

**KAF FIRST FUND (KFF)**

To provide medium to long-term investors with a reasonable level of income and capital growth.

**JULY 2017**

**THE FUND IS SUITABLE FOR INVESTORS WHO:**

- Want a professionally managed portfolio of equity and fixed-income securities;
- Have a medium to long-term investment horizon of 3 to 5 years or more; and
- Want to achieve an adequate level of regular income and capital gain at an acceptable level of risk.

**MANAGER'S COMMENTS**

The FTSE Bursa Malaysia index ("KLCI") maintain its year to date performance on the back of positive corporate earnings season. A broad 1Q17 earning recovery saw renewed interest in buying Malaysian equities by foreign investors. The KLCI is ranked third in Asean, rising 13% in USD terms after Singapore (18%) and Philippines (17%). The ringgit depreciated to RM4.2905 from RM4.2795 (-0.26%), as crude oil prices fell from \$48.56/barrel to \$46.04/barrel. The KLCI closed the month of June at 1,763.67 down 2 points from 1,765.87 (-0.12%). On the economic front, Malaysia's headline inflation eased for a second straight month to 3.9% yoy in May on the back of weaker fuel price inflation. Meanwhile, exports continued expanding at a robust pace of 20.6% YoY in April, although growth eased slightly from March, mainly on the back of slower growth of non-E&E exports. Malaysia's palm oil stocks at end-May fell 2.6% to 1.56m tonnes from the previous month, according to the Malaysian Palm Oil Board (MPOB). Production in May rose 6.9% from Apr to 1.65m tonnes. Exports increased 17.3% to 1.51m tonnes.

We remain positive on the outlook for Malaysia equities on the back of the rosier outlook for global growth led by stronger growth in the US, helped by the pick-up in domestic growth and recovery in corporate earning. Key investment themes include a preference for cyclical sectors, exporters, large-cap beneficiaries of rising foreign participation, high-growth small- and mid-cap stocks, election plays and high dividend yield stocks. No changes to our portfolio strategy as we envisage a barbell strategy for the portfolio where growth and dividend yield will remain the anchor for portfolio outperformance.

**INVESTMENT STRATEGY**

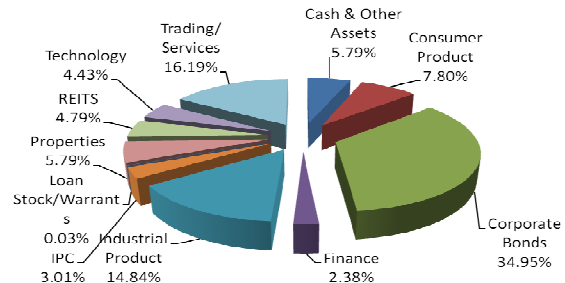
The strategic limit on asset allocation of the Fund is as follows:

- Equities : Minimum 40% and maximum 60%.
- Fixed-income securities and liquid assets : Minimum 40% and maximum 60%

**FUND DETAILS AS AT 30 JUNE 2017**

Manager	KAF Investment Funds Bhd.	
External Investment Manager	Amundi Malaysia Sdn Bhd.	
Trustee	Universal Trustee (Malaysia) Bhd.	
Fund Category	Balanced Fund.	
Fund Type	Income & Growth Fund.	
Launch Date	16 January 1996.	
Unit net asset value (NAV)	RM0.5205	
Fund size	RM34.873mil	
Units in Circulation	66.999mil	
Financial Year End	31 December.	
Min. Initial Investment	RM1,000.00	
Min. Additional Investment	RM100.00	
Benchmark	60% of the FBM KLCI & 40% of the current Malayan Banking Berhad ("Maybank") twelve (12) month fixed deposit rate.	
Sales Charge	Up to 6.50% of NAV per unit.	
Repurchase Charge	None.	
Annual management fee	1.50% per annum of NAV.	
Annual trustee fee	<b>Size of the Fund</b>	<b>Trustee fee</b>
	First RM20 mil	RM12,000
	Next RM20 mil	RM10,000
	Next RM20 mil	RM8,000
	Next RM20 mil	RM6,000
	Next RM20 mil	RM4,000
	Any amount above RM100 mil	RM15,000
	Being the custodian, the Trustee is also entitled to a custodian fee of RM30,000 per annum.	
Redemption payment period	Within 10 days after receipt of the request to repurchase.	
Distribution policy	Income distribution (if any) is incidental.	

**SECTOR ALLOCATION\* AS AT 30 JUNE 2017**

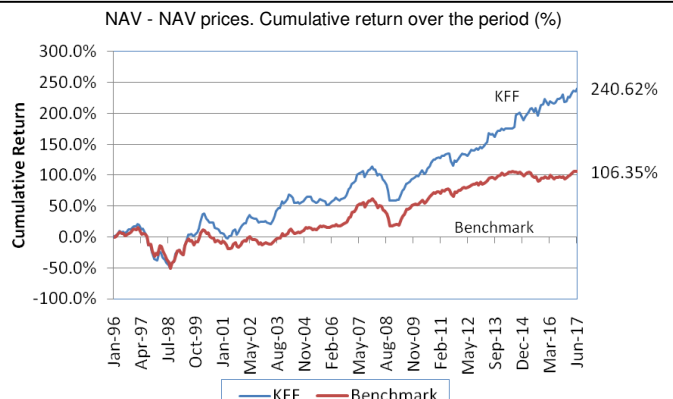


\*As percentage of NAV. Asset exposure is subject to change on a daily basis. Source: KAF Investment Funds Berhad.

**Distribution History**

Year	Distribution (sen)
2012	4.50
2013	4.50
2014	4.50
2015	4.50
2016	4.50

**FUND PERFORMANCE ANALYSIS AS AT 30 JUNE 2017**



%	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
<b>KFF</b>	1.54	2.12	6.62	7.20	23.85	45.10
<b>Benchmark</b>	0.03	1.13	5.05	5.25	0.21	13.46

Source: ExNovo Fund Analytics Portal by Perkasa Normandy Managers Sdn Bhd.

**LARGEST HOLDINGS\* AS AT 30 JUNE 2017**

Malaysia Airports Capital Bhd IMTN – Tranche No 2	14.60%
Public Bank Bhd MTN	14.59%
Manjung IMTN	5.76%
Time Dotcom Bhd	4.59%
Dutch Lady Milk Industries Bhd	4.19%

\*as percentage of NAV.

**Disclaimer:**

Based on the Fund's portfolio returns as at 15 June 2017, the Volatility Factor (VF) for this Fund is 7.32 and is classified as "Moderate" (source: Lipper). "Moderate" includes Funds with VF that are between 5.965 to 8.015 (source: Lipper). 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 Master Prospectus dated 15 January 2017 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 03-2171 0559 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 specific stock risk, 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. 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.

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