Date: 13 November 2025

INVESTMENT FUNDS BERHAD 199501004999 (334195-K)

KAF CORE INCOME 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 Core Income Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the KAF Core Income Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the KAF Core Income 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 Core Income 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 Core Income Fund. Investors are advised to request, read and understand the Master Prospectus before deciding to invest.

PRODUCT HIGHLIGHTS SHEET
KAF CORE INCOME FUND

Name of Fund	KAF Core Income Fund.
Fund Category	Equity.
Fund Type	Income.
Commencement Date	2 September 2004.
Capital Protected / Guaranteed	No.

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

This Fund is suitable for investors who:

- seek a stable income stream with potentially higher than the prevailing fixed deposit rates;
- prefer a medium to long-term investment horizon in order to achieve reasonable capital growth; and
- have a medium degree of risk tolerance.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

The Fund's investment objective is to provide Unit Holders with a stable income that is potentially higher than the prevailing fixed-deposit rate by investing in high-dividend yielding portfolio of stocks and fixed-income securities.

Investment Strategy

Investment policy and strategy

Asset allocation:

The strategic limit on asset allocation of the Fund is as follows:

Equities	Minimum 70% and maximum 98%
Fixed-income securities and liquid assets	Minimum 2% and maximum 30%

The investment process begins with a top-down view for asset allocation decisions and a bottom-up view for stock selection purposes.

The asset allocation strategy between equities and fixed-income securities is dependent on the state of the macro picture as perceived by the Manager after going through a stringent investment process to review the outlook for the economy and business statistics in order to produce in-house views for the stock market and economy. Beneficiaries of this, sector-wise and stocks-wise, are then predetermined before being subject to a rigorous stock selection process.

Once the rigorous stock selection process has been performed, the Manager adopts a relatively passive investment strategy in view of the underlying objective to provide stable income from high-yielding stocks and fixed-income securities.

For **equity securities,** the Manager adopts a bottom-up approach in selecting equities after having ascertained the direction of the economy. Focus will be on the category of stocks to best take advantage of the asset allocation and view taken on the market whilst keeping with the Fund's objective to provide stable income. Fundamental analysis will be conducted to determine the attractiveness of stock ideas. Information can be obtained from regular company visits and participation in various industry presentations and stockbroker forums.

Accordingly, some of the principal valuations for stock selections preferred by the Manager are as follows:

- Relatively high dividend yield;
- Strong balance sheets;
- Focused management team;
- Sustainable financial performance potential.

The Manager will only make an investment in collective investment schemes if those investment objectives complement the Fund's objective and enhance the return of the Fund.

To mitigate risks, the Manager may also invest (when necessary) in futures contracts and options to hedge against market volatility and protect the Fund's value. Futures contract will only be used to hedge against the Fund's equity exposure from any unexpected price movements in the underlying market.

The Manager will ensure that any funds not invested in equities will be invested in fixed-income securities and money market instruments.

For **fixed-income securities**, the Fund will at all times place/invest its non-equity investments in money market deposits, MGS and a diversified portfolio of corporate bonds (listed or unlisted) rated at least BBB3 by RAM or other approved rating agencies. The fundamental investment process for the fixed-income investments is mainly driven by the interest outlook over the medium to long-term horizon. The Manager will from time to time, review the economic and interest rates outlook to determine the appropriate duration for the bond investments. The focus of choices for fixed-income securities will be those issues, which have high relative yields to maturity / yields to first call within its rating category. Regular reviews on credit ratings of bond investments are conducted to seek for potential upgrades and avoid potential downgrades of bond investments to achieve better returns for the Fund.

The above asset allocation policy of the Fund may be reviewed from time to time based on the general market and economic situations. 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 or political market conditions. This defensive position may take the form of holding significantly higher amount of liquid assets / cash and / or money market instruments. The Manager will then decide on the best appropriate asset allocation strategy and reallocate the Fund's equity investment into other more defensive investments. The weighting for equity investments then may be scaled down to not less than 20% of the Fund's NAV.

Accordingly, some of the important investment criteria or principal valuations measures for selections of fixed-income securities are as follows:

- Issuer's financial position and gearing levels;
- Issuer's cash flows quality;
- Issuer's expected future cash flows and repayment ability;
- Industry outlook;
- Duration and interest rates sensitivity analysis;
- Price and yield to maturity;
- Yield to first call;
- Ratings by RAM/MARC;
- Other applicable measures as and when necessary.

The Manager may from time to time decide on hedging the bond investments against interest rate movements using interest rates swaps. Hedging with interest rates swap would be effective in an aggressive interest rate hikes environment.

For the purposes of the Fund's investment in derivatives, the global exposure will be calculated using commitment approach to ensure it does not exceed the Fund's NAV. The global exposure of the Fund to derivatives is calculated as the sum of the:

- absolute value of the exposure of each individual derivative not involved in netting or hedging arrangements;
- absolute value of the net exposure of each individual derivative after netting or hedging arrangement; and
- the values of cash collateral received pursuant to the reduction of exposure to counterparties of over-the-counter (OTC) derivatives.

Benchmark

FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI).

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

Distribution Policy

Income distribution (if any) will be paid twice a year.

Parties Involved

WHO ARE YOU INVESTING WITH?

Manager	KAF Investment Funds Berhad.
Trustee	Universal Trustee (Malaysia) Berhad.
Tax adviser	PricewaterhouseCoopers Taxation Services Sdn Bhd.

Auditors	PricewaterhouseCoopers.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

Specific risks of the Fund

- ***Specific stock risk***

  Specific stock risk can be associated with the shift in consumer taste, advertising campaigns, lawsuits and competitive industry conditions. It can be mitigated by diversifying the Fund's investment over more companies in various segments of the economy, which operate independently from one another. Failing to achieve the expected earnings would result in the stock price declining, which in turn will affect the performance of the Fund. Specific stock risk is mitigated by exercising prudence in stock selection.

- ***Interest rate risk***

  Interest rate risk is crucial in a bond/sukuk portfolio management as it depends on forecasting interest rate movements. Prices of bond/valuation of sukuk move inversely with interest rates and the degree of sensitivity to interest rates is a function of bond/sukuk maturity and coupon/profit payment as well as the level of interest rates. In the event of rising interest rates, prices of bond/valuation of sukuk 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/sukuk, moderate for intermediate term bonds/sukuk and high for long-term bonds/sukuk. 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/default risk***

  Credit risk refers to the possibility that the issuer of a bond/sukuk will not be able to make timely payments of interest/profit on the coupon/profit payment date or principal repayment/payment 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 repayment or a payment on time will result in an event of default. A default by the issuer will result in a fall in the value of bonds/sukuk which ultimately reduced the NAV of the Fund. The lower the rating, the greater the risk that the bond/sukuk issuer will default. All things being equal, the lower a bond's/sukuk'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.

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 by distribution channels:	
Direct investment with the Manager	Up to 6.50% of NAV per unit.
Authorised IUTAs	Up to 6.50% of NAV per unit.
Authorised tied agents	Up to 6.50% of NAV per unit.
EPF Members Investment Scheme	Up to 3.00% of NAV per unit.
The sales charge is negotiable. The Manager may at his discretion impose a lower sales charge based on the size of investment and/or other criteria to be determined by the Manager.	
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	1.50% per annum of NAV. *Note: The Manager reserves the right to waive or reduce the annual management fee at its discretion.*
Annual trustee fee	0.03% of NAV (effective 1 October 2025).

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	**31/08/2022 - 31/08/2025**	**31/08/2020 - 31/08/2025**	**31/08/2015 - 31/08/2025**
Fund	(17.38)	16.33	23.01	24.77
FBM KLCI	(6.18)	1.39	0.65	(0.23)

* 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	(17.38)	28.10	40.77	(0.87)	45.60	48.23	(7.06)	(3.95)	1.63	20.23
FBM KLCI	(6.18)	15.62	(3.98)	(5.58)	4.99	(5.39)	(11.40)	2.62	5.67	4.05

* 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 negative return of 17.38% whilst the benchmark recorded a negative return of 6.18%. The outperformance against the benchmark was mainly due to its higher exposure to the energy sector, and the companies with larger market caps have declined less in the risk-off environment during the period.

Since its inception, the Fund recorded a total return of 628.99% outperforming its benchmark, which recorded a total return of 83.94%.

Distribution record:

	Financial year ended 31 August					
	2025		**2024**		**2023**	
	Final	Interim	Final	Interim	Final	Interim
Gross distribution per unit (sen)	1.000	1.000	2.000	3.000	3.500	3.000
Net distribution per unit (sen)	1.000	1.000	2.000	3.000	3.500	3.000

Portfolio turnover ratio (PTR)

	Financial year ended 31 August		
	2025	**2024**	**2023**
PTR	0.37 times	0.99 times	0.74 times

The PTR for the latest financial year was lower than the previous financial year due to overall decrease 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.

If following a repurchase request leaves the Unit Holder with less than 500 units or such other lower quantity 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

Authorised tied agents	An individual who is duly registered with the Federation of Investment Managers Malaysia to market and distribute unit trust funds.
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.
EPF	Employees Provident Fund.
Fund	KAF Core Income 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.