



**KAF CORE INCOME FUND**

**SEMI-ANNUAL REPORT**

**28 FEBRUARY 2026**

# MANAGER'S REPORT

We are pleased to present the Manager's semi-annual report for the financial period ended 28 February 2026 ("the period").

## 1. Launch Date

KAF Core Income Fund ("KCIF/the Fund") commenced operations on 2 September 2004 and will continue its operations until terminated according to the Master Deed dated 29 July 2004, Supplemental Master Deed dated 9 January 2014, Second Supplemental Master Deed dated 12 March 2015 and Third Supplemental Master Deed dated 20 March 2023.

## 2. Type of Fund

Income Fund.

## 3. Category of Fund

Equity Fund.

## 4. Fund's Objective, Benchmark and Distribution Policy

KCIF's investment objective is to provide unit holders with a stable income that is potentially higher than the prevailing fixed deposit rates ("FD") by investing in high-dividend yielding portfolio of stocks and fixed-income securities.

As an equity fund, the strategic limit on KCIF's asset allocation is subject to a maximum 98% exposure in equities and a minimum 2% in fixed-income securities and other liquid assets.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM-KLCI") is used as the benchmark to reflect KCIF's investment policy of investing up to a maximum 98% of the Net Asset Value ("NAV") in equities.

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

## MANAGER'S REPORT

### 5. Review of Fund Operations and Performance

For the financial period under review, KCIF registered a return of -1.05% compared to its benchmark FBM-KLCI, which recorded a return of 8.98%. The Fund underperformed relative to the benchmark mainly due to the Fund's lower exposure to the finance sector.

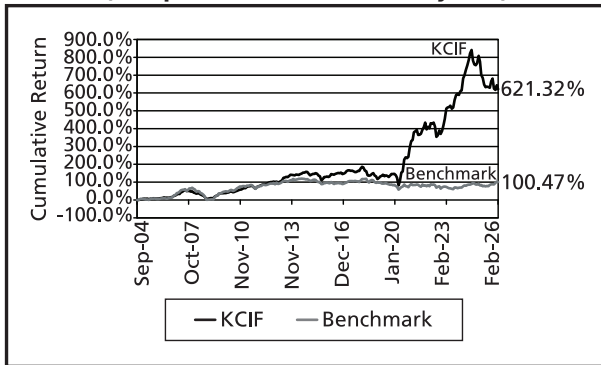
Since inception, based on its NAV, the Fund recorded a return of 621.32% compared to its benchmark FBM-KLCI Index which grew to 100.47%.

The Fund realised a net gain of RM9.81 million arising from dividend income, interest earned and gain on disposal of equities. As at end of the financial period, total unrealised loss stood at RM94.35 million.

KCIF's NAV decreased to RM519.42 million on 28 February 2026 from RM588.78 million on 31 August 2025. The NAV per unit of the Fund decreased to RM0.8830 (adjusted for income distribution) as at 28 February 2026 from RM0.8924 as at 31 August 2025 due to the decline in value of investment.

No cross-trade transaction carried out during the reported period ended 28 February 2026. The Fund has not undertaken any securities lending or repurchase transaction for the reported period.

**Performance Chart since Inception  
(22 September 2004 to 28 February 2026)**



Source: Novagni Analytics and Advisory Sdn Bhd, an independent source.

## MANAGER'S REPORT

### KCIF's performance against the Benchmark and Indices of Bursa Malaysia

Fund/Index	31/08/2025	28/02/2026	Change (%)
KCIF (RM)	0.8924	0.8830*	(1.05)
FBM-KLCI (benchmark)	1,575.12	1,716.61	8.98
FBM EMAS Index	11,702.89	12,611.43	7.76
FBM EMAS Shariah Index	11,649.08	12,217.56	4.88

Source: Novagni Analytics and Advisory Sdn Bhd, an independent source.

\*Note: NAV per unit adjusted for income distribution.

### Fund Performance as ranked by Lipper Asia Limited

Period	KCIF		Mean of Industry's Equity Malaysia Income Non-Islamic Funds
	% Change	Rank	% Change
<b>3 months</b> 27/11/2025 - 27/02/2026	(1.78)	18/18	4.76
<b>6 months</b> 27/08/2025 - 27/02/2026	(1.76)	17/18	8.17
<b>1 year</b> 27/02/2025 - 27/02/2026	(11.34)	17/17	9.90
<b>3 years</b> 27/02/2023 - 27/02/2026	14.58	17/17	31.87
<b>5 years</b> 26/02/2021 - 27/02/2026	50.34	1/17	28.15

Source: The Edge, 9 March 2026 issue, The Edge-Lipper Fund Performance Table, an independent source.

**Past performance is not necessarily indicative of future performance.**

## MANAGER'S REPORT

We are pleased to declare an interim gross/net distribution of 0.50 sen per unit on 16 February 2026, representing a yield of 0.56% based on the Fund's closing NAV per unit of RM0.9000 on 16 February 2026. The impact on NAV per unit arising from the distribution is as follows:

	RM/Unit as at 16 February 2026
NAV before distribution	0.9000
Less: Distribution of 0.50 sen net	(0.0050)
NAV after distribution	0.8950

### 6. Asset Allocation and Investment Strategies Employed

KCIF continues to invest in stocks with reasonable payout ratios, offer growth potential and trade below estimated intrinsic value. The search for these companies is a continuous effort aimed at replacing stocks that have been disposed for profits or due to changes in the company's fundamentals or prospects. During the period under review, KCIF equity exposure increased from 95.94% to 98.15% mainly due to increased investments in companies that are looking increasingly attractive, as prices declined despite their fundamentals remain largely intact.

Other than the investment strategy stated in the Replacement Master Prospectus dated 30 September 2023, the designated Fund Manager has not employed any other investment strategy.

There were no significant changes in the Fund's state of affairs during the period.

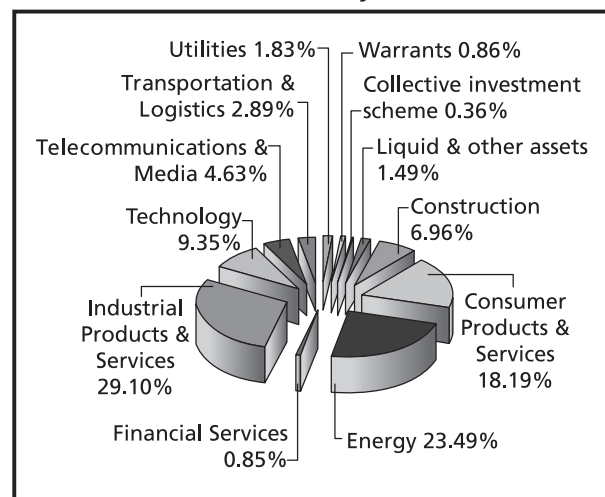
There were no circumstances which could materially affect any interest of the unit holders.

## MANAGER'S REPORT

### Asset Allocation

Asset class	Percentage of NAV as at		Change in Exposure over period (%)
	31/08/2025 (%)	28/02/2026 (%)	
Collective investment scheme	0.65	0.36	(0.29)
Equity and derivative securities	95.94	98.15	2.21
Liquid & other assets	3.41	1.49	(1.92)

### Portfolio of Investment and Other Assets as at 28 February 2026



**7. Equity Market Review**

During the period of review, FBM-KLCI, FBM EMAS and FBM EMAS Shariah increased by 8.98%, 7.76% and 4.88% respectively. The Dow Jones Industrial Average, S&P 500 and NASDAQ meanwhile increased by 7.54%, 6.48% and 5.65% respectively during this period. The MSCI World Index delivered positive returns of 9.07% while the MSCI Emerging Market Index surged by 27.99% during the period of review.

With global inflation trending lower and with US interest rates already at multi-year high levels, the US Federal Reserves ("the Fed") have started the interest rate cut cycle. However, with the potentially inflationary tariff policies proposed by the new US administration and recent conflict in the Middle East region, the Fed officials would likely to remain cautious in reducing interest rate in the near term. The surge in oil and gas prices is temporarily taking the spotlight off the continuous developments and investments into Artificial Intelligence. While geopolitical risk and volatility remain elevated, global financial markets have generally climbed a wall of worry.

Locally, Malaysia's economy continued to surpass expectations by growing 5.2% in 2025, as robust domestic demand, household spending and continuous investments drove the economic growth. Bank Negara Malaysia ("BNM") is projecting 2026 Gross Domestic Product ("GDP") growth rate to be between the range of 4.0% to 4.5% as domestic resilience may be offset by external challenges such as global trade tensions.

During the period of review, BNM has maintained the Overnight Policy Rate ("OPR") at 2.75%. BNM believes that the current rate remains appropriate amid moderate inflation and a robust domestic economy, with expectations that this supportive policy will persist to balance growth and price stability.

Malaysian equities have rebounded during the period, though the gains are highly concentrated in companies with larger market capitalisation, especially in the finance sector. General sentiment among local investors remains cautious and crowded in few selected stocks. Malaysia remains an attractive destination for foreign direct investments while exports and domestic consumption remain resilient. These,

coupled with low foreign shareholding levels despite a stronger Ringgit, would likely provide a base of recovery in the broader Malaysian equity market.

**8. Market Outlook and Strategy**

Globally, central banks are reversing their tightening course of monetary policies, providing stimulus to the economy. This, however, is counterbalanced by the aggressive trade policies of the new US administration, which could introduce considerable uncertainties into the global economic outlook. As global supply chains adapt to such challenges, the conflict in the Middle East introduce fresh risk and uncertainties. The surge in input and logistics costs could be challenging for companies to bear and the passing on of costs may drive global inflation higher.

The Chinese economy continues its slow recovery, as the Chinese government gradually introduce measures to stabilise and revive the economy. In response to lackluster economic conditions and potential headwinds from the US tariffs, the Chinese government appears to have shifted toward a more pro-business policy stance. While China is a major net importer of oil and gas, its large strategic inventory provides a buffer against the disruption of supply from Middle East. A resilient Chinese economy would be crucial to the global economic, particularly ASEAN countries such as Malaysia.

During the period under review, US equities continued to perform strongly, underpinned by the sustained outperformance of major technology companies. However, given the US market's relatively elevated valuation levels, this may incentivise some investors to consider alternative markets for diversification.

In the local equity market, the short-term investment approach adopted by institutional investors continues to result in heightened market volatility. There is a noticeable valuation gap emerging between the outperforming stocks and laggards, as returns are increasingly derived from valuation re-rating rather than fundamental growth. Such disconnect between share prices and the underlying fundamentals of companies is challenging for bottom-up stock-selection. Nevertheless, based on past market cycles, we believe that fundamentals will eventually prevail, leading to the realignment of valuations with intrinsic value.

## MANAGER'S REPORT

Regardless of the current conditions, we have stressed that there will always be different companies which could perform well in different economic environments. We remain committed and focused on quality stock-picking to outperform the benchmark and deliver positive returns to the unit holders.

### 9. Changes made to the Fund's Prospectus

There were no changes made to the Fund's prospectus during the reported period.

### 10. Soft Commission

The Manager had received a soft commission (in the form of goods and services) during the period under review, which intended to bring direct benefit or advantage to the management of KCIF from one broker/dealer by virtue of transactions conducted for KCIF. The broker/dealer had also executed trades for other funds or investments managed by the Manager.

The soft commission received is in the form of research services that can add value to the investment process by analysing data to extract insights and arrive at meaningful conclusions. Such data assists the Manager in the investment decision-making process which is of demonstrable benefit to unit holders of KCIF and other funds or investments managed by the Manager.

The soft commissions received were for the benefit of the Fund, and there was no churning of trades.

### 11. Other Information

From 1 October 2025, the trustee fee applicable to KCIF is 0.03% per annum of the NAV. Previously, the trustee fee was 0.07% per annum on the NAV.

## KEY PERFORMANCE DATA

Portfolio Composition	As at		
	28/02/2026	28/02/2025	29/02/2024
	(Percentage of NAV)		
	%	%	%
<b>Quoted Equities</b>			
Construction	6.96	6.54	5.06
Consumer Products & Services	18.19	11.39	11.31
Energy	23.49	23.48	19.58
Financial Services	0.85	0.62	1.50
Health Care	-	0.05	1.98
Industrial Products & Services	29.10	26.19	21.06
Property	-	0.59	0.77
Technology	9.35	10.88	14.13
Telecommunications & Media	4.63	3.81	5.59
Transportation & Logistics	2.89	3.89	1.99
Utilities	1.83	3.94	4.34
Warrants	0.86	0.13	0.18
<b>Total Quoted Equities</b>	<b>98.15</b>	<b>91.51</b>	<b>87.49</b>
<b>Collective investment scheme</b>	<b>0.36</b>	<b>-</b>	<b>1.31</b>
<b>Liquid and other assets</b>	<b>1.49</b>	<b>8.49</b>	<b>11.20</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Total return for the year</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Capital growth	(8,799)	(79,375)	20,057
Income distribution	4,684	9,282	9,961

## KEY PERFORMANCE DATA

Performance	Income Return	Capital Return	Annual Total Return	
	%	%	KCIF %	Benchmark %
<b>Financial year ended</b>				
31/08/2025	2.07	(19.06)	(17.38)	(6.18)
31/08/2024	4.78	22.26	28.10	15.62
31/08/2023	7.63	30.79	40.77	(3.98)
31/08/2022	8.36	(8.52)	(0.87)	(5.58)
31/08/2021	6.71	36.44	45.60	4.99

Average Total Return	
KCIF %	Benchmark %

One (1) year	(9.97)	9.01
Three (3) years	5.51	6.02
Five (5) years	10.06	1.76

Source: Novagni Analytics and Advisory Sdn Bhd, an independent source.

### Basis of calculation and assumption made in calculating the returns:

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:

Capital return = NAV per Unit end / NAV per Unit begin - 1

Income return = Income distribution per Unit / NAV per Unit ex-date

Total return = (1+Capital return) x (1+Income return) - 1

## KEY PERFORMANCE DATA

NAV and Units in Circulation	As at		
	28/02/2026	28/02/2025	29/02/2024
Total NAV (RM'000)	519,424	701,033	300,237
Units in circulation (in '000)	591,511	706,821	295,623
NAV per unit (RM)	0.8781	0.9918	1.0156
<b>Unit Prices for the year (RM per unit)</b>			
NAV (year high)	0.9764	1.1578	1.0440
NAV (year low)	0.8627	0.9918	0.8828
NAV (year high, ex-distribution)	0.8950	1.0670	1.0140
NAV (year low, ex-distribution)	0.8950	1.0670	1.0140
NAV	0.8781	0.9918	1.0156
<b>Distribution</b>			
Interim - gross/net (sen per unit)	0.50	1.00	3.00
Payment date	16/02/2026	17/02/2025	15/02/2024
<b>Unit Split</b>	Nil	Nil	Nil
<b>Total Expense Ratio ("TER")</b>	1.64%	1.58%	1.60%
<b>Portfolio Turnover Ratio ("PTR")</b>	0.13 times	0.24 times	0.52 times

**Note:** Total Expense Ratio ("TER") is calculated by taking the total fees and recovered expenses incurred by the Fund divided by the average fund size. Portfolio Turnover Ratio ("PTR") is calculated by taking the average of the acquisition and disposal of the Fund divided by the average fund size.

TER was higher than the previous periods due to overall decrease in the average NAV (refer to Note 14).

PTR was lower than the previous periods due to overall decrease in portfolio rebalancing activities undertaken by the Fund (refer to Note 15).

**Past performance is not necessarily indicative of future performance. Unit prices and investment returns may go down, as well as up.**

## TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF  
**KAF CORE INCOME FUND**

We, **Universal Trustee (Malaysia) Berhad** ("the Trustee") being the Trustee of **KAF Core Income Fund** ("the Fund") are of the opinion that **KAF Investment Funds Berhad** ("the Manager"), acting in the capacity of Manager of the Fund, has fulfilled their duties in the following manner for the financial period ended 28 February 2026.

- (a) The Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, Supplemental Deed, other provisions of the Deed, the SC's Guidelines on the Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation/pricing is carried out in accordance with the Deed and any regulatory requirements;
- (c) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements; and
- (d) The distribution of 0.50 sen (gross) per unit declared for the financial period ended 28 February 2026 consistent with the objective of the Fund.

For and on behalf of the Trustee,  
**Universal Trustee (Malaysia) Berhad**

**AHMAD MAHADI**  
Manager

Kuala Lumpur, Malaysia  
28 April 2026

## STATEMENT BY THE MANAGER

TO THE UNIT HOLDERS OF  
**KAF CORE INCOME FUND**

We, **Datuk Khatijah Ahmad** and **Mohammed Reza Tan Sri Abu Talib**, two of the Directors of **KAF Investment Funds Berhad**, do hereby state that, in the opinion of the Manager, the unaudited financial statements set out on pages 14 to 69 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 28 February 2026 and of its financial performance, changes in equity and cash flows of the Fund for the financial period ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,  
**KAF Investment Funds Berhad**

**Datuk Khatijah Ahmad**      **Mohammed Reza Tan Sri Abu Talib**  
Director                              Executive Director

Kuala Lumpur, Malaysia  
28 April 2026

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

	Note	2026 RM	2025 RM
<b>INCOME</b>			
Dividend income		8,488,444	7,900,870
Interest income from financial assets at amortised cost		155,185	953,439
Net loss on financial assets at fair value through profit or loss	7	(7,635,252)	(72,002,833)
		<u>1,008,377</u>	<u>(63,148,524)</u>
<b>EXPENSES</b>			
Manager's fee	3	(4,539,568)	(5,618,159)
Trustee's fee	4	(110,211)	(262,181)
Transaction costs		(460,584)	(1,037,960)
Audit fee		(3,968)	(3,968)
Tax agent's fee		(2,976)	(2,976)
Other expenses		(6,099)	(19,580)
		<u>(5,123,406)</u>	<u>(6,944,824)</u>
<b>NET LOSS BEFORE TAXATION</b>		<u>(4,115,029)</u>	<u>(70,093,348)</u>
<b>TAXATION</b>	6	-	-
<b>NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD</b>		<u>(4,115,029)</u>	<u>(70,093,348)</u>
Net loss after taxation is made up of the following:			
Realised amount		4,684,114	9,282,068
Unrealised amount		(8,799,143)	(79,375,416)
		<u>(4,115,029)</u>	<u>(70,093,348)</u>

Total amount for distribution (net) and distribution per unit (gross and net) for the distribution, including the declaration date for each distribution, are disclosed in Note 5 to the financial statements.

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
AS AT 28 FEBRUARY 2026

	Note	2026 RM	2025 RM
<b>ASSETS</b>			
Cash and cash equivalents	8	11,369,413	55,606,607
Financial assets at fair value through profit or loss	7	511,667,917	641,529,999
Amount due from brokers	9	492,360	5,187,936
Amount due from Manager			
- creation of units		353,662	5,530,721
Dividend receivables		844,275	581,569
<b>TOTAL ASSETS</b>		<u>524,727,627</u>	<u>708,436,832</u>
<b>LIABILITIES</b>			
Amount due to brokers	9	3,007,900	4,873,121
Amount due to Manager			
- Cancellation of units		1,598,824	1,611,158
- Manager's fee		664,789	850,512
Amount due to Trustee		13,296	39,691
Other payables and accruals	10	18,560	29,845
<b>TOTAL LIABILITIES</b>		<u>5,303,369</u>	<u>7,404,327</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>519,424,258</u>	<u>701,032,505</u>
<b>EQUITY</b>			
Unit holders' capital		612,314,150	716,582,965
Accumulated losses		(92,889,892)	(15,550,460)
<b>TOTAL NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>519,424,258</u>	<u>701,032,505</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	11	591,511,006	706,821,363
<b>NAV PER UNIT</b>		<u>0.8781</u>	<u>0.9918</u>

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

## UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

	Note	Unit holders' Accumulated		Total
		capital	losses	
		RM	RM	RM
<b>BALANCE AS AT 1 SEPTEMBER 2025</b>		674,596,767	(85,819,866)	588,776,901
<b>Movement in unit holders' capital:</b>				
Creation of units arising from applications		39,919,792	-	39,919,792
Creation of units arising from distribution		2,954,997	-	2,954,997
Cancellation of units		(105,157,406)	-(105,157,406)	
		<u>(62,282,617)</u>	<u>-(62,282,617)</u>	
Total comprehensive loss for the financial period		-	(4,115,029)	(4,115,029)
Distribution	5	-	(2,954,997)	(2,954,997)
		-	<u>(7,070,026)</u>	<u>(7,070,026)</u>
<b>BALANCE AS AT 28 FEBRUARY 2026</b>		<u>612,314,150</u>	<u>(92,889,892)</u>	<u>519,424,258</u>
<b>BALANCE AS AT 1 SEPTEMBER 2024</b>		689,000,528	61,413,312	750,413,840
<b>Movement in unit holders' capital:</b>				
Creation of units arising from applications		160,461,086	-	160,461,086
Creation of units arising from distribution		6,870,424	-	6,870,424
Cancellation of units		(139,749,073)	-(139,749,073)	
		<u>27,582,437</u>	<u>- 27,582,437</u>	
Total comprehensive loss for the financial period		-	(70,093,348)	(70,093,348)
Distribution	5	-	(6,870,424)	(6,870,424)
		-	<u>(76,963,772)</u>	<u>(76,963,772)</u>
<b>BALANCE AS AT 28 FEBRUARY 2025</b>		<u>716,582,965</u>	<u>(15,550,460)</u>	<u>701,032,505</u>

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

## UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

	Note	2026 RM	2025 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		99,657,063	157,924,504
Purchase of investments		(46,062,003)	(225,380,190)
Dividends received		7,723,812	8,385,706
Interest income received		155,185	953,439
Manager's fee paid		(4,634,387)	(5,709,653)
Trustee's fee paid		(132,363)	(266,450)
Payment of other fees and expenses		(15,228)	(28,133)
<b>Net cash generated from/ (used in) operating activities</b>		<u>56,692,079</u>	<u>(64,120,777)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		41,334,005	164,481,035
Payments for cancellation of units		(108,513,263)	(140,093,173)
<b>Net cash (used in)/ generated from financing activities</b>		<u>(67,179,258)</u>	<u>24,387,862</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<u>(10,487,179)</u>	<u>(39,732,915)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<u>21,856,592</u>	<u>95,339,522</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	8	<u>11,369,413</u>	<u>55,606,607</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Cash at bank		797,409	1,224,788
Deposit with a licensed financial institution		10,572,004	54,381,819
	8	<u>11,369,413</u>	<u>55,606,607</u>

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

Estimates and judgement are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

#### (a) Standards, amendments to published standards and interpretations that are effective

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026).
  - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition);
  - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
  - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
  - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

#### (b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
  - The new MFRS introduces a new structure of profit or loss statement.
- (a) Income and expenses are classified into 3 new main categories:
  - (i) Operating category which typically includes results from the main business activities;
  - (ii) Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
  - (iii) Financing category that presents income and expenses from financing liabilities.
- (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
  - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal.
  - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### B INCOME RECOGNITION

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Interest income from deposits with licensed financial institutions are recognised using the effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gains or losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, which is determined on a weighted average cost basis.

### C DISTRIBUTION

A distribution to the Fund's unit holders is accounted for as a deduction from the realised reserve. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee of the Fund.

### D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial year.

Withholding taxes on investment income from investments are based on the tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### E FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s functional and presentation currency.

### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### (i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions.

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

Investments in collective investment scheme are debt instruments with contractual cash flows that do not represent solely payments of principal and interest, and therefore are classified as fair value through profit or loss.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

#### (i) Classification (cont'd)

The Fund classifies cash and cash equivalents, amount due from brokers, amount due from Manager - creation of units and dividend receivables as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to brokers, amount due to Manager, amount due to Trustee and other payables and accruals as financial liabilities at amortised cost.

#### (ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the statement of comprehensive income within net gain/(loss) on financial assets at fair value through profit or loss in the financial year in which they arise.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

#### (ii) Recognition and measurement (cont'd)

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

In accordance to the Deeds, quoted investments in Malaysia are valued at the last traded market price quoted on the Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated using the effective interest rate method over the period from the date of placement to the date of maturity of the respective deposits.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest rate method.

#### (iii) Impairment for assets carried at amortised cost

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month and lifetime expected credit losses as any such impairment would be wholly insignificant to the Fund.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

#### (iii) Impairment for assets carried at amortised cost (cont'd)

##### Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

##### Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

##### Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit-impaired.

##### Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the creditor relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

#### (iii) Impairment for assets carried at amortised cost (cont'd)

##### Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/ recoveries during the financial year.

### G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and deposit with a licensed financial institution with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### H AMOUNT DUE FROM/(TO) BROKERS

Amounts due from/(to) brokers represent receivables for quoted securities sold and payables for quoted securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### H AMOUNT DUE FROM/(TO) BROKERS (CONT'D)

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the brokers, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Any contractual payment which is more than 90 days past due is considered credit impaired.

### I TRANSACTION COSTS

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### J CREATION AND CANCELLATION OF UNITS

The Fund issues cancellable units, which are cancelled at the unit holder's option and are classified as equity. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV. The outstanding units are carried at the redemption amount that is payable as at the date of the statement of financial position if the unit holder exercises the right to put the units back to the Fund.

Units are created and cancelled at the unit holder's option at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

### K UNIT HOLDERS' CAPITAL

The unit holders' capital to the Fund meets the definition of puttable instruments classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the unit holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units in the Fund over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if a unit holder exercises the right to put the unit back to the Fund.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission Malaysia's ("SC") Guidelines on Unit Trust Funds.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

KAF Core Income Fund (hereinafter referred to as “the Fund”) was constituted pursuant to a Master Deed dated 29 July 2004 (hereinafter referred to as “the Deed”) between KAF Investment Funds Berhad (“the Manager”) and Universal Trustee (Malaysia) Berhad (“the Trustee”) as well as the subsequent issuance of the Supplemental Master Deed dated 9 January 2014, Second Supplemental Master Deed dated 12 March 2015 and Third Supplemental Master Deed dated 20 March 2023 (collectively referred to as “the Master Deed”).

The principal activity of the Fund is to invest in “Permitted Investments” as defined under the Seventh Schedule of the Deed, which includes stocks and shares of companies quoted on the Bursa Malaysia and short-term investment. The Fund commenced operations on 2 September 2004 and will continue its operations until terminated according to the conditions in the Deeds.

All investments will be subject to the SC’s Guidelines on Unit Trust Funds and the Deeds, except where exemptions and variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager, KAF Investment Funds Berhad, is incorporated in Malaysia. Its principal activities are the management of unit trust funds and provision of fund management.

The principal place of business of the Manager is located at Level 13, Menara IQ, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund as at financial period end are as follows:

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RM	RM	RM

#### 2026

Cash and cash equivalents	-	11,369,413	11,369,413
Financial assets at fair value through profit or loss	511,667,917	-	511,667,917
Amount due from brokers	-	492,360	492,360
Amount due from Manager - creation of units	-	353,662	353,662
Dividend receivables	-	844,275	844,275
	<u>511,667,917</u>	<u>13,059,710</u>	<u>524,727,627</u>

#### 2025

Cash and cash equivalents	-	55,606,607	55,606,607
Financial assets at fair value through profit or loss	641,529,999	-	641,529,999
Amount due from brokers	-	5,187,936	5,187,936
Amount due from Manager - creation of units	-	5,530,721	5,530,721
Dividend receivables	-	581,569	581,569
	<u>641,529,999</u>	<u>66,906,833</u>	<u>708,436,832</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

All current liabilities are financial liabilities which are carried at amortised cost.

The Fund is exposed to a variety of risks which include market risk (including price risk and interest rate risk), liquidity risk and credit risk from its financial instruments.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Replacement Master Prospectus and the SC's Guidelines on Unit Trust Funds.

#### Market risk

##### (a) Price risk

The Fund is exposed to price risk because of the investments held by the Fund and classified at fair value through profit or loss. Price risk is the risk that the fair value of an investment will fluctuate because of changes in market prices (other than those arising from interest rate risk). Such fluctuation may cause the Fund's NAV and price of units to fall as well as rise and income produced by the Fund may also fluctuate. The price risk is managed through diversification and selection of securities and other financial instruments within specified limits according to the Deeds.

The table below shows the financial assets of the Fund as at 28 February which are exposed to price risk:

	2026 RM	2025 RM
<b>Investments</b>		
- Quoted equities at fair value through profit or loss	509,806,398	641,529,999
- Collective investment scheme at fair value through profit or loss	1,861,519	-
	<u>511,667,917</u>	<u>641,529,999</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### Market risk (cont'd)

##### (a) Price risk (cont'd)

The following table summarises the sensitivity of the Fund's investments to price risk movements as at 28 February. The analysis is based on the assumptions that the market price increased and decreased by 5% (2025: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on loss before tax/NAV RM
<b>2026</b>		
- Quoted equities at fair value through profit or loss	+/- 5	<u>25,490,320</u>
- Collective investment scheme at fair value through profit or loss	+/- 5	<u>93,076</u>
<b>2025</b>		
- Quoted equities at fair value through profit or loss	+/- 5	<u>32,076,500</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

**2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

**Market risk (cont'd)**

**(b) Interest rate risk**

Interest rate risk is the risk that the value of the Fund will fluctuate because of changes in market interest rates.

The Fund's exposure to the interest rate risk is mainly confined to short-term deposit with a licensed financial institution. Interest rate risk is actively managed by duration targeting based on the interest rate outlook. The Manager overcomes the exposure to interest rate risk of short-term deposit with a licensed financial institution by way of maintaining deposit with a licensed financial institution on a short-term basis.

The effective weighted average interest rates per annum and the average remaining maturities of deposit with a licensed financial institution as at the date of the statement of financial position is as follows:

	Weighted average interest rates		Average remaining maturities	
	2026 %	2025 %	2026 Day(s)	2025 Day(s)
Deposit with a licensed financial institution	3.00	3.20	2	3

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

**2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

**Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulties in meeting its financial obligations. The Manager manages this risk by maintaining sufficient levels of liquid assets to meet anticipated payment and cancellations of unit by unit holders. Liquid assets comprise cash at bank, deposit with a licensed financial institution and other instruments, which are capable of being converted into cash within 7 days.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
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**As at 28 February 2026**

Amount due to brokers	3,007,900	-	3,007,900
Amount due to Manager			
- Cancellation of units	1,598,824	-	1,598,824
- Manager's fee	664,789	-	664,789
Amount due to Trustee	13,296	-	13,296
Other payables and accruals	-	18,560	18,560
<b>Contractual undiscounted cash outflows</b>	<b>5,284,809</b>	<b>18,560</b>	<b>5,303,369</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### Liquidity risk (cont'd)

The amounts in the table below are the contractual undiscounted cash flows. (cont'd)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<b>As at 28 February 2025</b>			
Amount due to brokers	4,873,121	-	4,873,121
Amount due to Manager			
- Cancellation of units	1,611,158	-	1,611,158
- Manager's fee	850,512	-	850,512
Amount due to Trustee	39,691	-	39,691
Other payables and accruals	-	29,845	29,845
<b>Contractual undiscounted cash outflows</b>	<b>7,374,482</b>	<b>29,845</b>	<b>7,404,327</b>

#### Credit risk

Credit risk refers to the inability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investment. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from placements in deposit with a licensed financial institution is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### Credit risk (cont'd)

The maximum exposure to credit risk before any credit enhancements is the carrying amount of the financial assets as set out below:

	2026 RM	2025 RM
Cash and cash equivalents	11,369,413	55,606,607
Other assets*	1,690,297	11,300,226
	<b>13,059,710</b>	<b>66,906,833</b>

The following table sets out the credit risk concentration of the Fund:

	Cash and cash equivalents RM	Other assets* RM	Total RM
<b>As at 28 February 2026</b>			
<b>Financial services</b>			
- AA3	11,369,413	-	11,369,413
<b>Others</b>			
- not rated	-	1,690,297	1,690,297
	<b>11,369,413</b>	<b>1,690,297</b>	<b>13,059,710</b>

#### As at 28 February 2025

<b>Financial services</b>			
- AA3	54,381,819	-	54,381,819
- A1	1,224,788	-	1,224,788
<b>Others</b>			
- not rated	-	11,300,226	11,300,226
	<b>55,606,607</b>	<b>11,300,226</b>	<b>66,906,833</b>

\* Other assets consist of amount due from brokers, amount due from Manager - creation of units and dividend receivables.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and accumulated losses. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### Fair value estimation

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. exit price).

The fair value of financial assets traded in active markets (such as publicly-traded securities) are based on quoted market prices at the close of trading on the financial year end date.

An active market is a market in which transactions for the assets and liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

The carrying values of cash and cash equivalents, amount due from brokers, amount due from Manager - creation of units, dividend receivables and all current liabilities are reasonable approximations of their fair values due to their short-term nature.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### Fair value hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### Fair value hierarchy (cont'd)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM

As at 28  
February  
2026

Financial  
assets at  
fair value  
through  
profit or  
loss

- Quoted equities	509,806,398	-	-	509,806,398
- Collective investment scheme	1,861,519	-	-	1,861,519
	<u>511,667,917</u>	<u>-</u>	<u>-</u>	<u>511,667,917</u>

As at 28  
February  
2025

Financial  
assets at  
fair value  
through  
profit or  
loss

- Quoted equities	<u>641,529,999</u>	<u>-</u>	<u>-</u>	<u>641,529,999</u>
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Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed quoted equities and collective investment scheme.

The Fund's policies on valuation of these financial assets are stated in Note F.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 3. MANAGER'S FEE

Clause 13.1.2 of the Master Deed provides that the Manager is entitled to an annual management fee at a rate not exceeding 1.50% per annum based on the Fund's NAV on a daily basis before deducting the Manager's and Trustee's fees for that particular day.

The Manager's fee provided in the financial statements is computed on this basis at a rate of 1.50% (2025: 1.50%) per annum.

There will be no further liability to the Manager in respect of Manager's fee other than amounts recognised in the financial statements.

### 4. TRUSTEE'S FEE

Clause 13.2.2 of the Master Deed provides that the Trustee is entitled to an annual trustee fee at a rate not exceeding 0.07% per annum based on the Fund's NAV on a daily basis before deducting the Manager's and Trustee's fees calculated for that particular day.

The Trustee's fee provided in the financial statements is computed on this basis at a rate of 0.07% per annum. However, effective 1 October 2025, the Trustee's fee provided in the financial statements is computed at the revised rate of 0.03% (2025: 0.07%) per annum.

There will be no further liability to the Trustee in respect of Trustee's fee other than the amounts recognised in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

**5. DISTRIBUTION**

	2026 RM	2025 RM
Gross/Net distribution for the financial period: Interim, declared and reinvested on 16/02/2026 (2025: 17/02/2025)	2,954,997	6,870,424
Distribution to unit holders are from the following sources:		
Dividend income	7,233,890	6,496,277
Interest income	146,887	-
Realised gain on sale of investments	383,122	-
Prior year's realised income	-	6,844,482
Gross realised income	7,763,899	13,340,759
Less:		
Expenses	(4,808,902)	(6,470,335)
Distribution for the financial period	2,954,997	6,870,424
Gross/Net distribution per unit (sen) - Interim	0.50	1.00

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

The distribution are made from current and prior year's net realised income.

The Fund's unrealised losses for the financial period ended 28 February 2026 was RM8,799,143 (2025: RM79,375,416).

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

**6. TAXATION**

	2026 RM	2025 RM
Current taxation - Malaysia taxation	-	-

The numerical reconciliation between net loss before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	2026 RM	2025 RM
Net loss before taxation	(4,115,029)	(70,093,348)
Taxation at Malaysian statutory rate of 24% (2025: 24%)	(987,607)	(16,822,404)
Tax effects of: (Investment income not subject to tax)/ Net investment loss not deductible for tax purposes	(242,010)	15,155,646
Expenses not deductible for tax purposes	140,364	313,764
Restriction on tax deductible expenses for unit trust funds	1,089,253	1,352,994
Tax expense	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 RM	2025 RM
Net loss on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	1,163,891	7,372,583
- unrealised loss on fair value movement	(8,799,143)	(79,375,416)
	<u>(7,635,252)</u>	<u>(72,002,833)</u>
Financial assets at fair value through profit or loss:		
- Quoted equities	509,806,398	641,529,999
- Collective investment scheme	1,861,519	-
	<u>511,667,917</u>	<u>641,529,999</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2026 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2026 expressed as percentage of NAV of Fund	
			as at 28/02/2026	of NAV of Fund
	Units	RM	RM	%

#### QUOTED EQUITIES

##### Construction

Eversendai Corporation Berhad	15,200,000	7,765,264	7,600,000	1.47
Kumpulan Kitacon Berhad	19,492,100	13,332,275	14,034,312	2.70
Lim Seong Hai Capital Berhad	6,624,000	7,669,945	13,049,280	2.51
Muhibbah Engineering (M) Berhad	2,666,900	2,128,292	1,453,460	0.28
	<u>43,983,000</u>	<u>30,895,776</u>	<u>36,137,052</u>	<u>6.96</u>

##### Consumer Products & Services

Able Global Berhad	14,400,000	27,950,597	24,048,000	4.63
Aquawalk Group Berhad	34,905,000	11,393,238	9,947,925	1.91
Farm Price Holdings Berhad	20,650,000	8,482,813	7,950,250	1.53
HI Mobility Berhad	1,200,000	2,640,000	2,796,000	0.54

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2026 expressed as	
			Fair value as at 28/02/2026	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED EQUITIES

##### Consumer Products & Services

Oriental Kopi Holdings Berhad	29,158,000	24,434,254	34,989,600	6.74
PT Resources Holdings Berhad	12,377,000	7,312,733	4,084,410	0.79
RGB International Berhad	42,666,100	15,715,168	10,239,864	1.97
Sorento Capital Berhad	600,200	222,794	411,137	0.08
	<u>155,956,300</u>	<u>98,151,597</u>	<u>94,467,186</u>	<u>18.19</u>

##### Energy

Bumi Armada Berhad	127,294,000	65,506,816	40,097,610	7.73
Carimin Petroleum Berhad	10,224,800	8,213,984	5,214,648	1.00
Coastal Contracts Berhad	14,065,900	22,545,752	17,582,375	3.38

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2026 expressed as	
			Fair value as at 28/02/2026	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED EQUITIES

##### Energy

Dayang Enterprise Holdings Berhad	9,600,000	21,609,050	17,184,000	3.31
Deleum Berhad	2,320,000	2,582,469	2,853,600	0.55
Keyfield International Berhad	13,367,200	29,970,670	19,382,440	3.73
Lianson Fleet Group Berhad	500,000	795,000	1,000,000	0.19
Perdana Petroleum Berhad	28,554,200	9,023,341	4,140,359	0.80
T7 Global Berhad	15,923,500	7,584,379	4,299,345	0.83
Uzma Berhad	26,259,266	18,005,984	10,241,114	1.97
	<u>248,108,866</u>	<u>185,837,445</u>	<u>121,995,491</u>	<u>23.49</u>

##### Financial Services

Tune Protect Group Berhad	14,017,800	5,217,946	4,415,607	0.85
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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2026 expressed as	
			as at 28/02/2026	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED EQUITIES

##### Industrial Products & Services

CBH Engineering Holding Berhad	34,658,400	10,782,699	19,408,704	3.74
CPE Technology Berhad	3,000,000	3,960,000	1,320,000	0.25
Crest Group Berhad	800,000	280,000	172,000	0.03
Critical Holdings Berhad	14,496,800	9,800,765	12,249,796	2.36
Destini Berhad	20,000,000	6,771,308	6,800,000	1.31
EG Industries Berhad	36,019,600	26,885,846	40,702,148	7.84
EPB Group Berhad	16,665,400	9,915,295	5,666,236	1.09
Focus Lumber Berhad	338,900	236,946	79,641	0.02
HE Group Berhad	18,183,500	7,276,219	5,818,720	1.12
HSS Engineers Berhad	24,076,600	21,413,891	9,871,406	1.90

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2026 expressed as	
			as at 28/02/2026	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED EQUITIES

##### Industrial Products & Services

ICENTS Group Holdings Berhad	4,108,600	1,046,372	1,725,612	0.33
Pantech Global Berhad	22,230,000	13,076,789	10,336,950	1.99
Pantech Group Holdings Berhad	25,250,100	19,192,603	17,170,068	3.31
PLYTEC Holding Berhad	8,000,000	2,800,000	1,160,000	0.22
SKP Resources Berhad	16,885,300	17,619,738	8,273,797	1.59
Southern Cable Group Berhad	500,000	995,000	1,045,000	0.20
Thong Guan Industries Berhad	700,000	1,391,219	826,000	0.16
Wentel Engineering Holdings Berhad	33,500,000	9,358,662	8,542,500	1.64
	<u>279,413,200</u>	<u>162,803,352</u>	<u>151,168,578</u>	<u>29.10</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2026 expressed as	
			as at 28/02/2026	percentage of NAV of Fund
	Units	RM	RM	%
<b>QUOTED EQUITIES</b>				
<b>Technology</b>				
Cloudpoint Technology Berhad	8,440,400	4,657,756	4,093,594	0.79
Infoline Tec Group Berhad	10,139,000	8,212,812	3,548,650	0.68
Infomina Berhad	6,030,000	6,478,030	7,175,700	1.38
Mi Technovation Berhad	8,900,000	18,184,443	27,234,000	5.24
SFP Tech Holdings Berhad	47,773,700	16,880,447	6,210,581	1.20
VisDynamics Holdings Berhad	1,480,350	774,981	303,472	0.06
	<u>82,763,450</u>	<u>55,188,469</u>	<u>48,565,997</u>	<u>9.35</u>
<b>Telecommunications &amp; Media</b>				
OCK Group Berhad	41,033,000	21,149,047	15,182,210	2.92
REDtone Digital Berhad	26,474,100	21,141,737	8,868,823	1.71
	<u>67,507,100</u>	<u>42,290,784</u>	<u>24,051,033</u>	<u>4.63</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2026 expressed as	
			as at 28/02/2026	percentage of NAV of Fund
	Units	RM	RM	%
<b>QUOTED EQUITIES</b>				
<b>Transportation &amp; Logistics</b>				
AGX Group Berhad	20,573,500	8,621,105	11,212,558	2.16
Marine & General Berhad	1,611,300	524,761	290,034	0.05
TAS Offshore Berhad	6,975,400	4,600,731	3,522,577	0.68
	<u>29,160,200</u>	<u>13,746,597</u>	<u>15,025,169</u>	<u>2.89</u>
<b>Utilities</b>				
PBA Holdings Berhad	4,824,200	10,074,026	9,503,674	1.83
<b>Warrants</b>				
AGX Group Berhad - WA	5,143,375	-	411,470	0.08
EG Industries Berhad - WD	3,300,000	-	1,633,500	0.31
Farm Price Holdings Berhad - WA	10,325,000	-	1,290,625	0.25
Frontken Corporation Berhad - WB	62,500	-	625	-
Lianson Fleet Group Berhad - WB	50,000	-	13,500	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2026 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2026 expressed as	
			Fair value as at 28/02/2026	percentage of NAV of Fund
	Units	RM	RM	%
<b>QUOTED EQUITIES</b>				
<b>Warrants</b>				
REDtone Digital Berhad - WB	12,737,050	-	955,279	0.18
T7 Global Berhad - WD	3,184,700	-	143,312	0.03
VisDynamics Holdings Berhad - WC	471,675	-	28,300	0.01
	<u>35,274,300</u>	<u>-</u>	<u>4,476,611</u>	<u>0.86</u>
<b>TOTAL QUOTED EQUITIES</b>	<u>961,008,416</u>	<u>604,205,992</u>	<u>509,806,398</u>	<u>98.15</u>
<b>UNREALISED LOSS ON QUOTED EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>(94,399,594)</u>		
<b>FAIR VALUE OF TOTAL QUOTED EQUITIES</b>		<u>509,806,398</u>		

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of collective investment scheme as at 28 February 2026 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2026 expressed as	
			Fair value as at 28/02/2026	percentage of NAV of Fund
	Units	RM	RM	%
<b>REIT</b>				
Paradigm Real Estate Investment Trust	1,807,300	1,807,300	1,861,519	0.36
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<u>1,807,300</u>	<u>1,807,300</u>	<u>1,861,519</u>	<u>0.36</u>
<b>UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEME AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			<u>54,219</u>	
<b>FAIR VALUE OF TOTAL COLLECTIVE INVESTMENT SCHEME</b>			<u>1,861,519</u>	

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2025 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value	
			as at 28/02/2025	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED EQUITIES

##### Construction

Eversendai Corporation Berhad	12,000,000	6,275,254	5,760,000	0.82
Fajarbaru Builder Group Berhad	9,190,200	4,340,013	2,619,207	0.37
Gamuda Berhad	4,222,528	13,850,136	18,410,222	2.63
Kumpulan Kitacon Berhad	18,750,000	12,779,770	13,500,000	1.93
Muhibbah Engineering (M) Berhad	8,266,900	6,597,315	5,538,823	0.79
	<u>52,429,628</u>	<u>43,842,488</u>	<u>45,828,252</u>	<u>6.54</u>

##### Consumer Products & Services

Able Global Berhad	13,700,000	26,903,917	20,413,000	2.91
Farm Price Holdings Berhad	20,650,000	8,482,813	7,847,000	1.12

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value	
			as at 28/02/2025	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED EQUITIES

##### Consumer Products & Services

Mr D.I.Y. Group (M) Berhad	1,399,100	2,078,109	1,930,758	0.27
Oriental Kopi Holdings Berhad	30,300,000	25,200,000	23,028,000	3.28
PT Resources Holdings Berhad	17,991,600	10,630,020	6,836,808	0.98
RGB International Berhad	40,066,100	14,858,668	15,225,118	2.17
Sorento Capital Berhad	10,000,000	3,712,000	4,600,000	0.66
	<u>134,106,800</u>	<u>91,865,527</u>	<u>79,880,684</u>	<u>11.39</u>

##### Energy

Bumi Armada Berhad	114,100,800	59,830,998	63,896,448	9.12
Carimin Petroleum Berhad	10,004,800	8,055,197	7,603,648	1.09

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2025 expressed as	
			Fair value as at 28/02/2025	percentage of NAV of Fund
	Units	RM	RM	%
<b>QUOTED EQUITIES</b>				
<b>Energy</b>				
Coastal Contracts Berhad	12,290,900	20,099,495	15,486,534	2.21
Dayang Enterprise Holdings Berhad	9,800,000	22,059,238	17,248,000	2.46
Deleum Berhad	2,448,000	2,707,896	3,378,240	0.48
Keyfield International Berhad	12,092,400	27,701,794	25,273,116	3.61
Perdana Petroleum Berhad	24,554,200	8,234,641	5,279,153	0.75
T7 Global Berhad	15,923,500	7,584,379	7,802,515	1.11
Uzma Berhad	19,509,800	17,910,145	11,315,684	1.61
Yinson Holdings Berhad	3,244,066	7,680,232	7,299,149	1.04
	<u>223,968,466</u>	<u>181,864,015</u>	<u>164,582,487</u>	<u>23.48</u>
<b>Financial Services</b>				
Tune Protect Group Berhad	14,562,900	5,561,656	4,368,870	0.62

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2025 expressed as	
			Fair value as at 28/02/2025	percentage of NAV of Fund
	Units	RM	RM	%
<b>QUOTED EQUITIES</b>				
<b>Health Care</b>				
DC Healthcare Holdings Berhad	2,510,000	1,179,700	363,950	0.05
<b>Industrial Products &amp; Services</b>				
AWC Berhad	2,248,800	1,369,057	2,023,920	0.29
CBH Engineering Holding Berhad	40,200,000	12,832,400	11,859,000	1.69
CPE Technology Berhad	3,000,000	3,960,000	2,505,000	0.36
Crest Group Berhad	800,000	280,000	160,000	0.02
Critical Holdings Berhad	12,896,800	8,444,135	10,575,376	1.51
EG Industries Berhad	17,659,800	23,910,293	38,321,766	5.46
Elridge Energy Holdings Berhad	24,953,200	8,911,077	11,353,706	1.62

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2025 expressed as	
			Fair value as at 28/02/2025	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED EQUITIES

##### Industrial Products & Services

EPB Group Berhad	15,065,400	9,137,310	7,457,373	1.06
Focus Lumber Berhad	338,900	236,946	110,143	0.02
HE Group Berhad	18,183,500	7,276,219	6,364,225	0.91
HSS Engineers Berhad	20,810,600	19,226,000	20,810,600	2.97
Kelington Group Berhad	2,937,300	4,317,200	10,251,177	1.46
Pantech Global Berhad	7,000,000	4,760,000	4,760,000	0.68
Pantech Group Holdings Berhad	17,500,100	13,434,833	14,962,585	2.13
PLYTEC Holding Berhad	8,000,000	2,800,000	2,600,000	0.37
Powerwell Holdings Berhad	7,350,100	2,839,541	3,087,042	0.44

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 28/02/2025 expressed as	
			Fair value as at 28/02/2025	percentage of NAV of Fund
	Units	RM	RM	%

#### QUOTED EQUITIES

##### Industrial Products & Services

Seng Fong Holdings Berhad	5,333,333	3,920,000	4,666,666	0.67
SKP Resources Berhad	15,685,300	16,543,518	15,685,300	2.24
Thong Guan Industries Berhad	5,500,000	10,931,006	7,700,000	1.10
Wentel Engineering Holdings Berhad	29,800,000	8,456,862	8,344,000	1.19
	<u>255,263,133</u>	<u>163,586,397</u>	<u>183,597,879</u>	<u>26.19</u>

##### Property

KSL Holdings Berhad	2,600,000	4,707,800	4,160,000	0.59
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##### Technology

Cloudpoint Technology Berhad	8,994,000	4,963,255	7,689,870	1.10
Genetec Technology Berhad	17,000,000	23,694,627	21,930,000	3.13

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value	
			as at 28/02/2025	percentage of NAV of Fund
	Units	RM	RM	%
<b>QUOTED EQUITIES</b>				
<b>Technology</b>				
Infoline Tec Group Berhad	10,518,200	8,522,731	9,150,834	1.31
Infomina Berhad	8,006,000	8,551,958	9,206,900	1.31
Mi Technovation Berhad	7,984,500	16,382,526	14,771,325	2.11
SFP Tech Holdings Berhad	27,073,700	11,456,517	8,122,110	1.16
UWC Berhad	2,000,000	5,232,984	5,000,000	0.71
VisDynamics Holdings Berhad	1,480,350	774,981	377,489	0.05
	<u>83,056,750</u>	<u>79,579,579</u>	<u>76,248,528</u>	<u>10.88</u>
<b>Telecommunications &amp; Media</b>				
OCK Group Berhad	32,033,000	17,523,261	13,133,530	1.87
REDtone Digital Berhad	23,824,100	19,817,002	13,579,737	1.94
	<u>55,857,100</u>	<u>37,340,263</u>	<u>26,713,267</u>	<u>3.81</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2025 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value	
			as at 28/02/2025	percentage of NAV of Fund
	Units	RM	RM	%
<b>QUOTED EQUITIES</b>				
<b>Transportation &amp; Logistics</b>				
AGX Group Berhad	20,454,000	8,544,862	10,840,620	1.55
Destini Berhad	9,019,300	2,787,987	2,705,790	0.39
Marine & General Berhad	18,000,000	5,862,154	5,400,000	0.77
Sealink International Berhad	21,000,000	6,996,740	4,305,000	0.61
TAS Offshore Berhad	6,445,400	4,286,711	3,996,148	0.57
	<u>74,918,700</u>	<u>28,478,454</u>	<u>27,247,558</u>	<u>3.89</u>
<b>Utilities</b>				
Mega First Corporation Berhad	4,434,000	18,663,309	18,356,760	2.62
PBA Holdings Berhad	4,600,000	9,667,397	9,292,000	1.32
	<u>9,034,000</u>	<u>28,330,706</u>	<u>27,648,760</u>	<u>3.94</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 28 February 2025 are set out as follows: (cont'd)

Name of counter	Quantity Units	Aggregate cost RM	Fair value as at 28/02/2025 expressed as percentage of NAV of Fund	
			Fair value as at 28/02/2025 RM	percentage of NAV of Fund %
<b>QUOTED EQUITIES</b>				
<b>Warrants</b>				
EG Industries Berhad - WD	1,650,000	-	833,250	0.12
Frontken Corporation Berhad - WB	62,500	-	14,063	-
VisDynamics Holdings Berhad - WC	471,675	-	42,451	0.01
	<u>2,184,175</u>	<u>-</u>	<u>889,764</u>	<u>0.13</u>
<b>TOTAL QUOTED EQUITIES</b>				
	<u>910,491,652</u>	<u>666,336,585</u>	<u>641,529,999</u>	<u>91.51</u>

### UNREALISED LOSS ON QUOTED EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(24,806,586)

### FAIR VALUE OF TOTAL QUOTED EQUITIES

641,529,999

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 8. CASH AND CASH EQUIVALENTS

	2026 RM	2025 RM
Cash at bank	797,409	1,224,788
Deposit with a licensed financial institution*	10,572,004	54,381,819
	<u>11,369,413</u>	<u>55,606,607</u>

\* A total of RM10,572,004 (2025: RM54,381,819) of the short-term deposit is placed with KAF Investment Bank Berhad, the intermediate holding company of the Manager.

The weighted average interest rates per annum and the average remaining maturities of deposit with a licensed financial institution are shown in Note 2(b) to the financial statements.

### 9. AMOUNT DUE FROM/(TO) BROKERS

The amount due from/(to) brokers which relates to sale/ (purchase) of investment securities and instruments are unsecured, interest-free and receivable/(payable) according to the settlement rules of the applicable stock exchange.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

**10. OTHER PAYABLES AND ACCRUALS**

	<b>2026</b>	<b>2025</b>
	<b>RM</b>	<b>RM</b>
Audit and tax agent's fees	14,710	14,645
Sundry accruals	3,850	15,200
	<u>18,560</u>	<u>29,845</u>

**11. NUMBER OF UNITS IN CIRCULATION**

	<b>2026</b>	<b>2025</b>
	<b>Number of units</b>	<b>Number of units</b>
At the beginning of the financial period	659,759,334	680,622,354
Creation of units arising from applications	42,990,000	147,690,000
Creation of units arising from distribution	3,301,672	6,439,009
Cancellation of units	(114,540,000)	(127,930,000)
At the end of the financial period	<u>591,511,006</u>	<u>706,821,363</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

**12. TRANSACTIONS WITH BROKERS**

Details of transactions with brokers for the financial period ended 28 February 2026 are as follows:

<b>Name of brokers</b>	<b>Percentage of total trades</b>		<b>Percentage of total brokerage fees</b>	
	<b>Value of trades</b>		<b>Brokerage fees</b>	
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
<b>2026</b>				
Hong Leong Investment Bank Berhad	21,527,133	14.99	39,964	12.14
UOB Kay Hian (M) Sdn Bhd	18,956,459	13.20	37,967	11.54
Maybank Investment Bank Berhad	15,418,395	10.74	34,166	10.38
UBS Securities Malaysia Sdn Bhd	14,666,451	10.22	26,452	8.04
RHB Investment Bank Berhad	13,107,854	9.13	36,159	10.99
CGS International Securities Malaysia Sdn Bhd	12,633,330	8.80	40,339	12.26
MBSB Investment Bank Berhad	10,566,642	7.36	21,133	6.42
CLSA Securities Malaysia Sdn Bhd	8,615,465	6.00	17,231	5.23
Public Investment Bank Berhad	7,245,930	5.05	17,302	5.26
CIMB Securities Sdn Bhd	6,818,714	4.75	13,267	4.03
Others	14,021,044	9.76	45,135	13.71
	<u>143,577,417</u>	<u>100.00</u>	<u>329,115</u>	<u>100.00</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 12. TRANSACTIONS WITH BROKERS (CONT'D)

Details of transactions with brokers for the financial period ended 28 February 2025 are as follows:

Name of brokers	Percentage		Percentage	
	Value of trades RM	of total trades %	Brokerage fees RM	of total brokerage %
<b>2025</b>				
UBS Securities Malaysia Sdn Bhd	50,255,161	13.70	90,479	12.57
CGS International Securities Malaysia Sdn Bhd	39,719,268	10.83	79,439	11.04
Maybank Investment Bank Berhad	38,857,252	10.59	63,546	8.83
RHB Investment Bank Berhad	38,148,755	10.40	58,157	8.08
Public Investment Bank Berhad	37,908,629	10.34	85,331	11.85
Affin Hwang Investment Bank Berhad	36,968,673	10.08	69,121	9.60
Phillip Capital Sdn Bhd	30,532,672	8.32	61,167	8.50
Hong Leong Investment Bank Berhad	30,510,001	8.32	53,854	7.48
MIDF Amanah Investment Bank Berhad	23,348,880	6.37	46,196	6.42
UOB Kay Hian Securities (M) Sdn Bhd	16,838,129	4.59	33,695	4.68
Others	23,704,675	6.46	78,811	10.95
	<b>366,792,095</b>	<b>100.00</b>	<b>719,796</b>	<b>100.00</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 13. UNITS HELD BY THE MANAGER AND RELATED PARTIES

The related parties and their relationships with the Fund are as follows:

Related parties	Relationships
KAF Investment Funds Berhad	The Manager
KAF-Seagroatt & Campbell Berhad	Immediate holding company of the Manager
AKKA Sdn Bhd	Ultimate holding company of the Manager
KAF Enhanced Bond Fund	Fund managed by the Manager
Datuk Khatijah Ahmad	Director of the Manager
Mohammed Reza Tan Sri Abu Talib	Executive Director of the Manager
Subsidiaries and associates of the ultimate holding company of the Manager as disclosed in its financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 13. UNITS HELD BY THE MANAGER AND RELATED PARTIES (CONT'D)

	2026		2025	
	No. of units	RM	No. of units	RM
KAF Investment Funds Berhad	74,444	65,369	278,307	276,025
KAF-Seagroatt & Campbell Berhad	11,829,794	10,387,742	11,633,317	11,537,924
AKKA Sdn Bhd	23,881,116	20,970,008	23,484,483	23,291,910
KAF Enhanced Bond Fund	483,513	424,573	8,438	8,369
Datuk Khatijah Ahmad	28,617,345	25,128,891	28,142,050	27,911,285
Mohammed Reza Tan Sri Abu Talib	72,861	63,979	71,651	71,063

The above units were transacted at the prevailing market price. All related parties units are held beneficially, except for the Manager where the units are held legally.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

### 14. TOTAL EXPENSE RATIO ("TER")

	2026	2025
TER ("annualised")	1.64%	1.58%

TER is derived from the following calculation:

$$\text{TER} = \frac{(A+B+C+D+E) \times 100}{F}$$

A = Manager's fee

B = Trustee's fee

C = Audit fee

D = Tax agent's fee

E = Other expenses, excluding withholding taxes

F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis was RM572,311,547 (2025: RM755,263,305).

### 15. PORTFOLIO TURNOVER RATIO ("PTR")

	2026	2025
PTR	0.13 times	0.24 times

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where: total acquisition for the financial period = RM48,209,561 (2025: RM220,795,727)  
total disposal for the financial period = RM96,443,341 (2025: RM142,034,578)

### 16. SEMI-ANNUAL ACCOUNTS

The semi-annual accounts for the financial period ended 28 February 2026 is unaudited.

## **CORPORATE INFORMATION**

### **Manager**

KAF Investment Funds Berhad  
Reg. No: 199501004999

### **Registered Office**

Level 13A, Menara IQ  
Lingkaran TRX  
Tun Razak Exchange  
55188 Kuala Lumpur

### **Business Office**

Level 13, Menara IQ  
Lingkaran TRX  
Tun Razak Exchange  
55188 Kuala Lumpur  
Tel: 03-9767 6000 Fax: 03-9767 6001  
Website: [www.kaf.com.my](http://www.kaf.com.my)

### **Board of Directors**

Datuk Khatijah binti Ahmad  
Mohammed Reza Tan Sri Abu Talib  
Nor Rejina binti Abdul Rahim  
Tunku Rozita binti Tunku Abdul Malek

### **Secretary**

Siti Nurmazita binti Mustapha (LS 0009160)

### **Trustee**

Universal Trustee (Malaysia) Berhad

### **Auditor & Reporting Accountant**

PricewaterhouseCoopers PLT

### **Tax Adviser**

PricewaterhouseCoopers Taxation Services Sdn Bhd

### **Banker**

Alliance Bank Malaysia Berhad

**KAF Investment Funds Berhad** Reg. No: 199501004999  
Level 13, Menara IQ,  
Lingkaran TRX, Tun Razak Exchange  
55188 Kuala Lumpur  
Tel: 03-9767 6000 Fax: 03-9767 6001

For more information,  
log on to [www.kaf.com.my](http://www.kaf.com.my)