

KAF BOND FUND (KBF)

APRIL 2025

The fund aims to provide a regular income stream by investing in medium to long-term local fixed income instruments.

THE FUND IS SUITABLE FOR INVESTORS WHO:

- Have a low to medium risk profile; and
- Seek a steady income stream over the medium to long term.

MANAGER'S COMMENTS

Malaysia's exports rose by 6.2% while imports also increased by 5.5% Year-on-Year (YoY) in February 2025 (February) respectively. The trade surplus increased to Malaysian Ringgit (MYR) 12.6 billion (bn) in February; up by 247.7% compared to the previous month (January). Malaysia's Consumer Price Index (CPI) declined to 1.50% YoY in February. Malaysian foreign reserves increased by United States Dollar (USD) 0.3bn in March 2025 (March) to USD118.0bn from USD117.7bn in February. Meanwhile, Malaysia's Purchasing Managers' Index (PMI) was down to 48.8 in March compared to 49.7 in the previous month. US Treasury yields were mixed in March with the Treasury 2-year and 5-year falling slightly while the 10-year benchmark yield remained flat closing the month at 3.88%, 3.95%, and 4.21% respectively compared to 3.99%, 4.02%, and 4.21% in February. Malaysian Government Securities (MGS) 3-year, 5-year yield, and 10-year yield were also slightly lower, ending at 3.38%, 3.56% and 3.77% in March compared to 3.43%, 3.58% and 3.79% in the previous month.

High uncertainty amid the global trade war caused bond markets to be quiet in March and traded in narrow choppy ranges as market participants stayed on the sidelines to wait for more clarity over Trump tariffs on "Liberation Day" next month. The direction of US interest rates also remained murky as the US Federal Reserve (the Fed) left rates unchanged during the Federal Open Market Committee (FOMC) meeting while maintaining the stance that the Fed will wait and see to assess the potential impact of higher tariffs on the US economy. However, major economy indicators in March pointed to a weakening US economy and an uptick in inflation. Furthermore, risk off sentiment continued to creep up as investors looked to shift to safe haven assets. Fixed income markets in Malaysia remained flat in tandem with their global counterparts. As local inflation remains low and the economy in overall decent health, market participants are not expecting any change to the Overnight Policy Rate (OPR) for now unless there is a drastic shift in external conditions that could impact the Malaysian economy. Local investors were conservative and cautious throughout the month of Ramadan although there was decent demand for long end bonds during the 3 government auctions for the month with the 15-year MGS 04/2039, 30-year Government Investment Issue (GI) 03/2054 and 10-year MGS 07/2034 minting Bid-to-Cover (BTC) ratios of 3.017x, 3.077x and 1.67x respectively. The outlook for fixed income continues to be very uncertain and we have taken measures to protect the portfolios from the potential risks that may unfold over the next few months. We will also be cautiously monitoring the fixed income environment to make adjustments as and when necessary. For now, we maintain our conservative stance of medium portfolio duration and an emphasis on high credit quality.

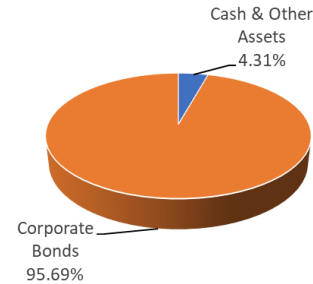
INVESTMENT STRATEGY

The fund seeks to meet its objective of producing a steady and recurring annual income stream by investing in a portfolio of fixed income securities such as sovereign bonds and corporate debt with the balance invested in money market instruments.

FUND DETAILS AS AT 31 MARCH 2025

Manager	KAF Investment Funds Bhd.
Trustee	CIMB Commerce Trustee Bhd.
Fund Category	Bond/Fixed Income Fund.
Fund Type	Income Fund.
Launch Date	1 November 2006
Unit net asset value (NAV)	RM255.5522
Fund size	RM393.502mil
Units in Circulation	1.540mil
Financial Year End	31 August.
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM1,000.00
Benchmark	RAM-Quant MGS Index (All Durations).
Sales Charge	None.
Repurchase Charge	None.
Annual management fee	0.40% per annum of NAV.
Annual trustee fee	Up to 0.05% per annum of NAV, subject to a minimum of RM12,000 per annum (excluding foreign custodian fee and charges).
Redemption payment period	Within 7 days after receipt of the request to repurchase.
Distribution policy	It is intended that the fund will distribute income at least once a year.

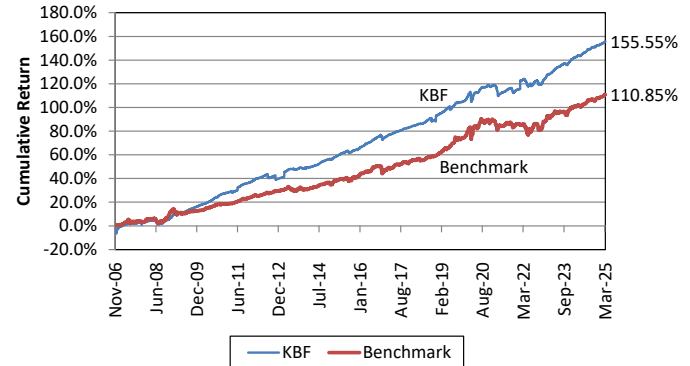
SECTOR ALLOCATION* AS AT 31 MARCH 2025



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

FUND PERFORMANCE ANALYSIS AS AT 31 MARCH 2025

Net Asset Value prices. Cumulative return over the period (% since inception)



%	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
KBF	0.47	1.18	1.84	4.69	14.86	24.02
Benchmark	0.63	1.34	1.85	4.51	14.78	19.16

Source: Novagni Analytics & Advisory Sdn Bhd

LARGEST HOLDINGS* AS AT 31 MARCH 2025

Government Investment Issues	23.61%
Malaysian Government Securities	10.49%
Tenaga Nasional Berhad	5.62%
YTL Corporation Berhad	5.39%
Money Market (KAF)	5.17%

*as percentage of Net Asset Value.

Disclaimer:

Based on the Malaysian Fund Volatility Report issued by Refinitiv Lipper dated 10 April 2025, the Volatility Factor (VF) for this fund is 2.06 and is classified as "Very Low." Very Low includes funds with VF that are between 0 and 4.99. The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Replacement Master Prospectus dated 30 September 2023 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, investors should be highlighted of the fact that the value of their investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units. Any issue of units to which the Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 03-9767 6000 for a copy of the PHS and the Master Prospectus or collect one from any of our authorised distributors.

The Manager wishes to highlight the specific risks of the fund are interest rate risk, credit risk and liquidity risk. These risks and other general risks are elaborated in the Master Prospectus. This factsheet is prepared for information purposes only and has not been reviewed by Securities Commission Malaysia. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide for future performance. Returns may vary from year to year.