



KAF CASH FUND

SEMI-ANNUAL REPORT

31 JANUARY 2026

MANAGER'S REPORT

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

1. Launch Date

KAF Cash Fund ("KCF/the Fund") commenced operations on 3 September 2018 and will continue its operations until terminated according to the Master Deed dated 1 June 2018 and Supplemental Master Deed dated 22 February 2023.

2. Type of Fund

Income Fund.

3. Category of Fund

Money Market Fund.

4. Fund's Objective, Benchmark and Distribution Policy

The Fund's objective is to provide investors with liquidity while providing reasonable returns by investing its assets in deposits.

The Fund seeks to achieve its investment objective by investing in a portfolio of deposits placed with financial institutions in Malaysia. It will invest at least 90% of its Net Asset Value ("NAV") in placement of short-term deposits.

In managing the Fund, the Manager will seek out financial institutions that are able to offer attractive (i.e. rates at or above the benchmark rate) deposit rates. The Manager will construct a portfolio of deposits with different maturity profiles for the liquidity requirement while maximizing the portfolio returns.

The benchmark used to measure KCF's performance is the Malayan Banking Berhad ("Maybank") 1-month fixed deposit rate.

Subject to the availability of income, distributions will be made on a monthly basis. All such distribution will be reinvested into the Fund.

5. Review of Fund Operations and Performance

The Fund remains dormant during the period of review, and register a nil return as compared to its benchmark, which recorded a return of 0.92%.

MANAGER'S REPORT

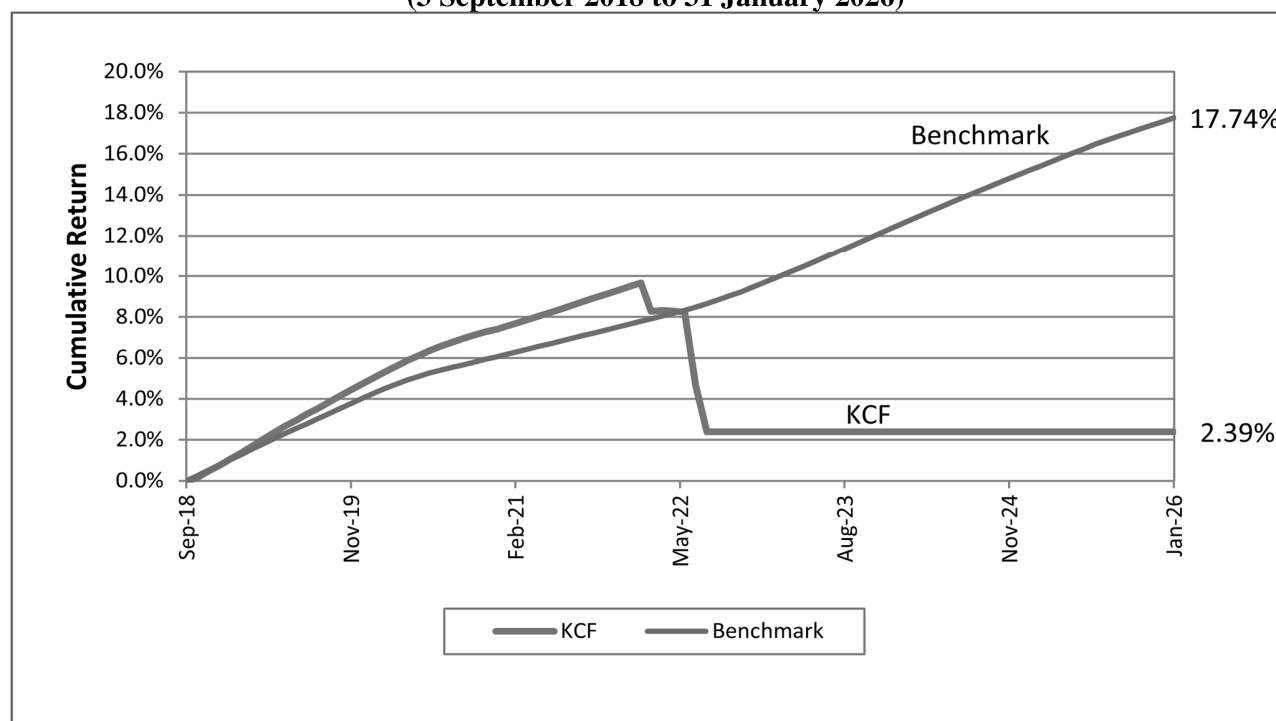
5. Review of Fund Operations and Performance (continued)

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

No distribution was declared during the review period.

Since its inception, KCF recorded a return of 2.39%. The Fund underperformed its benchmark, which recorded a return of 17.74%.

**Performance Chart since Inception
(3 September 2018 to 31 January 2026)**



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

Past performance is not necessarily indicative of future performance.

The Fund was remained dormant, with the NAV of RM941 and NAV per unit of RM0.9405 as of 31 January 2026 and 31 January 2025, respectively.

No realised income registered by the Fund during the period under review.

MANAGER'S REPORT

6. Asset Allocation and Investment Strategies Employed

For the period under review, KCF's asset allocation was entirely held in cash in the Fund's bank account.

Other than the investment strategy stated in the Replacement Prospectus dated 14 August 2023, the designated Fund Manager has not employed any other investment strategy.

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.

7. Market Review

Malaysia's exports grew by 10.3% while imports increased by 12.0% Year-on-Year ("YoY") in December. The trade surplus increased to MYR19.3 billion in December; up from MYR6.1 billion in the previous month, November. Malaysia's Consumer Price Index ("CPI") was higher at 1.60% YoY in December compared to 1.40% in November.

Malaysian foreign reserves increased in January to USD125.6 billion from USD124.3 billion in December. Meanwhile, Malaysia's Purchasing Managers' Index ("PMI") was flat at 50.2 in January compared to 50.1 in the previous month.

US Treasury yields were higher in January with the Treasury 2-year, 5-year and 10-year benchmark yield closing the month at 3.52%, 3.79% and 4.24% respectively compared to 3.47%, 3.73% and 4.17% in December.

Malaysian Government Securities ("MGS") 3-year, 5-year and 10-year yield were flat, ending at 2.99%, 3.27% and 3.50% in January compared to 3.00%, 3.26% and 3.49% in the previous month.

8. Market Outlook and Strategy

The period in review ended with January 2026 starting the year as a continuation of the quiet 2025 year end for global fixed-income markets. Investors had their eyes glued on more exciting safe haven asset classes namely precious metals while US Treasuries were range bound throughout January with most market participants in "wait and see" approach due to the high US political and economic uncertainties.

MANAGER'S REPORT

8. Market Outlook and Strategy (continued)

US President Donald Trump nominated Kevin Warsh as the next chairman of the US Federal Reserve (“the Fed”) which gave reprieve to US bond holders concerned about further loss of confidence in Fed independence and credibility. Warsh has a reputation as a traditional orthodox policymaker with significant experience in the Federal Reserve system and was known for his hawkish stance during his previous stint as a Fed governor in 2006 - 2011 although he has recently turned more dovish. Nonetheless, investors are generally of the opinion that Warsh will be able to resist political pressure from the Trump administration to cut rates if the US inflationary outlook does not justify further cuts. The Fed left rates unchanged at 3.75% during the January Federal Open Market Committee (“FOMC”) but most market participants still expect the Fed to deliver 2 cuts this year which will bring the Fed Funds Rate down to 3.25%.

In Malaysia, Bank Negara Malaysia (“BNM”) also held the Overnight Policy Rate (“OPR”) at 2.75% as the local economy continues to remain on firm footing and low inflation despite a small CPI uptick in December. The odds of further rate cuts this year is currently quite low given the stable local economy unless there is a significant protracted external shock. Local bonds were also range bound in tandem with global peers in January despite a strengthening Ringgit due to the perceived large incoming supply of government bonds throughout 2026. Nonetheless, there was adequate support for the 3 government auctions for the month being the 5-year Government Investment Issue (“GII”) 08/2030, 15-year MGS 01/2041 and 30-year GII 01/2056 which minted Bid-to-Cover ratios of 2.296x, 1.944x and 2.071x respectively.

The primary challenge for Malaysian Fixed-Income at present is generating a solid return amid the low yield environment. We have positioned the portfolio to mitigate the risks amid high uncertainty in 2026. We also continue to look for opportunities to buy quality assets at attractive prices while maintaining our conservative stance of very short portfolio duration and an emphasis on high credit quality.

9. Changes made to the Fund's Prospectus

There were no changes made to the Fund's prospectus during the reported 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 KCF from one broker/dealer by virtue of transactions conducted for KCF. 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 KCF and other funds or investments managed by the Manager.

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

KEY PERFORMANCE DATA

Portfolio Composition	2026	As at 31 January		
	%	2025 (Percentage of NAV) %	2024 %	
Deposits and liquid assets	100.00	100.00	100.00	
Total return for the year	RM'000	RM'000	RM'000	
Capital growth	-	-	-	
Income distribution	-	-	-	
Performance	Income Return	Capital Return	Annual Total Return	
	%	%	KCF	Benchmark
			%	%
Financial year ended				
31/07/2025	-	-	-	2.26
31/07/2024	-	-	-	2.53
31/07/2023	-	-	-	2.40
31/07/2022	0.86	(6.50)	(5.70)	1.56
31/07/2021	1.92	(0.01)	1.91	1.50
			Average Total Return	
			KCF	Benchmark
			%	%
One (1) year			-	2.02
Three (3) years			-	2.38
Five (5) years			(0.96)	2.18

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

Basis of calculation and assumption made in calculating the returns:

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:

Capital return	= NAV per Unit end / NAV per Unit begin - 1
Income return	= Income distribution per Unit / NAV per Unit ex-date
Total return	= (1+Capital return) x (1+Income return) - 1

KEY PERFORMANCE DATA

	2026	As at 31 January 2025	2024
NAV and Units in Circulation			
Total NAV (RM)	941	941	941
Units in circulation	1,000	1,000	1,000
NAV per unit (RM)	0.9405	0.9405	0.9405
Unit Prices for the year (RM per unit)			
NAV (year high)	0.9405	0.9405	0.9405
NAV (year low)	0.9405	0.9405	0.9405
NAV (year high, ex-distribution)	-	-	-
NAV (year low, ex-distribution)	-	-	-
NAV	0.9405	0.9405	0.9405
Distribution			
		2026	
		Sen/unit	Payment Date
Nil		Nil	Nil
Distribution			
		2025	
		Sen/unit	Payment Date
Nil		Nil	Nil
Distribution			
		2024	
		Sen/unit	Payment Date
Nil		Nil	Nil
Unit split	Nil	Nil	Nil
Total Expense Ratio ("TER")	Nil	Nil	Nil
Portfolio Turnover Ratio ("PTR")	Nil	Nil	Nil

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 acquisitions and disposal of the Fund divided by the average fund size.

There were no TER and PTR calculated during the period under review due to the Fund remained dormant (refer to Note 11 and Note 12).

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

**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF KAF CASH FUND**

We have acted as the Trustee of **KAF Cash Fund** (the “Fund”) for the financial period ended 31 January 2026. To the best of our knowledge, **KAF Investment Funds Berhad** (the “Manager”) has managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation/pricing is carried out in accordance with the Deed of the Fund and applicable regulatory requirement; and
- (c) Creation and cancellation of units have been carried out in accordance with the Deed of the Fund and applicable regulatory requirement.

For and on behalf of,
PB Trustee Services Berhad

Cheah Kuan Yoon
Chief Executive Officer

Kuala Lumpur, Malaysia
30 March 2026

**STATEMENT BY THE MANAGER
TO THE UNIT HOLDERS OF KAF CASH 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 9 to 24 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 January 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

Kuala Lumpur, Malaysia
30 March 2026

KAF CASH FUND**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026**

	Note	2026 RM	2025 RM
INCOME		-	-
EXPENSES			
Manager's fee	3	-	-
Trustee's fee	4	-	-
Audit fee	5	-	-
Tax agent's fee	5	-	-
Other expenses		-	-
		-	-
NET PROFIT BEFORE TAXATION		-	-
TAXATION	6	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		-	-
Net profit after taxation is made up of the following:			
Realised amount		-	-

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

KAF CASH FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2026**

	Note	2026 RM	2025 RM
ASSET			
Cash and cash equivalents	7	<u>1,033</u>	<u>1,063</u>
TOTAL ASSET		<u>1,033</u>	<u>1,063</u>
LIABILITY			
Other payables and accruals	8	<u>92</u>	<u>122</u>
TOTAL LIABILITY		<u>92</u>	<u>122</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>941</u>	<u>941</u>
EQUITY			
Unit holders' capital		<u>941</u>	<u>941</u>
TOTAL NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>941</u>	<u>941</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>1,000</u>	<u>1,000</u>
NAV PER UNIT		<u>0.9405</u>	<u>0.9405</u>

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

KAF CASH FUND**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026**

	Unit holders' capital RM	Retained earnings RM	Total RM
BALANCE AS AT 1 AUGUST 2025	941	-	941
Movement in unit holders' capital	-	-	-
BALANCE AS AT 31 JANUARY 2026	941	-	941
BALANCE AS AT 1 AUGUST 2024	941	-	941
Movement in unit holders' capital	-	-	-
BALANCE AS AT 31 JANUARY 2025	941	-	941

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

KAF CASH FUND**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026**

	Note	2026 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment of other fees and expenses		<u>(30)</u>	<u>(30)</u>
Net cash used in operating activities		<u>(30)</u>	<u>(30)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
		<u>-</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(30)	(30)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>1,063</u>	<u>1,093</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7	<u>1,033</u>	<u>1,063</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash at bank	7	<u>1,033</u>	<u>1,063</u>

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

KAF CASH FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 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 ("IFRS").

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

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

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

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

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

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

(b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective

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

KAF CASH FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective (continued)

- 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.
- (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

The Fund had no income recognised in the financial statements during the financial period under review.

C TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial year.

D FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional and presentation currency.

KAF CASH FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026 (CONTINUED)

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The contractual cash flows of the Fund's deposit with a licensed financial institution are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents 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 other payables and accruals as financial liabilities at amortised cost.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

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

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

KAF CASH FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026 (CONTINUED)

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment for assets carried at amortised cost

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month and lifetime expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

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

Qualitative criteria:

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

- the debtor is in breach of financial covenants;
- concessions have been made by the creditor relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

F CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank that is readily convertible to known amounts of cash and which is subject to an insignificant risk of changes in value.

KAF CASH FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026 (CONTINUED)

G 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.

H UNIT HOLDERS' CAPITAL

The unit holders' capital to the Fund meets the definition of puttable instruments classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

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

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

I 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.

KAF CASH FUND

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

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

KAF Cash Fund (hereinafter referred to as "the Fund") was constituted pursuant to a Master Deed dated 1 June 2018 (hereinafter referred to as "the Deed") between KAF Investment Funds Berhad ("the Manager") and PB Trustee Services Berhad ("the Trustee") as well as the subsequent issuance of the Supplemental Master Deed dated 22 February 2023.

The principal activity of the Fund is to invest in "Permitted Investments" as defined under the Schedule 7 of the Master Deed, which includes placement of deposits with any financial institutions and any other investments permitted by the SC from time to time. The Fund commenced operations on 3 September 2018 and will continue its operations until terminated according to the conditions in the Deed.

All investments will be subject to the SC's Guidelines on Unit Trust Funds, 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.

The Management is currently in the midst of devising a new plan for the Fund for potential investors. The Management is still exploring possible options available, which may include re-launching the Fund to cater to the investment needs within KAF Group businesses such as KAF Digital Bank's customer base or reserving the Fund for a private mandate client with high servicing requirements.

The Manager has neither the intention to liquidate nor to terminate the Fund, as such the use of the going concern basis of accounting remains.

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	Financial assets at amortised cost RM	Total RM
2026		
Cash and cash equivalents	1,033	1,033
	<hr/>	<hr/>
2025		
Cash and cash equivalents	1,063	1,063
	<hr/>	<hr/>

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

KAF CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026 (CONTINUED)

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Fund is exposed to a variety of risks which include liquidity risk and credit risk from its financial instruments.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Replacement Prospectus and the SC's Guidelines on Unit Trust Funds.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulties in meeting its financial obligations. The Manager manages this risk by maintaining sufficient levels of liquid assets to meet anticipated payment and cancellations of unit by unit holders. Liquid assets comprise cash at bank and other instruments, which are capable of being converted into cash within 7 days.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

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

	Between 1 month to 1 year RM	Total RM
As at 31 January 2026		
Other payables and accruals	92	92
Contractual undiscounted cash outflows	<u>92</u>	<u>92</u>
As at 31 January 2025		
Other payables and accruals	122	122
Contractual undiscounted cash outflows	<u>122</u>	<u>122</u>

Credit risk

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

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

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

KAF CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026 (CONTINUED)

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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	<u>1,033</u>	<u>1,063</u>

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

	Cash and cash equivalents RM	Total RM
As at 31 January 2026		
Financial services		
- AA3	<u>1,033</u>	<u>1,033</u>
As at 31 January 2025		
Financial services		
- A1	<u>1,063</u>	<u>1,063</u>

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

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

The fair value of financial assets traded in active markets (such as publicly-traded securities) are based on quoted market prices at the close of trading on the financial year end date.

KAF CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026 (CONTINUED)

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value estimation (continued)

An active market is a market in which transactions for the assets and liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

The carrying values of cash and cash equivalents and all current liabilities are reasonable approximations of their fair values due to their short-term nature.

Fair value hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

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

As at 31 January 2026 and 31 January 2025, all investments in the Fund have been liquidated and are 100% held in cash and cash equivalents.

3. MANAGER'S FEE

Clause 13.1.2 of the Master Deed provides that the Manager is entitled to an annual management fee at a rate not exceeding 1.50% per annum based on the Fund's NAV on a daily basis before deducting the Manager's and Trustee's fees for that particular day.

KAF CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026 (CONTINUED)

3. MANAGER'S FEE (CONTINUED)

As the Fund remains dormant, the Manager charged no fee in the financial statements for the financial period ended 31 January 2026 and 31 January 2025, respectively.

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 Master 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 RM15,000 per annum.

For the financial period ended 31 January 2026 and 31 January 2025, the Manager fully bears the minimum Trustee's fee of RM15,000 per annum of the Fund.

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

5. AUDIT AND TAX AGENT'S FEES

The Manager has undertaken to fully bear the audit and tax agent's fees of the Fund. As a result, the audit and tax agent's fees were not accrued for during the financial year.

6. TAXATION

	2026 RM	2025 RM
Current taxation		
- Malaysia taxation	-	-

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

	2026 RM	2025 RM
Net profit before taxation	-	-
Taxation at Malaysian statutory rate of 24% (2025: 24%)	-	-
Tax effects of:		
Investment income not subject to tax	-	-
Expenses not deductible for tax purposes	-	-
Restriction on tax deductible expenses for unit trust funds	-	-
Tax expense	-	-

KAF CASH FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026 (CONTINUED)**

7. CASH AND CASH EQUIVALENTS

	2026	2025
	RM	RM
Cash at bank	1,033	1,063

8. OTHER PAYABLES AND ACCRUALS

	2026	2025
	RM	RM
Sundry accruals	92	122

9. NUMBER OF UNITS IN CIRCULATION

	2026	2025
	Number	Number
	of units	of units
At the beginning of the financial period	1,000	1,000
At the end of the financial period	1,000	1,000

10. UNITS HELD BY THE MANAGER AND RELATED PARTIES

The related parties and their relationships with the Fund are as follows:

Related parties	Relationships
KAF Investment Funds Berhad	The Manager
KAF-Seagroatt & Campbell Berhad	Immediate holding company of the Manager
AKKA Sdn Bhd	Ultimate holding company of the Manager
Subsidiaries and associates of the ultimate holding company of the Manager as disclosed in its financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager

	2026		2025	
	No. of units	RM	No. of units	RM
KAF Investment Funds Berhad	1,000	941	1,000	941

The above units were transacted at the prevailing market price. All related party units are held legally.

KAF CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2026 (CONTINUED)

11. TOTAL EXPENSE RATIO ("TER")

	2026	2025
TER ("annualised")	-	-

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 RM941 (2025: RM941).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2026	2025
PTR	-	-

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 = Nil (2025: Nil)
total disposal for the financial period = Nil (2025: Nil)

13. SEMI-ANNUAL ACCOUNTS

The semi-annual accounts for the financial period ended 31 January 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

PB Trustee Services Berhad

Auditor & Reporting Accountant

PricewaterhouseCoopers PLT

Tax Adviser

PricewaterhouseCoopers Taxation Services Sdn Bhd

Banker

Alliance Bank (M) 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