

KAF FIRST FUND (KFF)

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

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") closed the month of October at 1747.92 down 7.6 points from 1755.58 (-0.44%). The Government announced the Budget 2018 with the goal addressing the people's most pressing and immediate concerns, while structural issues took a temporary backseat. Winners were civil servants, B40 and M40 households, small enterprises, and rural regions, while the consumer and infrastructure sectors stand to benefit. The cut in personal income tax rate by 2% point for RM20k-RM70k income bands was a slight surprise, but this was offset by the unchanged BR1M allocation (RM6.8bn). The focus on improving the livelihoods of households, rural areas, entrepreneurs and small businesses means less fiscal resources for large and medium enterprises. The trade-off preserves the government's commitment to a sustainable fiscal path, with the budget deficit narrowing to 2.8% of Gross Domestic Product (GDP) in 2018 from 3.0% of GDP in 2017. Meanwhile, oil prices continue to rise as Organization of Petroleum Exporting Countries's (OPEC) effect to clear the surplus in oil inventories is seeing positive results. OPEC estimated that stockpiles in developed nations were still about 171m barrels above that average in Aug, but expected trends in supply and demand will eliminate the surplus in about a year. For the month, the ringgit depreciated to 4.2315 from 4.2190 (-0.30%) despite crude closed at \$54.38/barrel from \$51.95/barrel (+4.68%).

The World Bank has revised Malaysia's GDP growth forecast upwards for this year to 5.2% from 4.9% in Jun, on the back of a much stronger-than-expected actual growth of 5.7% in 1H17. Originally, World Bank forecasted Malaysia's economy to only grow by 4.3%. Malaysia's GDP for 2018 and 2019 have also been revised upwards by the bank, with economic activity projected to expand by 5.0% (revised upwards by 0.5%) and 4.8% (up 0.3%) for 2018 and 2019 respectively. We believe the outlook has brightened on the back of stronger growth, waning inflation and an improving balance of payments. External risks still warrant a close watch, amid heightened geopolitical tensions and ahead of monetary policy normalization in the US and Eurozone. The market should see a stronger performance in fourth-quarter of 2017 (4Q2017) historically and on the back of expectations of an election to be held anytime soon.

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 31 OCTOBER 2017

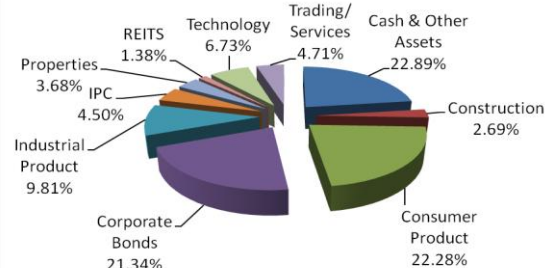
Manager	KAF Investment Funds Bhd.	
External Investment Manager	Amundi Malaysia Sdn Bhd.	
Trustee	Universal Trustee (Malaysia) Bhd.	
Fund Category	Balanced Fund.	
Fund Type	Income & Growth Fund.	
Launch Date	16 January 1996.	
Unit net asset value (NAV)	RM0.5142	
Fund size	RM33.673mil	
Units in Circulation	65.479mil	
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	Size of the Fund	Trustee fee
	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.	

Disclaimer:

Based on the Fund's portfolio returns as at 15 October 2017, the Volatility Factor (VF) for this Fund is 6.39 and is classified as "Moderate" (source: Lipper). "Moderate" includes Funds with VF that are between 6.225 to 8.225 (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.

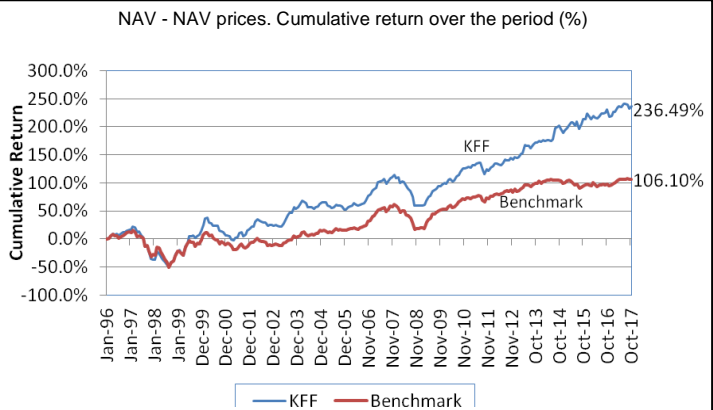
This factsheet is prepared for information purposes only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide for future performance. Returns may vary from year to year.

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NOVEMBER 2017
SECTOR ALLOCATION* AS AT 31 OCTOBER 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 31 OCTOBER 2017


%	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
KFF	1.42	-1.29	-	1.90	11.51	37.85
Benchmark	-0.15	-0.10	-0.05	3.99	0.52	9.81

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

LARGEST HOLDINGS* AS AT 31 OCTOBER 2017

Malaysia Airports Capital Bhd IMTN – Tranche No 2	15.30%
Manjung Island Energy Bhd IMTN	6.04%
KESM Industries Bhd	5.02%
Panasonic Manufacturing Malaysia Bhd	4.64%
Time Dotcom Bhd	4.50%

*as percentage of NAV.