



KAF TACTICAL FUND

ANNUAL REPORT

31 AUGUST 2024

MANAGER'S REPORT

We are pleased to present the Manager's Report for the financial year ended 31 August 2024 ("the period").

1. Launch Date

KAF Tactical Fund ("KTF/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

Growth Fund.

3. Category of Fund

Equity Fund.

4. Fund's Objective, Benchmark and Distribution Policy

KTF's investment objective is to provide unit holders with enhanced capital growth through a focused investment approach in certain preferred industry sectors at any given time.

The Fund's strategic asset allocation is limited to a maximum 95% of its net asset value ("NAV") in equities and a minimum 5% of NAV in liquid assets, either in cash or fixed-income securities.

The benchmark used for the Fund is FTSE Bursa Malaysia EMAS Index (FBM EMAS).

Income distribution (if any) is incidental.

5. Review of Fund Operations and Performance

For the financial year ended 31 August 2024, KTF registered a positive return of 17.20% compared to its benchmark FBM Emas Index, which recorded a positive return of 16.23%. The outperformance is largely due to our exposure to the Utilities sector.

MANAGER'S REPORT

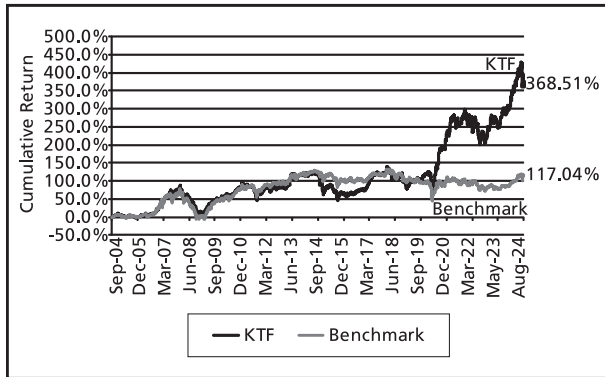
Since inception, based on its Net Asset Value ("NAV") the Fund recorded a return of 368.51% compared to its benchmark FBM Emas Index which grew to 117.04%.

During the financial year under review, the Fund realised a net gain amounting to RM23.98 million, arising from the disposal of equities, dividend received and interest earned. As at the end of the financial year, total unrealised gain stood at RM37.33 million.

KTF's fund size increased to RM218.80 million on 31 August 2024 from RM175.03 million on 31 August 2023. The NAV per unit of the Fund increased to RM1.1010 as at 31 August 2024 from RM0.9394 as at 31 August 2023 due to the strong performance of the stocks within our portfolio.

No cross-trade transaction carried out during the reported period ended 31 August 2024. The Fund has not undertaken any securities lending or repurchase transaction for the reported period.

Performance Chart
(Since end of initial offer period
22 September 2004 to 31 August 2024)



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

MANAGER'S REPORT

Fund Performance against the Benchmark and Indices of the Bursa Malaysia

Fund/Index	31/08/2023	31/08/2024	Change (%)
KTF (RM)	0.9394	1.1010	17.20
FBM Emas Index (benchmark)	10,740.70	12,484.26	16.23
FBM-KLCI	1,451.94	1,678.80	15.62
FBM Shariah Index	10,920.64	12,286.67	12.51

Fund Performance as ranked by Lipper Asia Limited

Period	KTF		Mean of Industry's Equity Malaysia Non-Islamic Fund Category
	% Change	Rank	% Change
3 month 30/05/2024 – 30/08/2024	(5.96)	60/66	(1.47)
6 months 29/02/2024 – 30/08/2024	3.49	59/66	7.85
1 year 30/08/2023 – 30/08/2024	17.21	35/65	17.72
3 years 30/08/2021 – 30/08/2024	25.38	4/62	10.20
5 years 30/08/2019 – 30/08/2024	133.78	2/58	42.57

Source: The Edge, 9 September 2024 issue, The Edge-Lipper Fund Performance Table, an independent source.

Past performance is not necessarily indicative of future performance.

MANAGER'S REPORT

6. Asset Allocation and Investment Strategies Employed

During the financial year under review, KTF equity exposure increased from 90.77% to 90.99% which is within the target asset allocation range.

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.

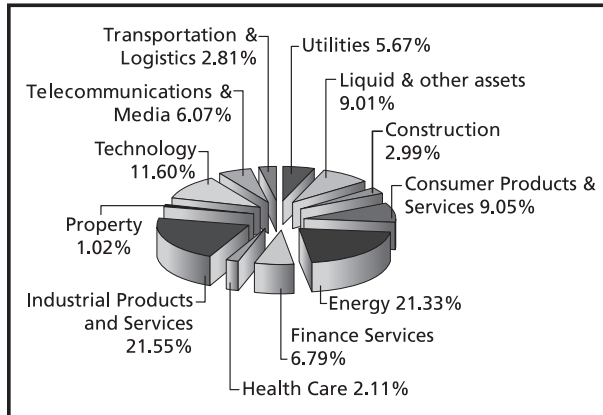
There were no significant changes in the Fund's state of affairs during the year.

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

Asset Allocation

Asset Class	Percentage of NAV as at		Change in exposure over period (%)
	31/08/2023 (%)	31/08/2024 (%)	
Equity and derivative securities	90.77	90.99	0.22
Liquid & other assets	9.23	9.01	(0.22)

Portfolio of Investment and Other Assets as at 31 August 2024



MANAGER'S REPORT

7. Equity Market Review

During the review period, the MSCI World, MSCI Asia Pacific and MSCI ASEAN increased by 22.61%, 15.04% and 8.53%. MSCI World Small Cap and MSCI Asia Pacific Small Cap also increased by 14.25% and 12.55% despite the MSCI ASEAN Small Cap declining by 1.13% during the period in review. The S&P 500, Dow Jones Industrial Index and NASDAQ increased by 25.31%, 19.70% and 26.21% while Key Malaysian indices outperformed most of its ASEAN peers during this period making Malaysia one of the best-performing markets in this region as the FBM-KLCI, FBM Emas and FBM Small Caps returned 15.62%, 16.23% and 8.61% respectively.

In August, global bond markets experienced heightened activity primarily driven by US economic data signaling a significant deceleration in the US labour market conditions. Softer payroll figures and rising unemployment intensified recession fears and fueled expectations of an aggressive monetary policy shift with market participants pricing in several potential 50 basis point rate cuts starting as early as September. This triggered a sharp decline in US Treasury yields as investors rotated into safer assets. In contrast, Malaysia's bond market displayed relative stability with the 10-year MGS yield briefly dipping to 3.69% before recovering to around 3.80% and exhibiting lower volatility compared to US Treasuries.

The Malaysian Government Securities ("MGS") benchmark 3-year, 5-year and 10-year yields closed at 3.35%, 3.51% and 3.76% from 3.43%, 3.60% and 3.84%, respectively in the previous period. US Treasury benchmark 2-year, 5-year and 10-year yields declined to 3.92%, 3.70%, and 3.90% from 4.86%, 4.25% and 4.11% during the review period. The Malaysian Ringgit appreciated against the US Dollar during this period closing at RM 4.32 from RM 4.64 previously.

Malaysia's Gross Domestic Product ("GDP") accelerated to 5.9% Year-on-Year ("Y-o-Y") in the second quarter of 2024 compared to the 4.2% y/y expansion in the first quarter of 2024. Private consumption, investment activity and a rise in goods exports and tourism fueled economic growth in the second quarter of 2024. On the external front, the growth in exports and imports of goods and services continued to expand, resulting in a reversal of net exports, which grew by 3.4% YoY in 2Q24 compared to a sharp decline in the previous quarter. The Business Condition Index of

MANAGER'S REPORT

the Malaysia Institute of Economic Research decreased to 86.2 in the second quarter of 2024 compared to 94.3 in the previous quarter.

8. Market Outlook & Strategy

The US Federal Reserve is expected to initiate the rate-cutting cycle with a 50 basis point reduction in September which is a larger move than recent market expectations despite strong payroll data. We foresee additional rate cuts ahead albeit at a more measured pace given the underlying resilience of the U.S. economy. In the short term, while we remain constructive on the U.S. economic outlook, challenges still persist in China where recent economic data continues to signal weakness particularly in household consumption and discretionary spending.

We believe the Fed's easing cycle presents a favourable backdrop for emerging markets as the anticipated narrowing of yield differentials between U.S. Treasuries and EM bonds could potentially support emerging market currencies. Despite strong year-to-date performance in ASEAN equities, valuations remain compelling, with key metrics still trading around their 10-year historical averages. Moreover, many ASEAN indices have yet to recover to pre-pandemic levels, suggesting further upside potential. While we maintain a cautiously optimistic view on near-term risk assets, we acknowledge the risk of higher volatility in the months ahead. Our strategy remains focused on disciplined analysis and selective positioning by aiming to identify mispriced assets and capitalize on market dislocations to optimize our portfolios in the constantly evolving environment.

9. Changes made to the Fund's prospectus

There were changes made to the Fund's prospectus during the reported period.

MANAGER'S REPORT

10. Soft Commission

The Manager had received a soft commission (in the form of goods and services) during the year under review, which intended to bring direct benefit or advantage to the management of KTF from one broker/dealer by virtue of transactions conducted for KTF. 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 KTF 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.

KEY PERFORMANCE DATA

Portfolio Composition	As at 31 August		
	2024	2023	2022
	(Percentage of NAV)		
	%	%	%
Quoted Equities			
Construction	2.99	1.59	1.30
Consumer Products & Services	9.05	10.39	13.89
Energy	21.33	12.95	20.07
Financial Services	6.79	2.28	2.63
Health Care	2.11	0.65	2.44
Industrial Products & Services	21.55	18.98	16.62
Plantation	-	0.59	0.88
Property	1.02	1.22	1.71
Technology	11.60	20.89	18.14
Telecommunications & Media	6.07	1.73	-
Transportation & Logistics	2.81	3.32	4.72
Utilities	5.67	16.18	4.94
Total Quoted Equities	90.99	90.77	87.34
Collective investment schemes	-	-	0.77
Liquid and other assets	9.01	9.23	11.89
Total	100.00	100.00	100.00
Total return for the year	RM'000	RM'000	RM'000
Capital growth	8,064	30,673	(14,970)
Income distribution	19,969	(2,623)	(88)

Performance	Income Return	Capital Return	Annual Total Return	
			KTF	Benchmark
Financial year ended	%	%	%	%
31/08/2024	0.00	17.20	17.20	16.23
31/08/2023	0.00	19.96	19.96	0.40
31/08/2022	0.00	(10.82)	(10.82)	(8.00)
31/08/2021	0.00	27.45	27.45	4.89
31/08/2020	0.00	46.28	46.28	(2.32)

KEY PERFORMANCE DATA

	Average Total Return	
	KTF	Benchmark
	%	%
One (1) year	17.20	16.23
Three (3) years	8.46	2.46
Five (5) years	26.75	2.00

Source: Novagni Analytics & 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:-

$$\begin{aligned} \text{Capital return} &= \text{NAV per Unit end} / \text{NAV per Unit begin} - 1 \\ \text{Income return} &= \text{Income distribution per Unit} / \text{NAV per Unit ex-date} \\ \text{Total return} &= (1 + \text{Capital return}) \times (1 + \text{Income return}) - 1 \end{aligned}$$

KEY PERFORMANCE DATA

NAV and Units in Circulation	As at 31 August		
	2024	2023	2022
Total NAV (RM'000)	218,801	175,034	127,057
Units in circulation (in'000)	198,725	186,325	162,255
NAV per unit (RM)	1.1010	0.9394	0.7831
Unit Prices for the year (RM per unit)			
NAV (year high)	1.2454	0.9394	0.9354
NAV (year low)	0.9018	0.7136	0.7067
NAV (year high, ex-distribution)	Nil	Nil	Nil
NAV (year low, ex-distribution)	Nil	Nil	Nil
NAV	1.1010	0.9394	0.7831
Distributions	Nil	Nil	Nil
Unit split	Nil	Nil	Nil
Total Expense Ratio ("TER")	1.69%	1.65%	1.64%
Portfolio Turnover Ratio ("PTR")	0.48 times	0.44 times	0.80 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.

The TER was higher than the previous year due to the overall increase in Fund's expenses during the year under review (refer to Note 13).

The PTR was higher than the previous year due to increase in portfolio rebalancing activities undertaken by the Fund (refer to Note 14).

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 TACTICAL FUND

We, **Universal Trustee (Malaysia) Berhad** ("the Trustee") being the Trustee of **KAF Tactical 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 year ended 31 August 2024.

- 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;
- Valuation/pricing is carried out in accordance with the Deed and any regulatory requirements; and
- Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

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

Ong Tee Vann
Chief Executive Officer

Kuala Lumpur, Malaysia
29 October 2024

STATEMENT BY THE MANAGER

TO THE UNIT HOLDERS OF
KAF TACTICAL 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 audited financial statements set out on pages 17 to 64 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 31 August 2024 and of its financial performance, changes in equity and cash flows of the Fund for the financial year 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
29 October 2024

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF
KAF TACTICAL FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of **KAF Tactical Fund** ("the Fund") give a true and fair view of the financial position of the Fund as at 31 August 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 August 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 64.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF
KAF TACTICAL FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal controls as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF
KAF TACTICAL FUND (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

INDEPENDENT AUDITORS' REPORT

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

TO THE UNIT HOLDERS OF
KAF TACTICAL FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements (cont'd)

(d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT

LLP0014401-LCA & AF 1146

Chartered Accountants

Kuala Lumpur
29 October 2024

	Note	2024 RM	2023 RM
INCOME			
Dividend income		3,490,468	4,526,951
Interest income from financial assets at amortised cost		593,642	504,855
Net gain on financial assets at fair value through profit or loss	6	27,958,580	25,769,287
		<u>32,042,690</u>	<u>30,801,093</u>
EXPENSES			
Manager's fee	3	(2,982,453)	(2,132,198)
Trustee's fee	4	(139,181)	(99,503)
Transaction costs		(648,916)	(410,209)
Audit fee		(8,000)	(7,000)
Tax agent's fee		(6,000)	(6,000)
Other expenses		(224,849)	(95,925)
		<u>(4,009,399)</u>	<u>(2,750,835)</u>
NET PROFIT BEFORE TAXATION			
		28,033,291	28,050,258
TAXATION			
	5	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR			
		<u>28,033,291</u>	<u>28,050,258</u>
Net profit after taxation is made up of the following:			
Realised amount		19,969,479	(2,622,960)
Unrealised amount		8,063,812	30,673,218
		<u>28,033,291</u>	<u>28,050,258</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents	7	23,440,518	16,371,410
Financial assets at fair value through profit or loss	6	199,113,384	158,868,245
Amount due from brokers	8	2,456,229	-
Amount due from Manager			
- creation of units		154,154	-
Dividend receivables		215,355	105,000
TOTAL ASSETS		225,379,640	175,344,655
LIABILITIES			
Amount due to brokers	8	5,742,238	-
Amount due to Manager			
- Cancellation of units		438,071	28,074
- Manager's fee		287,110	213,417
Amount due to Trustee		13,398	9,959
Other payables and accruals	9	97,854	59,248
TOTAL LIABILITIES		6,578,671	310,698
NET ASSET VALUE ("NAV") OF THE FUND		218,800,969	175,033,957
EQUITY			
Unit holders' capital		133,057,056	117,323,335
Retained earnings		85,743,913	57,710,622
TOTAL NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		218,800,969	175,033,957
NUMBER OF UNITS IN CIRCULATION			
	10	198,725,100	186,325,100
NAV PER UNIT			
		1.1010	0.9394

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Unit holders' capital RM	Retained earnings RM	Total RM
BALANCE AS AT 1 SEPTEMBER 2023	117,323,335	57,710,622	175,033,957
Movement in unit holders' capital:			
Creation of units arising from applications	71,557,196	-	71,557,196
Cancellation of units	(55,823,475)	-	(55,823,475)
	15,733,721	-	15,733,721
Total comprehensive income for the financial year		- 28,033,291	28,033,291
BALANCE AS AT 31 AUGUST 2024	133,057,056	85,743,913	218,800,969
BALANCE AS AT 1 SEPTEMBER 2022	97,396,541	29,660,364	127,056,905
Movement in unit holders' capital:			
Creation of units arising from applications	37,407,522	-	37,407,522
Cancellation of units	(17,480,728)	-	(17,480,728)
	19,926,794	-	19,926,794
Total comprehensive income for the financial year		- 28,050,258	28,050,258
BALANCE AS AT 31 AUGUST 2023	117,323,335	57,710,622	175,033,957

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		96,812,514	49,970,532
Purchase of investments		(106,461,980)	(71,257,287)
Dividends received		3,380,113	4,574,151
Interest income received		593,642	504,855
Manager's fee paid		(2,908,760)	(2,077,975)
Trustee's fee paid		(135,742)	(96,973)
Payment of other fees and expenses		(200,243)	(106,836)
Net cash used in operating activities		(8,920,456)	(18,489,533)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		71,403,042	37,612,088
Payments for cancellation of units		(55,413,478)	(17,523,151)
Net cash generated from financing activities		15,989,564	20,088,937
NET INCREASE IN CASH AND CASH EQUIVALENTS		7,069,108	1,599,404
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		16,371,410	14,772,006
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	23,440,518	16,371,410
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash at bank		21,086	199,638
Deposit with a licensed financial institution		23,419,432	16,171,772
	7	23,440,518	16,371,410

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

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 statement 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 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.

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 K.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

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

- Amendments to MFRS 101 and MFRS Practice Statement 2 'Disclosure of Accounting Policies'.
- Amendment to MFRS 108 'Definition of Accounting Estimates'.
- Amendment to MFRS 101 'Classification of liabilities as current or non-current'.

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(b) Standards and amendments that have been issued but not yet effective

There are no new standards, amendments to standards or interpretations that have yet to be effective and are applicable to the Fund.

B INCOME RECOGNITION

Dividend income are 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).

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

B INCOME RECOGNITION (CONT'D)

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 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.

D 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.

E 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(i) Classification (cont'd)

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. Consequently, all investments are measured at fair value through profit or loss.

Investments in collective investment schemes 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.

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 measured 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(ii) Recognition and measurement (cont'd)

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.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(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.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

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

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.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

F CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and deposits 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.

G 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.

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 broker 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 broker, probability that the broker 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

H 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.

I 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.

J 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

J UNIT HOLDERS' CAPITAL (CONT'D)

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.

K 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 YEAR ENDED 31 AUGUST 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

KAF Tactical 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 investment 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 YEAR ENDED 31 AUGUST 2024

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RM	RM	RM
2024			
Cash and cash equivalents	-	23,440,518	23,440,518
Financial assets at fair value through profit or loss	199,113,384	-	199,113,384
Amount due from brokers	-	2,456,229	2,456,229
Amount due from Manager - creation of units	-	154,154	154,154
Dividend receivables	-	215,355	215,355
	<u>199,113,384</u>	<u>26,266,256</u>	<u>225,379,640</u>
2023			
Cash and cash equivalents	-	16,371,410	16,371,410
Financial assets at fair value through profit or loss	158,868,245	-	158,868,245
Dividend receivables	-	105,000	105,000
	<u>158,868,245</u>	<u>16,476,410</u>	<u>175,344,655</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

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 Deed.

The table below shows the financial assets of the Fund as at 31 August which are exposed to price risk:

	2024 RM	2023 RM
Investments		
Quoted equities at fair value through profit or loss	199,113,384	158,868,245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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 31 August. The analysis is based on the assumptions that the market price increased and decreased by 5% (2023: 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 profit before tax/NAV RM
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2024

Quoted equities at fair value through profit or loss

+/- 5 9,955,669

2023

Quoted equities at fair value through profit or loss

+/- 5 7,943,412

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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 Funds will fluctuate because of changes in market interest rates.

The Fund's exposure to the interest rate risk is mainly confined to short-term deposits with licensed financial institutions. 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 deposits with licensed financial institutions by way of maintaining deposits with licensed financial institutions 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 are as follows:

	Weighted average interest rates		Average remaining maturities	
	2024 %	2023 %	2024 Days	2023 Days
Deposit with a licensed financial institution	3.20	3.20	2	4

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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 level of liquid assets to meet anticipated payment and cancellations of unit by unit holders. Liquid assets comprise cash at bank, deposits with a licensed financial institutions 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
As at 31 August 2024			
Amount due to brokers	5,742,238	-	5,742,238
Amount due to Manager			
- Cancellation of units	438,071	-	438,071
- Manager's fee	287,110	-	287,110
Amount due to Trustee	13,398	-	13,398
Other payables and accruals	-	97,854	97,854
Contractual undiscounted cash outflows	6,480,817	97,854	6,578,671

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Liquidity risk

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
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As at 31 August 2023

Amount due to Manager			
- Cancellation of units	28,074	-	28,074
- Manager's fee	213,417	-	213,417
Amount due to Trustee	9,959	-	9,959
Other payables and accruals	-	59,248	59,248
Contractual undiscounted cash outflows	251,450	59,248	310,698

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 deposits with a licensed financial institutions 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 YEAR ENDED 31 AUGUST 2024

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:

	2024 RM	2023 RM
Cash and cash equivalents	23,440,518	16,371,410
Other assets*	2,825,738	105,000
	<u>26,266,256</u>	<u>16,476,410</u>

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

	Cash and cash equivalents RM	Other assets* RM	Total RM
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As at 31 August 2024

Financial services

- AA3	23,419,432	-	23,419,432
- A1	21,086	-	21,086

Others

- not rated	-	2,825,738	2,825,738
	<u>23,440,518</u>	<u>2,825,738</u>	<u>26,266,256</u>

As at 31 August 2023

Financial services

- AA3	16,171,772	-	16,171,772
- A1	199,638	-	199,638

Others

- not rated	-	105,000	105,000
	<u>16,371,410</u>	<u>105,000</u>	<u>16,476,410</u>

*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 YEAR ENDED 31 AUGUST 2024

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 retained earnings. 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 trading 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 YEAR ENDED 31 AUGUST 2024

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 YEAR ENDED 31 AUGUST 2024

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 31 August 2024

Financial assets at fair value through profit or loss

- Quoted equities	199,113,384	-	-	199,113,384
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As at 31 August 2023

Financial assets at fair value through profit or loss

- Quoted equities	158,868,245	-	-	158,868,245
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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 equities.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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 calculated for that particular day.

The Manager's fee provided in the financial statements is computed on this basis at a rate of 1.50% (2023: 1.50%) per annum.

There will be no further liability to the Manager in respect of Manager's fee other than the 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% (2023: 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.

5. TAXATION

	2024 RM	2023 RM
Current taxation		
- Malaysia taxation	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

5. TAXATION (CONT'D)

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

	2024 RM	2023 RM
Net profit before taxation	28,033,291	28,050,258
Taxation at Malaysian statutory rate of 24% (2023: 24%)	6,727,990	6,732,062
Tax effects of:		
Investment income not subject to tax	(7,690,246)	(7,392,262)
Expenses not deductible for tax purposes	191,235	125,068
Restriction on tax deductible expenses for unit trust funds	771,021	535,132
Tax expense	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RM	2023 RM
Net gain on financial assets at fair value through profit or loss:		
- realised gain/(loss) on sale of investments	19,894,768	(4,903,931)
- unrealised gain on fair value movement	8,063,812	30,673,218
	27,958,580	25,769,287
Financial assets at fair value through profit or loss:		
- Quoted equities	199,113,384	158,868,245

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2024 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value as at 31/08/2024 expressed as	
			as at 31/08/2024	percentage of NAV of Fund
	Units	RM	RM	%

QUOTED EQUITIES

Construction

Kimlun Corporation Berhad	2,552,500	3,385,875	3,726,650	1.70
MN Holdings Berhad	350,000	313,250	306,250	0.14
Muhibbah Engineering (M) Berhad	2,958,900	1,818,756	2,515,065	1.15
	<u>5,861,400</u>	<u>5,517,881</u>	<u>6,547,965</u>	<u>2.99</u>

Consumer Products & Services

Able Global Berhad	2,779,800	5,753,207	5,504,004	2.52
Genting Berhad	1,590,000	6,648,387	6,868,800	3.14
Genting Malaysia Berhad	1,200,000	3,025,580	3,024,000	1.38
Malayan Flour Mills Berhad	5,000,000	4,088,241	3,675,000	1.68
RGB International Berhad	1,877,000	398,975	713,260	0.33
	<u>12,446,800</u>	<u>19,914,390</u>	<u>19,785,064</u>	<u>9.05</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/08/2024 expressed as	
			as at 31/08/2024	percentage of NAV of Fund
	Units	RM	RM	%

QUOTED EQUITIES

Energy

Bumi Armada Berhad	16,000,000	5,980,013	8,560,000	3.91
Carimin Petroleum Berhad	4,100,000	3,448,563	3,751,500	1.71
Coastal Contracts Berhad	1,010,900	1,722,485	1,769,075	0.81
Dayang Enterprise Holdings Berhad	3,400,000	5,534,642	8,840,000	4.04
Hibiscus Petroleum Berhad	1,412,900	3,062,932	3,108,380	1.42
Keyfield International Berhad	1,800,000	4,244,182	4,284,000	1.96
Perdana Petroleum Berhad	11,400,000	2,287,000	4,218,000	1.93
T7 Global Berhad	5,108,500	2,462,742	2,477,623	1.13
UZMA Berhad	4,800,000	2,928,000	4,800,000	2.19
Yinson Holdings Berhad	1,700,000	4,012,000	4,879,000	2.23
	<u>50,732,300</u>	<u>35,682,559</u>	<u>46,687,578</u>	<u>21.33</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/08/2024 expressed as	
			as at 31/08/2024	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Financial Services				
Hong Leong Bank Berhad	557,400	11,749,548	11,828,028	5.41
Tune Protect Group Berhad	8,779,000	3,489,580	3,028,755	1.38
	<u>9,336,400</u>	<u>15,239,128</u>	<u>14,856,783</u>	<u>6.79</u>
Health Care				
KPJ Healthcare Berhad	2,400,000	3,360,000	4,608,000	2.11
Industrial Products & Services				
AWC Berhad	1,183,500	670,154	1,242,675	0.57
CPE Technology Berhad	3,280,700	3,481,853	3,477,542	1.59
Critical Holdings Berhad	2,200,000	1,522,482	1,837,000	0.84
EG Industries Berhad	5,278,600	4,716,198	9,712,624	4.44
EG Industries Berhad - WD	1,374,700	-	632,362	0.29

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/08/2024 expressed as	
			as at 31/08/2024	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Industrial Products & Services				
Elridge Energy Holdings Berhad	4,050,000	1,649,424	1,701,000	0.78
HSS Engineers Berhad	4,773,800	3,434,624	5,298,918	2.42
Hume Cement Industries Berhad	1,600,000	5,119,751	4,672,000	2.14
Kelington Group Berhad	755,400	1,081,093	2,281,308	1.04
L&P Global Berhad	3,906,500	1,657,975	1,445,405	0.66
Malayan Cement Berhad	811,400	4,000,202	4,405,902	2.01
NationGate Holdings Berhad	75,000	100,500	142,500	0.07
Pantech Group Holdings Berhad	7,000,000	3,975,725	7,140,000	3.26
SKP Resources Berhad	2,795,200	3,617,218	3,158,576	1.44
	<u>39,084,800</u>	<u>35,027,199</u>	<u>47,147,812</u>	<u>21.55</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value	
			as at 31/08/2024	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Property				
S P Setia Berhad - RCPS-i	2,339,500	2,082,155	2,222,525	1.02
Technology				
D&O Green Technologies Berhad	800,000	3,224,189	2,208,000	1.01
Frontken Corporation Berhad	2,300,000	6,021,481	8,280,000	3.78
Inari Amertron Berhad	1,700,000	4,629,620	5,355,000	2.45
Infoline Tec Group Berhad	4,300,000	3,440,000	3,719,500	1.70
Infomina Berhad	2,230,000	2,183,616	2,876,700	1.31
SFP Tech Holdings Berhad	3,627,600	815,283	2,394,216	1.09
VisDynamics Holdings Berhad	1,690,150	1,056,001	574,651	0.26
	<u>16,647,750</u>	<u>21,370,190</u>	<u>25,408,067</u>	<u>11.60</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value	
			as at 31/08/2024	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Telecommunications & Media				
OCK Group Berhad	14,000,000	7,923,139	7,490,000	3.42
REDtone Digital Berhad	5,531,200	4,635,487	5,807,760	2.65
	<u>19,531,200</u>	<u>12,558,626</u>	<u>13,297,760</u>	<u>6.07</u>
Transportation & Logistics				
AGX Group Berhad	6,940,800	2,426,963	3,296,880	1.51
Malaysia Airports Holdings Berhad	271,900	1,603,313	2,854,950	1.30
	<u>7,212,700</u>	<u>4,030,276</u>	<u>6,151,830</u>	<u>2.81</u>
Utilities				
Mega First Corporation Berhad	1,500,000	5,071,739	6,600,000	3.02
YTL Corporation Berhad	2,000,000	1,931,609	5,800,000	2.65
	<u>3,500,000</u>	<u>7,003,348</u>	<u>12,400,000</u>	<u>5.67</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2024 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value	
			as at 31/08/2024	percentage of NAV of Fund
	Units	RM	RM	%
TOTAL QUOTED EQUITIES	<u>169,092,850</u>	<u>161,785,752</u>	<u>199,113,384</u>	<u>90.99</u>
UNREALISED GAIN ON QUOTED EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>37,327,632</u>		
FAIR VALUE OF TOTAL QUOTED EQUITIES		<u>199,113,384</u>		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2023 are set out as follows:

Name of counter	Quantity	Aggregate cost	Fair value		
			as at 31/08/2023	percentage of NAV of Fund	
	Units	RM	RM	%	
QUOTED EQUITIES					
Construction					
Muhibbah Engineering (M) Berhad		3,786,700	2,327,583	2,783,225	1.59
Consumer Products & Services					
Berjaya Food Berhad	4,750,000	2,399,461	3,230,000	1.85	
Formosa Prosonic Industries Berhad	1,200,000	4,469,081	3,252,000	1.86	
Genting Berhad	1,200,000	4,889,760	5,244,000	3.00	
Genting Malaysia Berhad	1,200,000	3,025,580	3,084,000	1.76	
MST Golf Group Berhad	2,618,200	2,017,269	1,361,464	0.78	
RGB International Berhad	6,522,000	1,386,317	1,989,210	1.14	
	<u>17,490,200</u>	<u>18,187,468</u>	<u>18,160,674</u>	<u>10.39</u>	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2023 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value		percentage of NAV of Fund
			as at 31/08/2023	as at 31/08/2023 expressed as	
	Units	RM	RM		%
QUOTED EQUITIES					
Energy					
Bumi Armada Berhad	16,000,000	5,980,014	8,160,000		4.66
Carimin Petroleum Berhad	3,600,000	3,026,914	3,222,000		1.84
Coastal Contracts Berhad	1,010,900	1,722,485	2,203,762		1.26
Hibiscus Petroleum Berhad	5,500,000	4,769,233	5,252,500		3.00
UZMA Berhad	4,800,000	2,928,000	3,840,000		2.19
	<u>30,910,900</u>	<u>18,426,646</u>	<u>22,678,262</u>		<u>12.95</u>
Financial Services					
Tune Protect Group Berhad	8,779,000	3,489,580	3,994,445		2.28
Health Care					
Supercomnet Technologies Berhad	866,700	1,420,305	1,144,044		0.65

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2023 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value		percentage of NAV of Fund
			as at 31/08/2023	as at 31/08/2023 expressed as	
	Units	RM	RM		%
QUOTED EQUITIES					
Industrial Products & Services					
Aurelius Technologies Berhad	588,900	1,330,586	1,548,807		0.88
AWC Berhad	3,000,000	1,698,742	1,515,000		0.87
Cahaya Mata Sarawak Berhad	521,300	847,999	609,921		0.35
Cape EMS Berhad	2,805,500	3,824,927	3,366,600		1.92
EG Industries Berhad	5,278,600	4,716,198	7,970,686		4.55
Hiap Teck Venture Berhad	5,400,000	2,878,214	2,349,000		1.34
HSS Engineers Berhad	3,100,000	1,550,000	1,906,500		1.09
Kelington Group Berhad	755,400	1,081,093	1,133,100		0.65
Kobay Technology Berhad	330,000	1,823,680	590,700		0.34
P.I.E. Industrial Berhad	800,000	2,741,888	2,288,000		1.31
Pantech Group Holdings Berhad	7,000,000	3,975,725	5,915,000		3.38

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2023 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/08/2023	
			as at 31/08/2023	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Industrial Products & Services				
PESTECH International Berhad	484,200	266,310	123,471	0.07
Press Metal Aluminium Holdings Berhad	600,000	3,400,600	2,910,000	1.66
SKP Resources Berhad	1,032,100	1,801,551	995,977	0.57
	<u>31,696,000</u>	<u>31,937,513</u>	<u>33,222,762</u>	<u>18.98</u>
Plantation				
Sarawak Oil Palms Berhad	406,500	1,098,787	1,036,575	0.59
Property				
S P Setia Berhad - RCPS-i	2,339,500	2,082,155	2,140,642	1.22

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2023 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/08/2023	
			as at 31/08/2023	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Technology				
D&O Green Technologies Berhad	800,000	3,224,189	2,832,000	1.62
Frontken Corporation Berhad	3,700,000	9,686,731	12,950,000	7.40
Greatech Technology Berhad	560,000	2,800,000	2,520,000	1.44
Inari Amertron Berhad	1,700,000	4,629,620	5,355,000	3.06
Infomina Berhad	2,800,000	2,741,760	4,928,000	2.82
SFP Tech Holdings Berhad	7,026,300	1,579,122	7,096,563	4.05
VisDynamics Holdings Berhad	2,011,650	1,256,873	784,544	0.45
VisDynamics Holdings Berhad-WC	502,912	-	82,980	0.05
	<u>19,100,862</u>	<u>25,918,295</u>	<u>36,549,087</u>	<u>20.89</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2023 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/08/2023 expressed as	
			as at 31/08/2023	percentage of NAV of Fund
	Units	RM	RM	%
QUOTED EQUITIES				
Telecommunications & Media				
TIME dotCom Berhad	550,000	2,639,780	3,025,000	1.73
Transportation & Logistics				
Malaysia Airports Holdings Berhad	603,871	3,282,554	4,450,529	2.54
TASCO Berhad	1,700,000	1,931,624	1,360,000	0.78
	<u>2,303,871</u>	<u>5,214,178</u>	<u>5,810,529</u>	<u>3.32</u>
Utilities				
Mega First Corporation Berhad	600,000	1,575,340	1,998,000	1.14
YTL Corporation Berhad	4,500,000	4,346,120	7,065,000	4.04
YTL Power International Berhad	9,000,000	10,940,675	19,260,000	11.00
	<u>14,100,000</u>	<u>16,862,135</u>	<u>28,323,000</u>	<u>16.18</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of quoted equities as at 31 August 2023 are set out as follows: (cont'd)

Name of counter	Quantity	Aggregate cost	Fair value as at 31/08/2023 expressed as	
			as at 31/08/2023	percentage of NAV of Fund
	Units	RM	RM	%
TOTAL QUOTED EQUITIES				
	<u>132,330,233</u>	<u>129,604,425</u>	<u>158,868,245</u>	<u>90.77</u>
UNREALISED GAIN ON QUOTED EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
			<u>29,263,820</u>	
FAIR VALUE OF TOTAL QUOTED EQUITIES				
			<u>158,868,245</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

7. CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Cash at bank	21,086	199,638
Deposit with a licensed financial institution*	23,419,432	16,171,772
	<u>23,440,518</u>	<u>16,371,410</u>

*A total of RM23,419,432 (2023: RM16,171,772) of 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.

8. 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 YEAR ENDED 31 AUGUST 2024

9. OTHER PAYABLES AND ACCRUALS

	2024	2023
	RM	RM
Audit and tax agent's fees	15,854	14,448
Sundry accruals	82,000	44,800
	<u>97,854</u>	<u>59,248</u>

10. NUMBER OF UNITS IN CIRCULATION

	2024	2023
	Number of units	Number of units
At the beginning of the financial year	186,325,100	162,255,100
Creation of units arising from applications	63,870,000	44,610,000
Cancellation of units	(51,470,000)	(20,540,000)
At the end of the financial year	<u>198,725,100</u>	<u>186,325,100</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

11. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial year ended 31 August 2024 are as follows:

Name of brokers	Percentage		Percentage	
	Value of trades	of total trades	Brokerage fees	of total brokerage
	RM	%	RM	%
2024				
CIMB				
Securities Sdn Bhd (formerly known as KAF Equities Sdn Bhd)	30,907,557	14.62	70,504	15.58
Maybank Investment Bank Berhad	25,726,410	12.17	46,118	10.19
MIDF Amanah Investment Bank Berhad	23,831,801	11.27	47,664	10.54
Hong Leong Investment Bank Berhad	21,954,116	10.38	40,615	8.98
RHB Investment Bank Berhad	20,709,094	9.80	46,047	10.18
Public Investment Bank Berhad	18,274,390	8.64	41,117	9.09
Affin Hwang Investment Bank Berhad	15,957,964	7.55	31,937	7.06
Phillip Capital Sdn Bhd	15,559,368	7.36	31,119	6.88
CIMB Investment Bank Berhad	10,227,012	4.84	14,574	3.22
AM Investment Bank Berhad	5,932,000	2.81	29,230	6.46
Others	22,333,630	10.56	53,491	11.82
	<u>211,413,342</u>	<u>100.00</u>	<u>452,416</u>	<u>100.00</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

11. TRANSACTIONS WITH BROKERS (CONT'D)

Details of transactions with brokers for the financial year ended 31 August 2023 are as follows:

Name of brokers	Percentage		Percentage	
	Value of trades	of total trades	Brokerage fees	of total brokerage
	RM	%	RM	%
2023				
Public Investment Bank Berhad	45,743,343	38.31	102,922	40.94
KAF Equities Sdn Bhd*	42,145,989	35.30	94,828	37.72
Maybank Investment Bank Berhad	9,968,418	8.35	18,077	7.19
Affin Hwang Investment Bank Berhad	7,971,387	6.68	15,943	6.34
Hong Leong Investment Bank Berhad	5,086,943	4.26	9,411	3.74
CIMB Investment Bank Berhad	3,504,889	2.93	7,010	2.79
Kenanga Investment Bank Berhad	2,928,000	2.45	-	-
RHB Investment Bank Berhad	1,427,599	1.19	3,212	1.28
M&A Securities Sdn Bhd	630,650	0.53	-	-
	<u>119,407,218</u>	<u>100.00</u>	<u>251,403</u>	<u>100.00</u>

*A related company to the Manager

The Manager is of the opinion that all the transactions with the related company have been entered into in the normal course of business and have been established on terms and conditions that have been agreed upon by the parties involved.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

12. UNITS HELD BY 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
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 YEAR ENDED 31 AUGUST 2024

12. UNITS HELD BY MANAGER AND RELATED PARTIES (CONT'D)

Significant related party transactions and balances that are not already disclosed in other notes to the financial statements are set out below:

	2024		2023	
	No. of units	RM	No. of units	RM
KAF Investment Funds Berhad	120,623	132,806	60,901	57,210
AKKA Sdn Bhd	8,344,958	9,187,799	8,344,958	7,839,254
KAF-Seagroatt & Campbell Berhad	9,768,212	10,754,801	9,860,933	9,263,360
Datuk Khatijah Ahmad	8,664,914	9,540,070	4,409,233	4,142,033
Mohammed Reza Tan Sri Abu Talib	58,217	64,097	58,217	54,689
Subsidiaries and associates of the ultimate holding company of the Manager	33,081,902	36,423,174	33,081,902	31,077,139

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

13. TOTAL EXPENSE RATIO (“TER”)

	2024	2023
TER	1.69%	1.65%

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

The average NAV of the Fund for the financial year calculated on a daily basis was RM198,821,691 (2023: RM142,140,434).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR	0.48 times	0.44 times

PTR is derived from the following calculation:

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

- where: total acquisition for the financial year = RM111,849,951 (2023: RM70,776,111)
- total disposal for the financial year = RM79,668,623 (2023: RM54,526,776)

CORPORATE INFORMATION

Manager

KAF Investment Funds Berhad
Reg. No: 199501004999

Registered Office

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

Business Office

Level 13, Menara IQ
Lingkar TRX
Tun Razak Exchange
55188 Kuala Lumpur
Tel: 03-9767 6000 Fax: 03-9767 6001
Website: www.kaf.com.my

Board of Directors

Datuk Khatijah binti Ahmad
Tan Sri Abu Talib Othman
Mohammed Reza Tan Sri Abu Talib
Mohd Hasnul Ismar bin Mohd Ismail
Nor Rejina binti Abdul Rahim

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