

## 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 up 46 points to 1740.09 from 1693.77(+2.73%) for the month of March. Malaysian corporates reported an improvement in 4Q16 earnings. On a QoQ basis, 4Q16 Earnings Per Share (EPS) was up 8.9%. This is positive and suggests that corporate earnings may be at an inflection point. On the domestic news, data from Malaysian Investment Development Authority (MIDA) shows that total foreign direct investment (FDI) into Malaysia slipped 5% to RM41.2bn in 2016 from RM43.4bn in 2015. The decline was due to lower investments in the manufacturing and primary sectors. Prime Minister Najib together with Alibaba's executive Chairman launched the world's first digital free trade zone which will provide physical and virtual zones to facilities Small and medium-sized enterprises (SMEs) to capitalize on convergence of exponential growth of the internet economy and cross border eCommerce activities. Separately, Malaysia and Saudi Arabia companies signed seven memorandums of understanding (MOUs) in various areas, including construction, halal cooperation, aerospace and haj services, with an estimated total value of about RM9.74bn. On the economic front, the Monetary Policy Committee of Bank Negara Malaysia has decided to maintain the Overnight Policy Rate (OPR) at 3.00%. Malaysia's industrial output rose 3.5% in Jan from a year ago (+4.7% in Dec), underpinned by gains especially in the manufacturing sector. The industrial production index (IPI) was supported a 4.6% increase in manufacturing, mining(1.1%) and electricity (1.1%). Malaysia's inflation rate rose at its quickest pace in eight years to 4.5% yoy in Feb 2017 year-on-year due to rising costs for transport. Core inflation remained stable at 2.5%.

Bank Negara Malaysia (BNM) expects economic growth to accelerate to 4.3%-4.8% in 2017, underpinned by domestic demand and a revival in net exports. Key external risks include US monetary policy normalisation, financial market volatility, rising anti-globalisation sentiment and political/geopolitical events. Headline inflation is set to rise to 3-4% in 2017, though BNM expects broader price trends to remain in check. OPR expected to remain unchanged at 3% in 2017. We remain cautiously optimistic that the Malaysia stock market would outperform this year on the back of possible election catalysts and stable oil prices.

### INVESTMENT STRATEGY

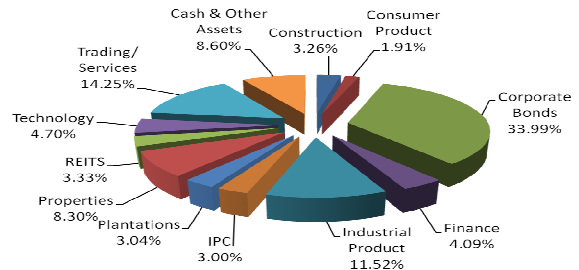
The strategic limit on asset allocation of the Fund is as follows:

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

### FUND DETAILS AS AT 31 MARCH 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)	RM0.5097	
Fund size	RM35,873mil	
Units in Circulation	70,369mil	
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>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
Redemption payment period	Being the custodian, the Trustee is also entitled to a custodian fee of RM30,000 per annum.	
Distribution policy	Within 10 days after receipt of the request to repurchase.	
	Income distribution (if any) is incidental.	

### SECTOR ALLOCATION\* AS AT 31 MARCH 2017



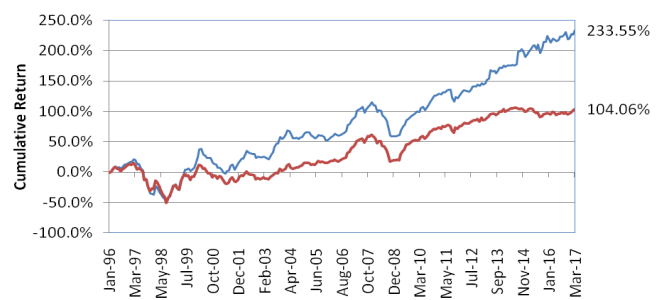
\*As percentage of NAV. Asset exposure is subject to change on a daily basis. Source: KAF Investment Funds Berhad.

### 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 MARCH 2017

NAV - NAV prices. Cumulative return over the period (%)



%	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
<b>KFF</b>	2.35	4.40	2.39	4.33	21.19	42.30
<b>Benchmark</b>	1.74	3.88	3.80	2.11	0.49	12.69

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

### LARGEST HOLDINGS\* AS AT 31 MARCH 2017

Malaysia Airports Capital Bhd IMTN	14.29%
Public Bank Bhd MTN	14.05%
Manjung IMTN	5.65%
KESM Industries Bhd	4.70%
Time Dotcom Bhd	4.61%

\*as percentage of NAV.

#### Disclaimer:

Based on the Fund's portfolio returns as at 15 March 2017, the Volatility Factor (VF) for this Fund is 7.2 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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APRIL 2017