INVESTMENT FUNDS BERHAD

3-year Fund Volatility **16.39** **High** Lipper Analytics 12 October 2026

KAF ISLAMIC DIVIDEND INCOME FUND (KIDIF)

OCTOBER 2026

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

THE FUND IS SUITABLE FOR INVESTORS WHO:

- Seek income;
- Are willing to accept medium degree of risk associated in investing in Shariah-compliant equities; and
- Wish for investments that comply with Shariah requirements.

MANAGER'S COMMENTS

United States (US) equities diverged in September 2026 (September) as Middle East geopolitical tensions, Strait of Hormuz supply disruptions, and a surge in Brent crude oil altered monetary policy expectations toward a higher rate trajectory. The Dow Jones Industrial Average and Standard & Poor (S&P) 500 fell 4.29% and 0.45% respectively on macroeconomic headwinds in cyclical sectors. Conversely, the tech-heavy Nasdaq Composite rose 1.86%, driven by sustained AI infrastructure allocations. European equities dropped, with the Stoxx Europe 600 down 2.49% on producer price inflation pressure. In Asia, Japan's Nikkei 225 gained 0.67% on a late semiconductor recovery, while Greater China markets experienced a broad-based contraction. Hong Kong's Hang Seng Index declined 3.73% due to lingering real estate weakness, the Shenzhen Component plunged 6.28%, and the Shanghai Composite fell 3.61% as sluggish domestic credit demand offset record-low central bank lending rates. On the domestic front, the Malaysian equity market reversed its momentum. The benchmark FBM KLCI dropped 4.33% as foreign selling targeted index-heavy banking constituents. Broader market indices followed suit, with the FBM Emas and FBM Shariah indices declining 3.70% and 2.99% respectively. The FBM Small Cap Index fell by a lesser 1.28%, buffered by domestic retail participation relative to foreign-dominated blue chips, while total trading volume contracted by 8.92%. In commodities, energy markets saw extreme volatility as Brent crude surged 14.41% to USD 103.53 per barrel on maritime supply disruption risks. Gold prices fell 6.55% to USD 4,155.60 per ounce, and crude palm oil dropped 5.80% to RM 4,610 per tonne. Meanwhile, the Malaysian Ringgit depreciated 1.37% against the greenback to RM 4.0798.

Heading into the final quarter of 2026, global markets face elevated energy costs, sticky inflation, and shifting monetary expectations as Brent crude surges past 100 US dollars per barrel amid Strait of Hormuz supply disruptions. Upcoming United States CPI releases and the late October Federal Open Market Committee (FOMC) meeting remain key focal points for interest rate direction. While dollar strength drives foreign capital out of emerging markets, long term structural value across ASEAN remains compelling. In regional markets, Greater China stands out as a key beneficiary of localized property stimulus, expanding renminbi infrastructure, and rotational inflows from crowded North Asian technology trades. Across broader regional hubs, expanding digital infrastructure and defensive utility yields anchor performance. In Malaysia, Budget 2027 reinforced infrastructure execution via a 459.8 billion Ringgit spending plan, complemented by strong domestic catalysts like regional data centre expansions and consistent public project rollouts. Moving forward, generating alpha requires strict discipline and a focus on fundamental earnings visibility. Market volatility presents opportunities to evaluate quality companies with strong balance sheets, pricing power to navigate input cost inflation, and direct exposure to resilient structural themes.

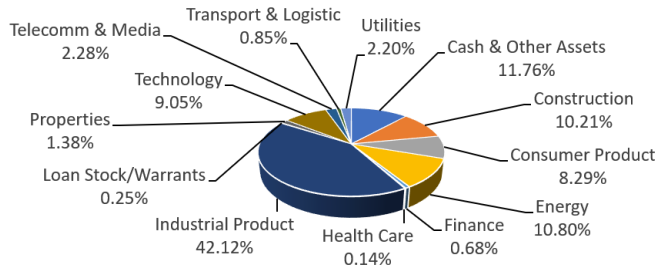
INVESTMENT STRATEGY

The fund seeks to achieve its investment objective by investing primarily, i.e., at least 70% of its 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, Shariah-compliant collective investment scheme and Islamic deposit.

FUND DETAILS AS AT 30 SEPTEMBER 2026

Manager	KAF Investment Funds Bhd.
Trustee	Maybank Trustees Berhad.
Fund Category	Equity Fund (Shariah-compliant).
Fund Type	Income Fund.
Launch Date	15 January 2016
Unit net asset value (NAV)	RM0.8771
Fund size	RM150.503mil
Units in Circulation	171.589mil
Financial Year End	31 January.
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	FTSE Bursa Malaysia Emas Shariah Index.
Sales Charge	Up to 6.50% of NAV per Unit.
Repurchase Charge	None.
Annual management fee	1.50% per annum of NAV.
Annual trustee fee	0.06% of NAV, subject to a minimum fee of RM12,000
Redemption payment period	Within 7 days after receipt of the request to repurchase.
Distribution policy	The fund will distribute income on a half yearly basis, subject to the availability of income and/or realized gains.

SECTOR ALLOCATION* AS AT 30 SEPTEMBER 2026



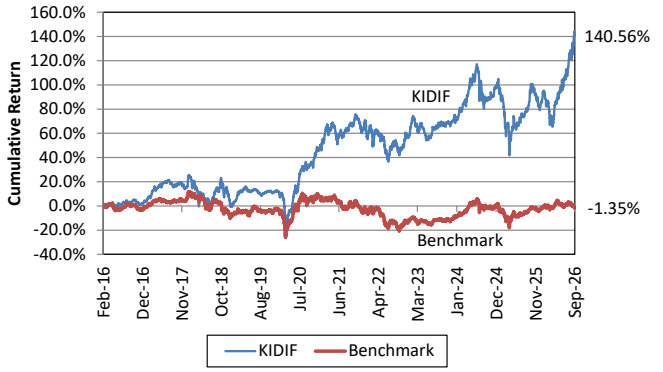
*As percentage Net Asset Value of the fund. Asset exposure is subject to change on a daily basis.
Source: KAF Investment Funds Berhad.

Distribution History

Year	Distribution (sen)
2021 (Annual)	0.50
2021 (Semi-annual)	3.00
2022 (Annual)	0.50
2022 (Semi-annual)	3.00
2023 (Annual)	0.50
2023 (Semi-annual)	2.00
2024 (Annual)	0.50
2024 (Semi-annual)	1.00
2025 (Annual)	0.50
2025 (Semi-Annual)	NIL
2026 (Annual)	0.50
2026 (Semi-annual)	1.00

FUND PERFORMANCE ANALYSIS AS AT 30 SEPTEMBER 2026

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



%	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
KIDIF	6.55	19.01	45.44	24.65	42.16	43.38
Benchmark	-2.99	-0.88	0.49	1.33	11.97	-1.48

Source: Novagni Analytics & Advisory Sdn Bhd

LARGEST HOLDINGS* AS AT 30 SEPTEMBER 2026

Money Market (KAF)	10.50%
Southern Cable Group Berhad	7.35%
MN Holdings Berhad	5.91%
HE Group Berhad	5.40%
Mi Technovation Berhad	5.17%

*as percentage of Net Asset Value.

Disclaimer:
Based on the Malaysian Fund Volatility Report issued by Refinitiv Lipper dated 12 October 2026, the Volatility Factor (VF) for this fund is 16.39 and is classified as "High". "High" includes funds with VF that that are between 11.765 and 16.555. The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.
A Product Highlights Sheet ("PHS") highlighting the key features and risks of the fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Replacement Master Prospectus dated 30 September 2023 and its supplementary(ies) (if any) ("the Prospectus") before investing. The Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, investors should be highlighted of the fact that the value of their investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units. Any issue of units to which the Prospectus relates will only be made on receipt of a form of application referred to in the Prospectus. For more details, please call 03-9767 6000 for a copy of the PHS and the Prospectus or collect one from any of our authorised distributors. The Manager wishes to highlight the specific risks of the fund are specific equity risk, interest rate risk, credit/default risk, distribution risk and reclassification of Shariah status risk. These risks and other general risks are elaborated in the Prospectus.
This factsheet is prepared for information purposes only and has not been reviewed by Securities Commission Malaysia. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide for future performance. Returns may vary from year to year.

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