

Monthly Fund Fact Sheet as at 30 June 2019

MIDF AMANAH ISLAMIC FUND

JULY 2019

FUND OBJECTIVE

The objective of the fund is to achieve long-term capital growth through investments which conform to the Shariah principles.

THE FUND IS SUITABLE FOR INVESTORS WHO:

- Are seeking long term capital growth, who wish their investments to be in line with Shariah principles;
- Can tolerate high level of risks.

FUND DETAILS (as at 30 June 2019)

Fund size	RM 5.881 million
Unit NAV	RM 0.3616
Fund Inception	14 May 1971
Financial Year End	15 th day of June
Management Fee	1.5% p.a. of NAV
Trustee Fee	0.08% p.a. of NAV
Initial Service Charge	Up to 5.00% of NAV
Redemption Payment Period	Within 10 calendar days
Investment Manager	MIDF Amanah Asset Management Bhd

MANAGER'S COMMENTS

Review

Globally, investors have higher expectations of U.S. Fed taking an easy stance on monetary policy in view of slowing economic momentum. That aided risk sentiment and helped push risk assets higher with bond yields moving lower. Buoyant sentiment remained intact despite renewed geopolitical tensions in the Middle East amidst U.S. blaming Iran for attacks on two oil tankers in the Gulf of Oman whilst imposing new sanctions.

Locally, news flow hovered around the Government's takeover offer for toll highways amounting MYR6.2B which include LDP, SPRINT, KESAS and SMART Tunnel owned by listed Gamuda and Litrak. The initiative by the Government to fulfil one of its manifestos was reasonably well-received that could potentially save taxpayers MYR5.3B in toll payments. However, toll players will see a drop in its future recurring income post-takeover in exchange for immediate pay out which has lifted their share prices higher on the news.

Overall, the more dovish stance taken by the Fed has helped our domestic markets in June as more foreign interest increased across regional markets amidst possible widening of rate differential. Domestically, the performance of markets continues to be affected by earnings risk and the absence of fresh catalysts. Nonetheless, MTD witnessed foreign funds inflow of +MYR134.6M that helped reduce YTD foreign funds outflow to -MYR4.662B in June. Benchmark FBM KLCI edged higher in June tracking the global markets on the back of rate cut expectations. The benchmark started the month at 1,655 points but trended lower first to 1,638 points before rebounding strongly supported by renewed buying interest to hit a high of 1,682 points before closing the month of June at 1,672 points. MOM basis, it gained +21.37 points, or +1.29%. However, YTD, it lost -1.09%.

The broader market of Shariah indices outperformed the benchmark FBM KLCI. FBM Hijrah Shariah, FBM Emas Shariah and FBM Small Cap Shariah indices all bounced higher, gaining +2.93%, +2.86% and +3.59% MoM to close at 13,673 points, 12,133 points and 11,439 points separately. The average daily value traded in June fell further by -12.8% MoM to MYR1.96B amidst lower trading activities during the Raya holidays. YoY, it declined -25.7%.

Investment Outlook & Strategy

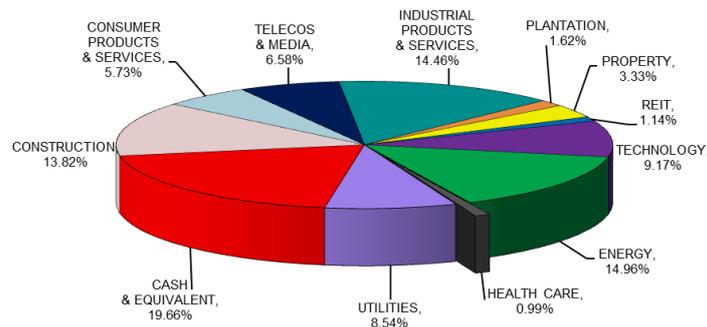
We are of the view that the volatility in global equity markets may persist as global political and economic backdrop remains challenging due to the trade war uncertainty and growing downside risk for global growth on evidence of weakening global economic data. At the same time, the domestic corporate earnings picture has not improved materially to support further strong gains after the recent upturn.

On that basis, we maintain our short-term view the KLCI may range bound around current level hence we are taking the opportunity to tactically position Equity exposure within 75-80% range in the near term. We would still however increase our exposure selectively as opportunity arises from any intermittent sell-off driven by any adverse international and domestic news flows. Given our cautious external view, we would be looking to increase exposure in attractive valued stocks in domestic sectors with positive dynamics such as Construction, Utilities and Consumer along with defensive stocks with stable growth and high dividend yield while looking to reduce positions in legacy stocks and those with unfavorable immediate term outlook. In the meantime, our portfolio construction efforts to stabilize its long term performance by having the right mix between large and mid-small cap stocks along with value, growth and dividend yield composition shall continue.

LARGEST HOLDINGS (as at 30 June 2019)

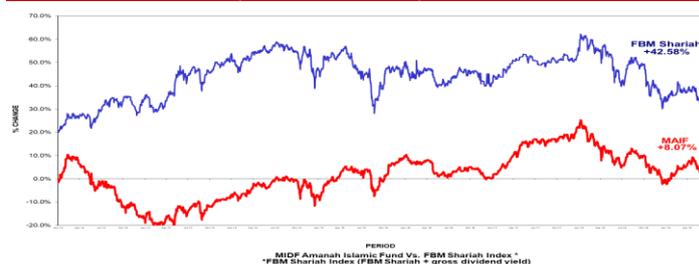
COMPANY	%
TENAGA NASIONAL BHD	7.06%
TIME DOTCOM BHD	5.64%
MUHIBBAH ENGINEERING (M) BHD	5.62%
CAHYA MATA SARAWAK BHD	5.49%
PETRONAS CHEMICALS GROUP BHD	5.07%

ASSET ALLOCATION (as at 30 June 2019)



*as percentage of NAV. Please note that asset exposures for the funds are subject to frequent change on a daily basis.

FUND PERFORMANCE (as at 30 June 2019)



CALENDAR YEAR RETURN % (as at 30 June 2019)

	3M	6M	1YR	3YRS	5YRS
FUND	2.44	8.49	3.17	6.89	9.31
FBM SHARIAH*	4.14	5.42	2.06	1.34	-9.33

*FBM Shariah Index (FBM Shariah + gross dividend yield)
Source: Lipper Fund Table (The Edge, 5 July 2019)

(1) Based on the fund's portfolio returns as at 10 June 2019, the volatility Factor (VF) for this fund is 8.92 and is classified as "high" (source:Lipper).

(2) Volatility Factor (VF) is subjected to monthly changes and Volatility Class (VC) will be revised every six months.

(3) The portfolio composition may change overtime, therefore there is no guarantee that the VF and VC to remain constant.