RM)	0.7673	0.6483	0.7869
Unit Prices for the year (RM per unit)			
NAV (year high)	0.7764	0.7113	0.8232
NAV (year low)	0.6110	0.5276	0.6492
NAV (year high, ex-distribution)	0.7596	-	0.8132
NAV (year low, ex-distribution)	0.7596	-	0.8132
NAV	0.7673	0.6483	0.7869
Distribution			
Interim - gross/net (sen per unit)	1.00	-	1.00
Payment date	15/07/2026	-	15/07/2024
Unit split	Nil	Nil	Nil
Total Expense Ratio ("TER")	1.72%	1.59%	1.60%
Portfolio Turnover Ratio ("PTR")	0.34 times	0.43 times	0.37 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 an overall increase in the Fund's expenses during the period under review (refer to Note 16).

PTR was lower than the previous periods due to decrease in the portfolio rebalancing activities undertaken by the Fund during the period under review (refer to Note 17).

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

SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF
KAF ISLAMIC DIVIDEND INCOME FUND ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, **KAF Investment Funds Berhad** has operated and managed the Fund for the period covered by these financial statements namely, the semi-annual period ended 31 July 2026, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

MUHAMMAD SHAHIER SA'MIN
Designated Shariah Person

Kuala Lumpur, Malaysia
25 September 2026

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF
KAF ISLAMIC DIVIDEND INCOME FUND ("Fund"),

We have acted as Trustee of the Fund for the financial period ended 31 July 2026 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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For **Maybank Trustees Berhad**
[Registration No. : 196301000109 (5004-P)]

NORHAZLIANA BINTI MOHAMMED HASHIM
Head, Unit Trust & Corporate Operations

25 September 2026

STATEMENT BY THE MANAGER

TO THE UNIT HOLDERS OF
KAF ISLAMIC DIVIDEND INCOME 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 72 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 July 2026 and of its financial performance, changes in equity and cash flows of the Fund for the financial period ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
KAF Investment Funds Berhad

Datuk Khatijah Ahmad Director	Mohammed Reza Tan Sri Abu Talib Executive Director
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Kuala Lumpur, Malaysia
25 September 2026

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

	Note	2026 RM	2025 RM
INCOME			
Dividend income		1,139,614	1,033,858
Profit income from financial assets at amortised cost		109,076	155,603
Net gain/(loss) on financial assets at fair value through profit or loss	6	12,535,694	(8,469,216)
		<u>13,784,384</u>	<u>(7,279,755)</u>
EXPENSES			
Manager's fee	3	(912,222)	(818,945)
Trustee's fee	4	(36,489)	(32,758)
Transaction costs		(258,363)	(282,849)
Audit fee		(4,463)	(3,968)
Tax agent's fee		(3,025)	(3,024)
Other expenses		(9,480)	(9,507)
		<u>(1,224,042)</u>	<u>(1,151,051)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		12,560,342	(8,430,806)
TAXATION	5	-	-
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD		<u>12,560,342</u>	<u>(8,430,806)</u>
Net profit/(loss) after taxation is made up of the following:			
Realised amount		1,552,963	(8,263,666)
Unrealised amount		11,007,379	(167,140)
		<u>12,560,342</u>	<u>(8,430,806)</u>

Total amount for distribution (net) and distribution per unit (gross and net) for the distribution, including the declaration date, are disclosed in Note 11 to the financial statements.

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 JULY 2026

	Note	2026 RM	2025 RM
ASSETS			
Cash and cash equivalents	7	8,880,416	8,862,216
Financial assets at fair value through profit or loss	6	118,958,628	106,901,744
Amount due from broker	8	180,738	30,314
Amount due from Manager - creation of units		1,955,468	1,643,714
Other receivables	9	6,000	90,026
TOTAL ASSETS		<u>129,981,250</u>	<u>117,528,014</u>
LIABILITIES			
Amount due to broker	8	234,256	-
Amount due to Manager			
- Manager's fee		173,986	146,066
- Cancellation of units		529,437	162,075
Amount due to Trustee		6,959	5,842
Other payables and accruals	10	18,215	26,843
TOTAL LIABILITIES		<u>962,853</u>	<u>340,826</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>129,018,397</u>	<u>117,187,188</u>
EQUITY			
Unit holders' capital		115,336,828	122,754,261
Retained earnings/ (Accumulated losses)		13,681,569	(5,567,073)
TOTAL NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>129,018,397</u>	<u>117,187,188</u>
NUMBER OF UNITS IN CIRCULATION	13	168,149,151	180,758,145
NAV PER UNIT		<u>0.7673</u>	<u>0.6483</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 JULY 2026

Note	Unit holders' capital RM	Retained earnings/ (Accumulated losses) RM	Total RM
BALANCE AS AT 1 FEBRUARY 2026	114,267,438	2,781,363	117,048,801
Movement in unit holders' capital:			
Creation of units arising from applications	21,339,365	-	21,339,365
Creation of units arising from distribution	1,660,136	-	1,660,136
Cancellation of units	(21,930,111)	-	(21,930,111)
	<u>1,069,390</u>	<u>-</u>	<u>1,069,390</u>
Total comprehensive income for the financial period	-	12,560,342	12,560,342
Distribution	11	-	(1,660,136)
		<u>-</u>	<u>10,900,206</u>
BALANCE AS AT 31 JULY 2026	<u>115,336,828</u>	<u>13,681,569</u>	<u>129,018,397</u>
BALANCE AS AT 1 FEBRUARY 2025	118,127,083	2,863,733	120,990,816
Movement in unit holders' capital:			
Creation of units arising from applications	10,660,463	-	10,660,463
Cancellation of units	(6,033,285)	-	(6,033,285)
	<u>4,627,178</u>	<u>-</u>	<u>4,627,178</u>
Total comprehensive loss for the financial period	-	(8,430,806)	(8,430,806)
BALANCE AS AT 31 JULY 2025	<u>122,754,261</u>	<u>(5,567,073)</u>	<u>117,187,188</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 JULY 2026

Note	2026 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments	42,902,041	40,414,295
Purchase of Shariah-compliant investments	(38,395,200)	(46,763,179)
Dividends received	1,139,614	949,034
Profit income received	109,076	155,603
Manager's fee paid	(901,574)	(841,100)
Trustee's fee paid	(36,063)	(33,645)
Payment of other fees and expenses	(17,456)	(10,879)
Net cash generated from/ (used in) operating activities	<u>4,800,438</u>	<u>(6,129,871)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	19,425,651	9,421,563
Payments for cancellation of units	(21,798,726)	(5,892,126)
Net cash (used in)/ generated from financing activities	<u>(2,373,075)</u>	<u>3,529,437</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,427,363</u>	<u>(2,600,434)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>6,453,053</u>	<u>11,462,650</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>7</u> <u>8,880,416</u>	<u>8,862,216</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank	282,232	238,913
Islamic deposit with a licensed financial institution	8,598,184	8,623,303
	<u>7</u> <u>8,880,416</u>	<u>8,862,216</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 JULY 2026

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards.

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

The preparation of financial statements in conformity with MFRS and International Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

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

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

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

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026).
 - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition);
 - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

SUMMARY OF MATERIAL ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

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

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026). (cont'd)
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").
 - Annual Improvements to MFRS Accounting Standards for enhanced consistency (effective 1 January 2026).
 - MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
 - The new MFRS introduces a new structure of profit or loss statement.
- (a) Income and expenses are classified into 3 new main categories:
- (i) Operating category which typically includes results from the main business activities;
 - (ii) Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - (iii) Financing category that presents income and expenses from financing liabilities.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

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

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'. (cont'd)
 - The new MFRS introduces a new structure of profit or loss statement. (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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

B INCOME RECOGNITION

Dividend income from Shariah-compliant investments are recognised on the ex-dividend date, when the right to receive the dividend has been established.

Profit income from Islamic deposits with licensed financial institutions is recognised using the effective profit rate method on an accrual basis.

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

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

C DISTRIBUTION

A distribution to the Fund's unit holders is accounted for as a deduction from the realised reserve. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee of the Fund.

D 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.

E 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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 Shariah-compliant 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 Shariah-compliant equity securities as fair value through other comprehensive income. Consequently, all Shariah-compliant investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from broker, 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(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. Shariah-compliant 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 Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within net gain/(loss) on financial assets at fair value through profit or loss in the financial year in which they arise.

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.

In accordance to the Deed, quoted Shariah-compliant investments in Malaysia are valued at the last traded market price quoted on the Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(ii) Recognition and measurement (cont'd)

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

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

(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:

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

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

Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit impaired.

Qualitative criteria:

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

- the obligor is in breach of financial covenants;
- concessions have been made by the creditor relating to the obligor's financial difficulty;
- it is becoming probable that the obligor will enter bankruptcy or other financial reorganisation; and
- the obligor 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 obligor's sources of income or assets to generate sufficient future cash flows to pay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and Islamic deposit held in 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.

H AMOUNT DUE FROM/(TO) BROKERS

Amounts due from/(to) brokers represent receivables for quoted Shariah-compliant securities sold and payables for quoted Shariah-compliant 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, profit 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 JULY 2026

I 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.

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 holders to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units in the Fund over its life are based substantially on the profit or loss of the Fund.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

K UNIT HOLDERS' CAPITAL (CONT'D)

The outstanding units are carried at the redemption amount that is payable at each financial year if a unit holder exercises the right to put the unit back to the Fund.

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 of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission Malaysia's ("SC") Guidelines on Unit Trust Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

KAF Islamic Dividend Income Fund (the "Fund") was constituted pursuant to a Deed dated 25 May 2015 (the "Deed") and First Supplemental Deed dated 9 January 2023, between KAF Investment Funds Berhad (the "Manager") and Maybank Trustees Berhad (the "Trustee").

The principal activity of the Fund is to invest in "Permitted Investments" as defined under schedule 7.1.1 of the Deed, which includes Shariah-compliant securities quoted on Bursa Securities, sukuk, Islamic money market instruments and any other forms of instruments that comply with Shariah requirements as may be approved by the relevant authorities from time to time. The Fund commenced operations on 5 February 2016 and will continue its operations until terminated according to the conditions in the Deed.

All Shariah-compliant investments will be subject to the SC's Guidelines on Unit Trust Funds and the Deed, except where exemptions and variations have been approved by the SC, internal policies and procedures and the Fund's objective.

The Manager, KAF Investment Funds Berhad, is incorporated in Malaysia. Its principal activities are the management of unit trust funds and provision of fund management.

The principal place of business of the Manager is located at Level 13, Menara IQ, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RM	RM	RM
2026			
Cash and cash equivalents	-	8,880,416	8,880,416
Financial assets at fair value through profit or loss	118,958,628	-	118,958,628
Amount due from broker	-	180,738	180,738
Amount due from Manager - creation of units	-	1,955,468	1,955,468
Dividend receivables	-	6,000	6,000
	<u>118,958,628</u>	<u>11,022,622</u>	<u>129,981,250</u>
2025			
Cash and cash equivalents	-	8,862,216	8,862,216
Financial assets at fair value through profit or loss	106,901,744	-	106,901,744
Amount due from broker	-	30,314	30,314
Amount due from Manager - creation of units	-	1,643,714	1,643,714
Dividend receivables	-	87,324	87,324
	<u>106,901,744</u>	<u>10,623,568</u>	<u>117,525,312</u>

All current liabilities are financial liabilities which are carried at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

The Fund is exposed to a variety of risks which include market risk (including price risk and interest rate risk), liquidity risk, credit risk and Shariah status reclassification risk from its financial instruments.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the Shariah-compliant investment restrictions as stipulated in the Replacement Master 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 Shariah-compliant investments held by the Fund classified at fair value through profit and loss. Price risk is the risk that the fair value of a Shariah-compliant 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 Shariah-compliant securities and other Shariah-compliant financial instruments within specified limits according to the Deed.

The table below shows the financial assets of the Fund as at 31 July which are exposed to price risk:

	2026 RM	2025 RM
Shariah-compliant investments		
- Quoted Shariah-compliant equities at fair value through profit or loss	118,958,628	106,901,744

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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 Shariah-compliant investments to price risk movements as at 31 July. The analysis is based on the assumptions that the market price increased and decreased by 5% (2025: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted Shariah-compliant securities, having regard to the historical volatility of the prices. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on profit/(loss) before taxation/ NAV RM
2026		
Quoted Shariah-compliant equities at fair value through profit or loss	+/- 5	5,947,931
2025		
Quoted Shariah-compliant equities at fair value through profit or loss	+/- 5	5,345,087

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Market risk (cont'd)

(b) Interest rate risk

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

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

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements.

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

	Weighted average profit rates		Average remaining maturities	
	2026 %	2025 %	2026 Day(s)	2025 Day(s)
Islamic deposit with a licensed financial institution	2.65	2.65	3	1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

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 Islamic liquid assets to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise cash at bank, Islamic deposit with a licensed financial institution and other Shariah-compliant 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.

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

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
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As at 31 July 2026

Amount due to broker	234,256	-	234,256
Amount due to Manager			
- Manager's fee	173,986	-	173,986
- Cancellation of units	529,437	-	529,437
Amount due to Trustee	6,959	-	6,959
Other payables and accruals	-	18,215	18,215
Contractual undiscounted cash outflows	944,638	18,215	962,853

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Liquidity risk (cont'd)

The amounts in the table below are the contractual undiscounted cashflows. (cont'd)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
As at 31 July 2025			
Amount due to Manager			
- Manager's fee	146,066	-	146,066
- Cancellation of units	162,075	-	162,075
Amount due to Trustee	5,842	-	5,842
Other payables and accruals	-	26,843	26,843
Contractual undiscounted cash outflows	313,983	26,843	340,826

Credit risk

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

Credit risk arising from placements in Islamic deposit with a licensed financial institution is managed by ensuring that the Fund will only place Islamic 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Credit risk (cont'd)

The maximum exposure to credit risk before any credit enhancements is the carrying amount of the financial assets as set out below:

	2026 RM	2025 RM
Cash and cash equivalents	8,880,416	8,862,216
Other assets*	2,142,206	1,761,352
	11,022,622	10,623,568

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

Cash and cash equivalents RM	Other assets* RM	Total RM
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As at 31 July 2026

Financial services

- AAA 8,880,416 - 8,880,416

Others

- not rated - 2,142,206 2,142,206

8,880,416 2,142,206 11,022,622

As at 31 July 2025

Financial services

- AAA 238,913 - 238,913

- AA3 8,623,303 - 8,623,303

Others

- not rated - 1,761,352 1,761,352

8,862,216 1,761,352 10,623,568

* Other assets comprises amount due from broker, amount due from Manager - creation of units and dividend receivables.

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

Shariah status reclassification risk

(a) Shariah-compliant equity securities

This risk refers to the risk that the currently held Shariah-compliant equity securities in the portfolio of the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council ("SAC") of the SC. If this occurs, the Manager will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposals of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- (i) to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the reclassification effective date by the SAC of the SC. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the reclassification effective date. However, any dividends received and excess capital gains from the disposal of Shariah non-compliant securities after the reclassification effective date should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;
- (ii) to hold such securities if the value of the said securities is below the investment cost on the reclassification effective date until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser; or

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

Shariah status reclassification risk (cont'd)

(a) Shariah-compliant equity securities (cont'd)

- (iii) to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

(b) Islamic money market instruments or Islamic deposits

This risk refers to the risk of a possibility that the currently held Islamic money market instruments or Islamic deposits invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such money market instruments or deposits.

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 Shariah-compliant investment activities of the Fund.

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

Fair value estimation

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. exit price).

The fair value of financial assets traded in active markets (such as publicly traded Shariah-compliant 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 or 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 broker, amount due from Manager - creation of units, dividend receivables and all current liabilities are reasonable approximation 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).

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

Fair value hierarchy (cont'd)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

Level 1	Level 2	Level 3	Total
RM	RM	RM	RM

**As at 31
July 2026
Financial
assets at
fair value
through
profit or
loss**

- Quoted Shariah- compliant equities	118,958,628	-	- 118,958,628
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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 July 2025				
Financial assets at fair value through profit or loss				
- Quoted Shariah-compliant equities	106,901,744	-	-	106,901,744

Investments whose values are based on quoted market prices in active markets, are therefore classified within Level 1, include active quoted Shariah-compliant equities.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

3. MANAGER'S FEE

Clause 13.1.3 of the Deed provides that the Manager is entitled to an annual management fee at a rate not exceeding 5.00% 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.

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

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

4. TRUSTEE'S FEE

Clause 13.2.2 of the Deed provides that the Trustee is entitled to an annual trustee fee at a rate not exceeding 0.15% 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% (2025: 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

5. TAXATION

	2026 RM	2025 RM
Current taxation		
- Malaysia taxation	-	-

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

	2026 RM	2025 RM
Net profit/(loss) before taxation	12,560,342	(8,430,806)
Taxation at Malaysian statutory rate of 24% (2025: 24%)	3,014,482	(2,023,393)
Tax effects of:		
(Investment income not subject to tax)/ Investment loss not deductible for tax purposes	(3,308,252)	1,747,141
Expenses not deductible for tax purposes	73,079	78,114
Restriction on tax deductible expenses for unit trust funds	220,691	198,138
Tax expense	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 RM	2025 RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised gain/(loss) on sale of Shariah-compliant investments	1,528,315	(8,302,076)
- unrealised gain/(loss) on fair value movement	11,007,379	(167,140)
	<u>12,535,694</u>	<u>(8,469,216)</u>
Financial assets at fair value through profit or loss:		
- Quoted Shariah-compliant equities	<u>118,958,628</u>	<u>106,901,744</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2026 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2026 expressed as	
			as at 31/07/2026	percentage of NAV of Fund
	Units	RM	RM	%

**QUOTED
SHARIAH-
COMPLIANT
EQUITIES**

Construction

Cheeding Holdings Berhad	2,500,000	1,700,000	1,575,000	1.22
Lim Seong Hai Capital Berhad	2,307,600	3,387,433	3,692,160	2.86
MN Holdings Berhad	2,057,400	2,925,348	6,007,608	4.66
UUE Holdings Berhad	2,199,200	1,007,422	1,187,568	0.92
	9,064,200	9,020,203	12,462,336	9.66

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2026 expressed as	
			as at 31/07/2026	percentage of NAV of Fund
	Units	RM	RM	%

**QUOTED
SHARIAH-
COMPLIANT
EQUITIES**

**Consumer
Products &
Services**

Able Global Berhad	1,123,100	2,191,728	1,740,805	1.35
Aquawalk Group Berhad	9,227,200	3,097,210	1,476,352	1.14
Farm Price Holdings Berhad	5,488,500	2,943,165	2,085,630	1.62
HI Mobility Berhad	600,000	1,320,000	1,200,000	0.93
Life Water Berhad	900,000	1,352,942	1,359,000	1.05
Mr D.I.Y. Group (M) Berhad	1,485,900	2,630,120	2,347,722	1.82
Oriental Kopi Holdings Berhad	2,735,400	2,641,779	2,680,692	2.08
RNG Tech Berhad	5,000,000	686,800	625,000	0.48
Spritzer Berhad	101,600	264,099	304,800	0.24
	26,661,700	17,127,843	13,820,001	10.71

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2026 expressed as		percentage of NAV of Fund
			31/07/2026	as at 31/07/2026	
	Units	RM	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES					
Energy					
Bumi Armada Berhad	5,300,000	3,293,698	1,881,500		1.46
Carimin Petroleum Berhad	1,257,600	1,015,645	521,904		0.40
Dayang Enterprise Holdings Berhad	964,500	1,841,584	1,543,200		1.20
Keyfield International Berhad	1,314,500	3,089,449	1,906,025		1.48
Pekati Group Berhad	1,020,200	1,578,534	1,815,956		1.41
Perdana Petroleum Berhad	2,433,000	532,372	389,280		0.30
Petra Energy Berhad	983,800	1,001,367	708,336		0.55
Solarvest Holdings Berhad	840,000	1,929,924	2,528,400		1.96
Uzma Berhad	2,923,533	1,703,450	1,140,178		0.88
	<u>17,037,133</u>	<u>15,986,023</u>	<u>12,434,779</u>		<u>9.64</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2026 expressed as		percentage of NAV of Fund
			31/07/2026	as at 31/07/2026	
	Units	RM	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES					
Financial Services					
Bank Islam Malaysia Berhad	497,000	1,218,184	1,058,610		0.82
Health Care					
LAC Med Berhad	300,000	213,000	219,000		0.17
Industrial Products & Services					
5E Resources Holdings Berhad	2,500,000	650,000	550,000		0.43
Ambest Group Berhad	2,500,000	2,232,726	2,112,500		1.64
AMS Advanced Material Berhad	2,200,000	840,250	1,045,000		0.81
Bintai Kinden Corporation Berhad	10,000,000	689,000	700,000		0.54

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2026 expressed as		percentage of NAV of Fund
			31/07/2026	as at 31/07/2026	
	Units	RM	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Industrial Products & Services

CBH Engineering Holding Berhad	5,779,900	2,281,260	3,843,634		2.98
CPE Technology Berhad	2,003,600	2,138,496	1,953,510		1.51
Critical Holdings Berhad	2,396,200	2,112,756	4,552,780		3.53
Destini Berhad	276,900	107,936	73,378		0.06
EG Industries Berhad	3,940,600	3,563,458	7,250,704		5.62
EI Power Berhad	6,004,000	3,487,175	3,962,640		3.07
EPB Group Berhad	2,300,000	1,419,230	506,000		0.39
HE Group Berhad	7,243,000	3,455,803	4,454,445		3.45
HSS Engineers Berhad	3,163,500	2,917,024	1,660,838		1.29
ICENTS Group Holdings Berhad	1,885,000	536,489	1,159,275		0.90

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2026 expressed as		percentage of NAV of Fund
			31/07/2026	as at 31/07/2026	
	Units	RM	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Industrial Products & Services

ISF Group Berhad	6,991,700	3,288,784	4,334,854		3.36
Malayan Cement Berhad	200,000	1,324,150	1,300,000		1.01
Southern Cable Group Berhad	3,777,500	5,316,524	8,650,475		6.70
Wentel Engineering Holdings Berhad	8,907,900	2,426,397	2,360,593		1.83
	72,069,800	38,787,458	50,470,626		39.12

Property

Matrix Concepts Holdings Berhad	1,045,550	1,251,257	1,265,116		0.98
Sime Darby Property Berhad	750,000	1,048,071	1,012,500		0.78
	1,795,550	2,299,328	2,277,616		1.76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2026 expressed as	
			as at 31/07/2026	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES				
Shariah-compliant Warrants				
AGX Group Berhad - WA	777,375	-	34,982	0.03
Aurelius Technologies Berhad - WA	269,700	-	33,712	0.03
Farm Price Holdings Berhad - WA	2,744,250	-	329,310	0.25
Lianson Fleet Group Berhad - WB	60,000	-	14,100	0.01
REDtone Digital Berhad - WB	818,700	-	49,122	0.04
	4,670,025	-	461,226	0.36

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2026 expressed as	
			as at 31/07/2026	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED SHARIAH-COMPLIANT EQUITIES				
Technology				
Cloudpoint Technology Berhad	1,539,700	1,191,476	685,166	0.53
Malaysian Pacific Industries Berhad	130,100	4,596,659	5,984,600	4.64
Mi Technovation Berhad	1,475,200	3,184,394	8,231,616	6.38
	3,145,000	8,972,529	14,901,382	11.55
Telecommunications & Media				
OCK Group Berhad	1,900,000	1,114,438	712,500	0.55
REDtone Digital Berhad	1,637,400	1,637,400	515,781	0.40
Telekom Malaysia Berhad	310,000	2,323,234	2,402,500	1.86
	3,847,400	5,075,072	3,630,781	2.81

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2026 expressed as	
			as at 31/07/2026	percentage of NAV of Fund
	Units	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Transportation & Logistics

AGX Group

Berhad	3,109,500	1,574,988	1,492,560	1.16
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Utilities

Ranhill Utilities

Berhad	1,743,700	3,056,249	3,539,711	2.74
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Tenaga

Nasional

Berhad	150,000	2,145,671	2,190,000	1.70
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	1,893,700	5,201,920	5,729,711	4.44
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2026 expressed as	
			as at 31/07/2026	percentage of NAV of Fund
	Units	RM	RM	%

TOTAL

QUOTED SHARIAH-COMPLIANT EQUITIES

	144,091,008	105,476,548	118,958,628	92.20
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UNREALISED GAIN ON QUOTED SHARIAH-COMPLIANT EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	13,482,080
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FAIR VALUE OF TOTAL QUOTED SHARIAH-COMPLIANT EQUITIES

	118,958,628
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2025 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2025 expressed as	
			as at 31/07/2025	percentage of NAV of Fund
	Units	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Construction

AME Elite Consortium Berhad	650,000	1,108,900	981,500	0.83
Gamuda Berhad	1,011,100	4,554,963	5,237,498	4.47
Lim Seong Hai Capital Berhad	1,277,900	1,124,501	1,041,488	0.89
MN Holdings Berhad	3,693,000	3,821,565	5,798,010	4.95
Muhibbah Engineering (M) Berhad	2,910,800	2,429,484	1,673,710	1.43
UUE Holdings Berhad	3,588,500	2,465,760	2,906,685	2.48
	13,131,300	15,505,173	17,638,891	15.05

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2025 expressed as	
			as at 31/07/2025	percentage of NAV of Fund
	Units	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Consumer Products & Services

Able Global Berhad	1,123,100	2,191,728	1,684,650	1.44
Farm Price Holdings Berhad	5,488,500	2,943,165	2,113,073	1.80
Mr D.I.Y. Group (M) Berhad	780,000	1,282,639	1,287,000	1.10
Oriental Kopi Holdings Berhad	4,511,600	3,858,965	3,812,302	3.25
Power Root Berhad	295,000	555,738	374,650	0.32
	12,198,200	10,832,235	9,271,675	7.91

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2025 expressed as		percentage of NAV of Fund
			31/07/2025	as at 31/07/2025	
	Units	RM	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Energy

Bumi Armada Berhad	6,300,000	3,915,150	2,772,000		2.36
Carimin Petroleum Berhad	1,374,800	1,110,297	838,628		0.72
Dayang Enterprise Holdings Berhad	1,603,200	3,061,096	2,949,888		2.52
Keyfield International Berhad	1,314,500	3,089,449	2,168,925		1.85
Perdana Petroleum Berhad	2,433,000	532,372	413,610		0.35
Petra Energy Berhad	1,083,800	1,183,655	1,192,180		1.02
Uzma Berhad	1,890,533	1,217,750	642,781		0.55
	<u>15,999,833</u>	<u>14,109,769</u>	<u>10,978,012</u>		<u>9.37</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2025 expressed as		percentage of NAV of Fund
			31/07/2025	as at 31/07/2025	
	Units	RM	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Industrial

Products & Services

CBH Engineering Holding Berhad	5,917,200	1,883,081	1,715,988		1.46
Coraza Integrated Technology Berhad	1,065,600	492,001	559,440		0.48
CPE Technology Berhad	2,003,600	2,138,496	1,933,474		1.65
Critical Holdings Berhad	2,174,600	1,871,961	2,152,854		1.84
EG Industries Berhad	5,182,000	4,354,808	5,907,480		5.04
EPB Group Berhad	2,300,000	1,419,230	1,150,000		0.98
HSS Engineers Berhad	2,879,300	2,804,577	1,741,977		1.49
ICENTS Group Holdings Berhad	4,100,000	1,166,900	1,537,500		1.31

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2025 expressed as		percentage of NAV of Fund
			31/07/2025	as at 31/07/2025	
	Units	RM	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Industrial Products & Services

Kelington Group Berhad	767,600	1,285,332	3,254,624		2.78
Northeast Group Berhad	2,657,800	1,373,395	1,807,304		1.54
Oxford Innotech Berhad	2,330,000	675,700	885,400		0.76
P.I.E. Industrial Berhad	145,700	543,664	556,574		0.48
SKP Resources Berhad	2,547,175	2,588,533	2,407,080		2.05
Southern Cable Group Berhad	4,547,100	5,110,120	7,821,012		6.67
Wentel Engineering Holdings Berhad	2,741,900	785,868	904,827		0.77
	41,359,575	28,493,666	34,335,534		29.30

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2025 expressed as		percentage of NAV of Fund
			31/07/2025	as at 31/07/2025	
	Units	RM	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Property

Matrix Concepts Holdings Berhad	1,934,350	2,314,923	2,592,029		2.21
Sime Darby Property Berhad	1,350,000	1,791,485	2,011,500		1.72
	3,284,350	4,106,408	4,603,529		3.93

Shariah-compliant Warrants

Aurelius Technologies Berhad - WA	269,700	-	74,168		0.06
Farm Price Holdings Berhad - WA	2,744,250	-	301,867		0.26
OCK Group Berhad - WB	11,600	-	290		-
SKP Resources Berhad - WB	62,380	-	312		-
	3,087,930	-	376,637		0.32

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2025 expressed as		percentage of NAV of Fund
			31/07/2025	as at 31/07/2025	
	Units	RM	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Technology

Cloudpoint Technology Berhad	4,121,700	3,189,522	3,153,101		2.69
Frontken Corporation Berhad	1,230,200	4,167,860	5,006,914		4.28
Genetec Technology Berhad	3,226,500	4,614,400	2,403,742		2.05
Greatech Technology Berhad	462,700	1,078,971	791,217		0.68
Inari Amertron Berhad	338,100	1,045,492	713,391		0.61
ITMAX System Berhad	130,000	311,809	521,300		0.44
Mi Technovation Berhad	1,584,500	3,163,465	3,216,535		2.74
ViTrox Corporation Berhad	97,400	393,718	374,016		0.32
	11,191,100	17,965,237	16,180,216		13.81

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2025 expressed as		percentage of NAV of Fund
			31/07/2025	as at 31/07/2025	
	Units	RM	RM	RM	%

QUOTED SHARIAH-COMPLIANT EQUITIES

Telecommunications & Media

OCK Group Berhad	1,900,000	1,114,439	788,500		0.67
REDtone Digital Berhad	2,000,000	2,000,000	1,080,000		0.92
Telekom Malaysia Berhad	500,000	3,301,690	3,375,000		2.88
	4,400,000	6,416,129	5,243,500		4.47

Transportation & Logistics

AGX Group Berhad	3,109,500	1,574,987	1,554,750		1.33
Destini Berhad	850,000	331,330	391,000		0.33
Westports Holdings Berhad	200,000	1,155,340	1,120,000		0.96
	4,159,500	3,061,657	3,065,750		2.62

Utilities

Tenaga Nasional Berhad	400,000	5,347,334	5,208,000		4.44
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

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

Details of quoted Shariah-compliant equities as at 31 July 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/07/2025 expressed as	
			as at 31/07/2025	percentage of NAV of Fund
	Units	RM	RM	%
TOTAL QUOTED SHARIAH-COMPLIANT EQUITIES	109,211,788	105,837,608	106,901,744	91.22
UNREALISED GAIN ON QUOTED SHARIAH-COMPLIANT EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		1,064,136		
FAIR VALUE OF TOTAL QUOTED SHARIAH-COMPLIANT EQUITIES			106,901,744	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

7. CASH AND CASH EQUIVALENTS

	2026 RM	2025 RM
Cash at bank	282,232	238,913
Islamic deposit with a licensed financial institution*	8,598,184	8,623,303
	8,880,416	8,862,216

* A total of Nil (2025: RM8,623,303) short-term Islamic deposit is placed with KAF Investment Bank Berhad, the intermediate holding company of the Manager.

The weighted average profit rates per annum and the average remaining maturities of Islamic deposit with a licensed financial institution are shown in Note 2(b) to the financial statements.

8. AMOUNT DUE FROM/(TO) BROKER

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

9. OTHER RECEIVABLES

	2026 RM	2025 RM
Dividend receivables	6,000	87,324
Prepayment of Shariah advisory fees	-	2,702
	6,000	90,026

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

10. OTHER PAYABLES AND ACCRUALS

	2026 RM	2025 RM
Audit and tax agent's fees	15,433	23,943
Shariah advisory fees	532	-
Sundry accruals	2,250	2,900
	18,215	26,843

11. DISTRIBUTION

	2026 RM	2025 RM
Gross/Net distribution for the financial period:		
Interim, declared and reinvested on 15/07/2026 (2025: Nil)	1,660,136	-
Distribution to unit holders are from the following sources:		
Dividend income	1,139,614	-
Profit income from Islamic deposits with licensed financial institutions	98,452	-
Realised gain on sale of Shariah-compliant investments	1,225,104	-
Prior year's realised income	306,662	-
Gross realised income	2,769,832	-
Less:		
Expenses	(1,109,696)	-
Distribution for the financial period	1,660,136	-
Gross/Net distribution per unit (sen) - Interim	1.00	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

11. DISTRIBUTION (CONT'D)

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

The distribution are made from current and prior year's net realised income.

The Fund did not incurred unrealised losses for the financial period ended 31 July 2026 (2025: RM167,140).

12. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant, which comprises:

- (a) Equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the SAC of the SC; and
- (b) Cash placements and liquid assets in local market which are placed in Shariah-compliant instruments.

13. NUMBER OF UNITS IN CIRCULATION

	2026 Number of units	2025 Number of units
At the beginning of the financial period	168,203,611	173,268,145
Creation of units arising from applications	28,980,000	16,860,000
Creation of units arising from distribution	2,185,540	-
Cancellation of units	(31,220,000)	(9,370,000)
At the end of the financial period	168,149,151	180,758,145

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

14. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial period ended 31 July 2026 are as follows:

Name of brokers	Percentage of total trades		Percentage of total brokerage fees	
	Value of trades RM	%	Brokerage fees RM	%
2026				
UBS Securities Malaysia Sdn Bhd	12,774,212	16.21	25,548	15.26
Phillip Capital Sdn Bhd	11,288,403	14.33	21,727	12.98
Public Investment Bank Berhad	10,530,382	13.36	22,421	13.39
UOB Kay Hian (M) Sdn Bhd	9,325,741	11.83	18,652	11.14
Affin Hwang Investment Bank Berhad	7,052,209	8.95	19,304	11.53
MBSB Investment Bank Berhad	6,052,387	7.68	12,105	7.23
RHB Investment Bank Berhad	5,794,948	7.35	13,039	7.79
AmInvestment Bank Berhad	4,385,383	5.56	8,771	5.24
Hong Leong Investment Bank Berhad	4,246,678	5.39	7,856	4.69
CGS International Securities Malaysia Sdn Bhd	3,258,116	4.14	6,516	3.90
Others	4,097,029	5.20	11,458	6.85
	78,805,488	100.00	167,397	100.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

14. TRANSACTIONS WITH BROKERS (CONT'D)

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

Name of brokers	Percentage of total trades		Percentage of total brokerage fees	
	Value of trades RM	%	Brokerage fees RM	%
2025				
RHB Investment Bank Berhad	14,402,576	16.53	32,406	18.03
UOB Kay Hian Securities (M) Sdn Bhd	11,219,180	12.87	22,460	12.49
Affin Hwang Investment Bank Berhad	9,118,045	10.46	18,248	10.15
CGS International Securities Malaysia Sdn Bhd	9,015,590	10.34	18,044	10.04
Hong Leong Investment Bank Berhad	8,504,628	9.76	15,734	8.75
MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad)	7,956,759	9.13	15,937	8.87
Maybank Investment Bank Berhad	6,534,219	7.50	13,081	7.28
UBS Securities Malaysia Sdn Bhd	5,344,646	6.13	9,624	5.35
CIMB Securities Sdn Bhd	5,190,599	5.96	11,679	6.50
Public Investment Bank Berhad	4,141,854	4.75	9,319	5.18
Others	5,726,484	6.57	13,221	7.36
	87,154,580	100.00	179,753	100.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

15. 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
Datuk Khatijah Ahmad	Director of the Manager
Mohammed Reza Tan Sri Abu Talib	Executive Director 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

15. UNITS HELD BY THE MANAGER AND RELATED PARTIES (CONT'D)

	2026		2025	
	No. of units	RM	No. of units	RM
KAF Investment Funds Berhad	2,202,243	1,689,781	1,315,153	852,614
KAF-Seagroatt & Campbell Berhad	32,984,794	25,309,232	32,330,363	20,959,774
AKKA Sdn Bhd	17,696,433	13,578,473	17,345,329	11,244,977
Datuk Khatijah Ahmad	23,548,211	18,068,542	23,081,006	14,963,416
Mohammed Reza Tan Sri Abu Talib	70,633	54,197	100,641	65,246

The above units were transacted at the prevailing market price. All related parties units are held beneficially, except for the Manager, where the units are held legally.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026

16. TOTAL EXPENSE RATIO ("TER")

	2026	2025
TER ("annualised")	1.72%	1.59%

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
- 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 RM113,548,123 (2025: RM110,092,827).

17. PORTFOLIO TURNOVER RATIO ("PTR")

	2026	2025
PTR	0.34 times	0.43 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
= RM37,550,769 (2025: RM46,610,353)
total disposal for the financial period
= RM39,726,404 (2025: RM48,876,708)

18. SEMI-ANNUAL ACCOUNTS

The semi-annual accounts for the financial period ended 31 July 2026 is unaudited.

CORPORATE INFORMATION

Manager

KAF Investment Funds Berhad
Reg. No: 199501004999

Registered Office

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

Business Office

Level 13, Menara IQ
Lingkaran TRX
Tun Razak Exchange
55188 Kuala Lumpur
Tel: 03-9767 6000 Fax: 03-9767 6001
Website: www.kaf.com.my

Board of Directors

Datuk Khatijah binti Ahmad
Mohammed Reza Tan Sri Abu Talib
Nor Rejina binti Abdul Rahim
Tunku Rozita binti Tunku Abdul Malek

Secretary

Siti Nurmazita binti Mustapha (LS 0009160)

Trustee

Maybank Trustees Berhad

Auditor & Reporting Accountant

PricewaterhouseCoopers PLT

Tax Adviser

PricewaterhouseCoopers Taxation Services Sdn Bhd

Shariah Adviser

BIMB Securities Sdn Bhd
Reg. No: 199401004484

Banker

Maybank Islamic Berhad

KAF Investment Funds Berhad Reg. No: 199501004999
Level 13, Menara IQ,
Lingkaran 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**