INVESTMENT FUNDS BERHAD

3-year Fund Volatility **0.08** **Very Low** Lipper Analytics 12 October 2026

KAF DANA AL-IDDHIKHAR (KDAI)

OCTOBER 2026

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

THE FUND IS SUITABLE FOR INVESTORS WHO:

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

MANAGER'S COMMENTS

Malaysia's exports rose by 45.5% while imports also increased by 41.1% Year-on-Year (YoY) in August 2026 (August). The trade surplus grew to Malaysian Ringgit (MYR) 28.1 billion (bn) in August; up from MYR22.5bn in the previous month. Malaysia's Consumer Price Index (CPI) was higher at 1.9% YoY in August compared to 1.80% in July 2026 (July). Malaysian foreign reserves declined in September 2026 (September) to United States Dollar (USD) 131.7bn from USD132.7bn in August. Meanwhile, Malaysia's Purchasing Managers' Index (PMI) was lower at 49.9 in September compared to 50.2 in the previous month. US Treasury yields were higher in September with the Treasury 2-year, 5-year and 10-year benchmark yield closing the month at 4.88%, 5.09% and 5.28% respectively compared to 4.34%, 4.50% and 4.75% in August. Malaysian Government Securities (MGS) 3-year, 5-year yield and 10-year yield were higher, ending at 3.47%, 3.74% and 4.00% in September compared to 3.35%, 3.61% and 3.87% in the previous month.

Global fixed income markets were decimated in September as fear turned into panic leading investors to dump their bond holding in a selling frenzy that lasted throughout the month. Escalation of the conflict in the Middle Eastern galvanised the ongoing narrative of high crude oil prices, stubbornly rising inflation and rate hikes by global central banks. After the US Federal Reserve (the Fed) hiked by 25 basis points during the Federal Open Market Committee (FOMC) meeting, market participants became convinced that Fed chairman Kevin Warsh is serious about stamping down inflation and sharply increased their US rate hike expectations from the previous 2 hikes to a total of 5 hikes which will bring the US Fed Funds rate back up to 5.00% by the end of 2027. Investors rushing for the exit pushed US Treasury notes to the highest levels in the past 20 years with the 10-year and 30-year notes hitting 5.29% and 5.64% respectively by the end of the month. Back in Malaysia, Bank Negara Malaysia (BNM) kept the Overnight Policy Rate (OPR) unchanged at 2.75% but that did not stop local bonds from experiencing the sharpest selloff since the post-pandemic rate hike cycle. There was nowhere to hide as bond holders ran for the hills and sold off their holdings with gusto. The 10-year MGS traded up to 4.20% in the middle of the September but before that dust could settle, the frenzied selling suddenly reversed into frenzied buying back down to the 3.80% level before drifting higher to end the month slightly above 4.00%. Local inflation continuing to tick upwards as the local CPI printed a higher 1.90% year-on-year (YoY) and Producer Price Index (PPI) surged to 10.7% YoY. The 3 government auctions for the month were quickly sold off by buyers despite the 10-year Government Investment Issue (GII) 07/2036, 7-year MGS 04/2033 and 30-year GII 01/2056 minting moderate Bid-to-Cover (BTC) ratios of 2.292x, 2.168x and 2.013x respectively. While the apocalyptic scenario unfolding in global fixed income markets has most investors fleeing for safety, bond yields have risen to very attractive levels. Hence, we look for opportunities to buy quality assets while keeping an eye on potential inflationary risks. For now, we maintain our conservative stance of medium portfolio duration and an emphasis on high credit quality.

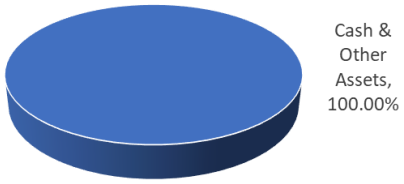
INVESTMENT STRATEGY

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

FUND DETAILS AS AT 30 SEPTEMBER 2026

Manager	KAF Investment Funds Bhd.
Trustee	CIMB Islamic Trustee Bhd.
Fund Category	Islamic Money Market Fund.
Fund Type	Income Fund.
Launch Date	6 October 2005
Unit net asset value (NAV)	RM0.5370
Fund size	RM2.613mil
Units in Circulation	4.865mil
Financial Year End	30 September.
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM1,000.00
Benchmark	Malayan Banking Berhad ("Maybank") one (1) month General Investment Account ("GIA") rate.
Sales Charge	None.
Repurchase Charge	None.
Annual management fee	0.375% per annum of NAV.
Annual trustee fee	0.025% of NAV per annum subject to a minimum trustee fee of RM 12,000.
Redemption payment period	Within 7 days after receipt of the request to repurchase.
Distribution policy	Income, if any, will be distributed on a monthly basis. All such distribution will be reinvested into the fund.

SECTOR ALLOCATION* AS AT 30 SEPTEMBER 2026



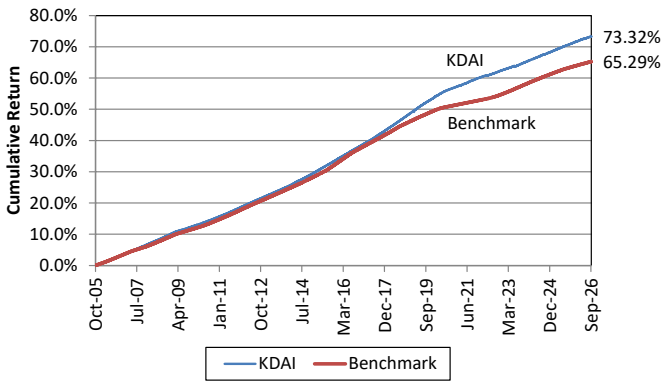
*As percentage Net Asset Value of the fund. Asset exposure is subject to change on a daily basis.
Source: KAF Investment Funds Berhad.

Distribution History

Month (2026)	Distribution (sen)
January	0.01
February	0.01
March	0.01
April	0.01
May	0.01
June	0.01
July	0.01
August	0.01
September	0.01

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
KDAI	0.13	0.39	0.73	1.61	5.42	8.79
Benchmark	0.10	0.31	0.63	1.28	5.07	8.39

Source: Novagni Analytics & Advisory Sdn Bhd

LARGEST HOLDINGS* AS AT 30 SEPTEMBER 2026

Cash & other assets	100.00%

*as percentage of Net Asset Value.

Disclaimer:
Based on the Malaysian Fund Volatility Report issued by Refinitiv Lipper dated 12 October 2026, the Volatility Factor (VF) for this fund is 0.08 and is classified as "Very Low". "Very Low" includes funds with VF that are between 0 to 4.51. The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.
A Product Highlights Sheet ("PHS") highlighting the key features and risks of the fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Replacement Master Prospectus dated 30 September 2023 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, investors should be highlighted of the fact that the value of their investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units. Any issue of units to which the Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 03-9767 6000 for a copy of the PHS and the Master Prospectus or collect one from any of our authorised distributors. The Manager wishes to highlight the specific risks of the fund are interest rate risk and credit/default risk. These risks and other general risks are elaborated in the Master Prospectus.

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