

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 grew by 10.8% while imports increased by 8.2% Year-on-Year (YoY) in February 2026 (February). The trade surplus increased to Malaysian Ringgit (MYR) 16.7 billion (bn) in February; up from MYR21.4bn in the previous month (January). Malaysia's Consumer Price Index (CPI) was lower at 1.40% YoY in February compared to 1.60% in January 2026 (January). Malaysian foreign reserves increased in February to United States Dollar (USD) 128.1bn from USD127.9bn in February. Meanwhile, Malaysia's Purchasing Managers' Index (PMI) was flat at 50.7 in March 2026 (March) compared to 49.3 in the previous month. US Treasury yields were higher in March with the Treasury 2-year, 5-year and 10-year benchmark yield closing the month at 3.79%, 3.94% and 4.32% respectively compared to 3.37%, 3.50% and 3.94% in February. Malaysian Government Securities (MGS) 3-year, 5-year yield and 10-year yield were flat, ending at 3.26%, 3.43% and 3.63% in March compared to 3.03%, 3.31% and 3.48% in the previous month.

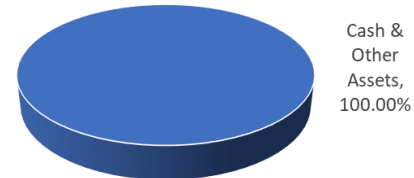
Global Fixed Income markets were thrown into turmoil throughout March with the outbreak of the Second Iran War and the ensuing crude oil price shock after Iran closed the Strait of Hormuz. After a brief ill-fated rally, the traditional perception that bonds are a safe haven during periods of war and uncertainty evaporated as investors sold off the bonds as sky high oil prices ignited the specter of inflation. As the life blood of the global economy, previous periods of high oil prices saw the elevated fuel costs trickle down to every corner of the economy and trigger large waves of inflation. Market participants concluded that high inflation well above the US Federal Reserve's (the Fed) 2% target will reverse interest rate expectations from rate cuts in 2026 to rate hikes. The narrative prompted investors to stampede to the exit which pushed the 10-year US Treasury yield up just shy of 4.50%. However, bonds got some reprieve at the end of the month after US President Donald Trump indicated that negotiations with Iran to end the war and re-open the Strait of Hormuz had begun. On the last day of March, Fed chairman Jerome Powell Market made a calming statement that the Fed will wait to see the effects of the Iranian war on the US economy. For now, market participants are expecting the Fed to hold interest rates flat in 2026 with a small possibility of a rate hike. Back in Malaysia, Bank Negara Malaysia (BNM) held the Overnight Policy Rate (OPR) at 2.75% while local bonds were sold off in tandem with global peers albeit to a lesser magnitude. As an oil producing country with a flourishing domestic crude oil industry, Malaysia is less impacted by oil supply shocks compared to net importing countries. Nonetheless, local businesses felt the pinch at the pump as unsubsidised petrol and diesel prices skyrocketed. RON95 petrol subsidies have cushioned consumers from the direct impact of the ongoing Middle East conflict but Prime Minister Anwar Ibrahim made an announcement that the current subsidised price of RM 1.99/litre cannot be sustained for more than a few months. Hence, if the "higher for longer" crude oil price scenario pans out, consumers are likely to get pummeled in the latter half of the year by both higher fuel prices and the cost passthrough by businesses and utility companies. Despite the gloomy outlook, the 3 government auctions for the month saw decent demand for local bonds with the 15-year Government Investment Issue (GI) 07/2040, 3-year MGS 03/2029 and 7-year 03/2033 managing to fetch out Bid-to-Cover (BTC) ratios of 2.295x, 2.218x and 1.688x respectively. The challenging start for Fixed Income in 2026 has transformed into a precarious situation should the war in the Middle East prolong and crude oil prices stay elevated for an extended period. We have adjusted the portfolio to take a defensive stance against potential inflationary and rate hike risks while maintaining 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 31 MARCH 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)	RM0.5337
Fund size	RM3.126mil
Units in Circulation	5.857mil
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 31 MARCH 2026**


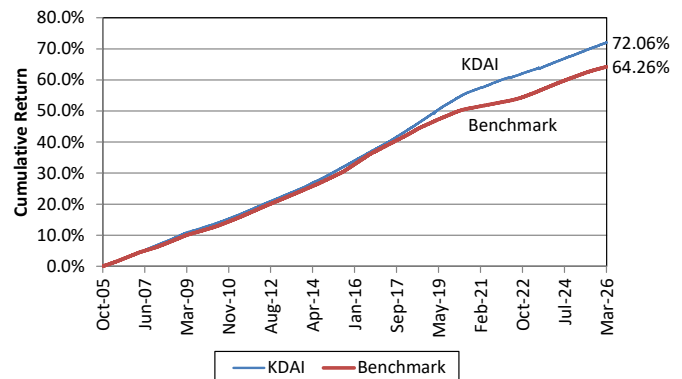
\*As percentage Net Asset Value of the fund. Asset exposure is subject to change on a daily basis.  
Source: KAF Investment Funds Berhad.

**Distribution History**

Month (2026)	Distribution (sen)
January	0.01
February	0.01
March	0.01

**FUND PERFORMANCE ANALYSIS AS AT 31 MARCH 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	0.17	0.43	0.87	1.79	5.43	9.10
Benchmark	0.11	0.32	0.65	1.45	5.51	8.26

Source: Novagni Analytics & Advisory Sdn Bhd

**LARGEST HOLDINGS\* AS AT 31 MARCH 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 10 April 2026, the Volatility Factor (VF) for this fund is 0.13 and is classified as "Very Low". "Very Low" includes funds with VF that are between 0 to 4.37. 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. 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.