Date: 13 November 2025

INVESTMENT FUNDS BERHAD 199501004999 (334195-K)

KAF BOND FUND

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of KAF Investment Funds Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of KAF Bond Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the KAF Bond Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the KAF Bond Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of KAF Investment Funds Berhad responsible for the KAF Bond Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

This Product Highlights Sheet only highlights the key features and risks of KAF Bond Fund. Investors are advised to request, read and understand the Master Prospectus before deciding to invest.

PRODUCT HIGHLIGHTS SHEET
KAF BOND FUND

Name of Fund	KAF Bond Fund.
Fund Category	Bond/Fixed income.
Fund Type	Income.
Commencement Date	1 November 2006.
Capital Protected / Guaranteed	No.

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

This Fund is suitable for investors who have a low to medium risk profile and seek a steady income stream over the medium to long-term.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

The Fund aims to provide a regular income[#] stream by investing in medium to long-term fixed-income instruments.

[#]*Note: Please refer to the Fund's distribution policy.*

Investment Strategy

Investment policy and strategy

Asset allocation:

The Fund will invest primarily in medium to long-term government bonds, private debt securities and other fixed income securities. There will be no equity investment. In terms of asset allocation, the Fund will be at least 70% invested in the above mentioned fixed income securities at most times. The balance will be held in cash deposits and shorter-term money market instruments. The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economic, political or any other conditions. Under such situations, a larger portion of the Fund may be temporarily invested in cash deposits and shorter term money market instruments.

Investment strategy:

The Fund seeks to meet its objective of producing a steady and recurring annual income stream by investing in a portfolio of fixed income securities such as sovereign bonds and corporate debt with the balance invested in money market instruments.

As much as possible, the Fund will seek to maximise the return potential of the Fund by investing in corporate bonds that command higher yields than money market instruments. In doing so, the Fund will likely be exposed to the risks of adverse interest rate movements and corporate credit deterioration. On the other hand, should interest rates turn favourable i.e. fall, or corporate credit of the bond issues improve, then the Fund stands to benefit from the resultant capital gains. Nevertheless, the credit risks assumed are limited to the extent that any bond invested must have credit ratings of no lower than a short-term credit rating of P2 by RAM or MARC-2 by MARC or a long-term credit rating of A3 by RAM or A- by MARC. Notwithstanding the aforesaid, the exposures to the risk and return potentials need to be managed actively to achieve the risk-reward trade-off that is reasonable to the Fund.

Risk management in response to adverse market conditions, economic or political conditions:

While the Fund would normally hold a high exposure to bonds, should the need arise, due to adverse conditions, such as market, economic, political or otherwise, the Manager may pursue a strategy of lowering the Fund's bond holdings and shifting the investments to other permitted instruments such as government bonds, fixed deposits and current account as deemed appropriate.

Other defensive strategies that the Manager may use to counter adverse conditions include:

- To lengthen or shorten the average maturity or duration of the Fund's holdings, in anticipation of changing interest rates;

- Selecting investments that carry ratings higher than the allowable minimum short-term credit rating of P2 by RAM or MARC-2 by MARC or long-term credit rating of A3 by RAM or A- by MARC to ensure the liquidity of the Fund's investments; and
- Invest more of the Fund's holdings in bank or government guaranteed investments or investments that are secured against assets to mitigate default risks.

Additionally, if the credit rating of the bonds held by the Fund has been downgraded below the minimum credit rating, the Manager reserves the right to employ its judgment in dealing with the bonds in the best interest of Unit Holders.

Benchmark

RAM-Quant MGS Index (All Durations).

Note: The risk profile of the Fund is different from the risk profile of the benchmark.

Distribution Policy

It is intended that the Fund will distribute income at least once a year.

Parties Involved

WHO ARE YOU INVESTING WITH?

Manager	KAF Investment Funds Berhad.
Trustee	CIMB Commerce Trustee Berhad.
Tax adviser	KPMG Tax Services Sdn Bhd.
Auditors	PricewaterhouseCoopers.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

Specific risks of the Fund

- *Interest rate risk*

  Interest rate risk is crucial since the bond portfolio management depends on forecasting interest rate movements. Prices of bond move inversely with interest rates and the degree of sensitivity to interest rates is a function of bond maturity and coupon payment as well as the level of interest rates. In the event of rising interest rates, prices of bond will decrease and vice versa. Corporate profits may be affected by high interest rates, hence affecting the NAV of the Fund. Therefore, interest rate risk should be low for short-term bonds, moderate for intermediate term bonds and high for long-term bonds. Interest rate risk is mitigated by exercising prudence in the selection of investments, strict monitoring of those investments and ensuring sufficient diversification of the Fund's investments.

- *Credit risk*

  Credit risk refers to the possibility that the issuer of a bond will not be able to make timely payments of interest on the coupon payment date or principal repayment on the maturity date. The risk is graded by credit rating agencies that rate the issuer's ability to meet these obligations in a timely manner. Failure to comply with conditions attached to the issue or to make a payment or a repayment on time will result in an event of default. A default by the issuer will result in a fall in the value of bonds which ultimately reduced the NAV of the Fund. The lower the rating, the greater the risk that the bond issuer will default. All things being equal, the lower a bond's credit rating, the higher its yield should be to compensate investors for assuming higher risk. Mitigating credit risk involves diversification of the Fund's investments.

- *Liquidity risk*

  Liquidity risk may be defined as the difficulty of selling components of an investment portfolio at or near its fair value without taking a significant discount. This risk depends on the volume of the particular security traded on the market. Investments in bonds generally carry a higher degree of liquidity risk than investments in listed stocks and shares. For mitigation purposes, the fund manager will attempt to balance the entire portfolio by investing in a mix of bonds which have good credit ratings and satisfactory trading volume. This is expected to reduce the liquidity risk of the Fund.

Please be advised that if a Unit Holder invests in units through an IUTA which adopts the nominee system of ownership, the Unit Holder would not be considered to be a Unit Holder under the deed and the Unit Holder may consequently not have all the rights ordinarily exercisable by a Unit Holder (for example, the right to call for a Unit Holder's meeting and to vote thereat and the right to have the Unit Holder's particulars appearing in the register of Unit Holders of the Fund.

FEES & CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

This table describes the charges that you may **directly** incur when you buy or redeem units of the Fund:

Charges	
Sales charge	Nil.
Repurchase charge	Nil.
Switching fee	Nil.
Transfer fee	Nil.
Other charges	Charges, for instance bank charges, telegraphic charges and courier charges, shall be borne by the Unit Holder in order to execute transactions on behalf of the Unit Holder.

This table describes the fees that you may **indirectly** incur when you invest in the Fund:

Fees	
Annual management fee	0.40% per annum of NAV. *Note: The Manager reserves the right to waive or reduce the annual management fee at its discretion.*
Annual trustee fee	Up to 0.05% per annum of NAV, subject to a minimum of RM12,000.

Note: All fees and charges disclosed above are expressed on a tax-exclusive basis. Accordingly, to the extent that services provided are subject to tax, the amount of tax payable on any related fees and / or charges will be payable by the Unit Holder and / or the Fund (as the case may be) in addition to the fees and charges as disclosed above.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

FUND PERFORMANCE

Average total return:

	Average total returns (%) *			
	1 year	**3 years**	**5 years**	**10 years**
	31/08/2024 - 31/08/2025	**31/08/2023 - 31/08/2025**	**31/08/2020 - 31/08/2025**	**31/08/2015 - 31/08/2025**
Fund	5.56	6.07	4.27	6.25
RAM Quantshop MGS Index (All Durations)	6.59	5.99	3.40	5.91

* The Fund's performances are calculated on NAV per unit to NAV per unit basis.

Annual total return:

	Annual total return* (%) Financial year ended 31 August									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Fund	5.56	5.30	6.35	2.97	(0.32)	6.28	7.06	4.95	4.22	7.63
RAM Quantshop MGS Index (All Durations)	6.59	4.85	5.54	(0.39)	(0.41)	7.76	9.88	3.48	2.09	8.68

* The Fund's performances are calculated on NAV per unit to NAV per unit basis.

Performance review:

For the latest financial year, the Fund registered a return of 5.56% whilst the benchmark recorded a return of 6.59%. The underperformance was attributable to the Fund's shift to a more conservative strategy relative to the benchmark in view of higher uncertainty in global financial markets.

Since its inception, the Fund recorded a total return of 163.05% and outperformed its benchmark, which recorded a total return of 119.68%.

Distribution record:

There were no distributions, bonuses or splits for the Fund for the past three financial years.

Portfolio turnover ratio (PTR)

	Financial year ended 31 August		
	2025	**2024**	**2023**
PTR	1.46 times	0.62 times	0.47 times

The PTR for the latest financial year was higher than the previous financial year mainly due to the increase in portfolio rebalancing activities undertaken by the Fund.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

VALUATIONS AND EXITING FROM INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The Fund will be valued at least once every Business Day. The valuation of the Fund will be conducted at the close of Bursa Malaysia for that Business Day.

From time to time, Unit Holders will be able to obtain the unit price of the Fund as published in the major newspaper and at our website**, www.kaf.com.my** to monitor their investments. Unit Holders may also obtain the latest NAV per unit by contacting the Manager directly.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

Unit Holders may redeem their investments in the Fund by completing the prescribed repurchase request form and returning it to the Manager before the cut-off time of 4:00 p.m. on a Business Day. Any repurchase request received after 4:00 p.m. on a Business Day, will be considered to be received on the next Business Day.

There are no restrictions on the number of units a Unit Holders can redeem out of his investments and no restrictions on the repurchase frequency.

The minimum repurchase amount is 10 units or RM1,000.00 whichever is the lower value in term of RM, or such other lower amount as the Manager may accept from time to time.

If following the repurchase request leave a Unit Holder with less than 10 units or RM1,000.00, whichever is the lower value in term of RM, or such other lower amount as the Manager may decide from time to time (minimum investment balance), the Manager has the option to liquidate the balance of the units held in the Unit Holder's account and forward the proceeds to the Unit Holder.

Repurchase proceeds will be paid within seven (7) Business Days from the date on which the repurchase request is received by the Manager.

CONTACT INFORMATION

HOW CAN YOU CONTACT US?

To contact the Manager or to find out about the distribution channels of the Fund, you may call our customer service number: 03-9767 6000 at any time during our office hours: Mondays through Fridays from 9:00 a.m. – 5:30 p.m. or email your enquiries to **investmentfund@kaf.com.my** or visit our website, **www.kaf.com.my**.

HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

(a)	via phone to	:	03-9767 6000
(b)	via fax to	:	03-9767 6001
(c)	via email to	:	**investmentfund@kaf.com.my**
(d)	via letter to	:	KAF Investment Funds Berhad Level 13, Menara IQ Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the **Financial Markets Ombudsman Service (FMOS)**:

(a)	via phone to	:	03-2272 2811
(b)	via online	:	**www.fmos.org.my** ("File A Complaint")

(c) via letter/walk in : Financial Markets Ombudsman Service (FMOS)
: Level 14, Main Block
Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur

3. You can also direct your complaint to the Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with FMOS. To make a complaint, please contact the SC's Consumer & Investor Office:

(a) via phone to the Aduan Hotline at : 03-6204 8999
(b) via fax to : 03-6204 8991
(c) via email to : **aduan@seccom.com.my**
(d) via online complaint form available at **www.sc.com.my**
(e) via letter to : Consumer & Investor Office
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

(a) via phone to : 03-2092 3800
(b) via fax to : 03-2093 2700
(c) via email to : **complaints@fimm.com.my**
(d) via online complaint form available at **www.fimm.com.my**
(e) via letter to : Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-1, 6th Floor Wisma Tune
No. 19 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

GLOSSARY

Bursa Malaysia	The stock exchange managed and operated by Bursa Malaysia Securities Berhad.
Business Day	A day on which Bursa Malaysia is open for trading.
Fund	KAF Bond Fund.
IUTA	Institutional unit trust adviser registered with Federation of Investment Managers Malaysia.
MARC	Malaysian Rating Corporation Berhad.
Master Prospectus	Master prospectus dated 30 September 2023 and its supplementary master prospectus(es) (if any).
Net Asset Value or NAV	Means the value of all the fund's assets less the value of all the fund's liability at the valuation point.
RAM	RAM Rating Services Berhad.
RM	The lawful currency of Malaysia, Ringgit Malaysia.
Unit Holders	The person registered for the time being as a holder of units of the Fund in accordance with the provisions of the deed.