



PRODUCT HIGHLIGHTS SHEET
for
MIDF AMANAH ESG MUSTADAMAH FUND

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Date of Issuance: 18 June 2021

Responsibility Statements

This Product Highlights Sheet (“PHS”) has been reviewed and approved by the directors of MIDF Amanah Asset Management Berhad (“MIDF Amanah / the Manager”) and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the PHS false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has authorised the issuance of MIDF Amanah ESG Mustadamah Fund (“the Fund”) and a copy of this PHS has been lodged with the Securities Commission Malaysia (“SC”).

The authorisation of the Fund and lodgement of this PHS, should not be taken to indicate that the SC recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this PHS.

The SC is not liable for any non-disclosure on the part of the Manager responsible for the Fund and takes no responsibility for the contents in this PHS. The SC makes no representation on the accuracy or completeness of this PHS, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

THE FUND IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.

This PHS only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the prospectus of the Fund before deciding to invest.

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BRIEF INFORMATION ON THE PRODUCT

MIDF Amanah ESG Mustadamah Fund (“The Fund”) is an ESG Shariah-compliant equity fund issued by MIDF Amanah Asset Management Berhad, aims to achieve medium to long term sustainable capital appreciation in an ESG portfolio of Shariah-compliant equities.

This is neither a capital protected nor capital guaranteed fund.

PRODUCT SUITABILITY

The Fund is suitable for investors with high risk* profile who are seeking capital appreciation over the medium to long term through investments in sustainable equities that are acceptable under the principles of Shariah.

* High risk refers to the nature of the Fund being an equity fund.

KEY PRODUCT FEATURES

a) What am I investing in?

Fund Category / Type	ESG Shariah-compliant Equity / Growth
Fund Inception	3 May 2021
Investment Strategy	<p>The Fund seeks to achieve its investment objective by adopting an investment approach that integrates both principles of Shariah as well as ESG investing.</p> <p>The investment philosophy focuses on the belief of long-term earnings growth and the likelihood of the earnings growth being delivered by investing in good quality and sustainable companies that can potentially offer attractive and sustainable long-term growth.</p> <p>The Fund’s portfolio will consist of Shariah-compliant securities and Shariah-compliant equity-related securities (including but not limited to Shariah-compliant warrants and Shariah-compliant loan stocks) of both growth and quality companies that contains the ESG elements.</p> <p>In addition, the investments of the Fund will be subjected to the integration of ESG methodology. This includes the screening, selection, monitoring and realisation of the Fund’s investments. Bursa Malaysia’s FTSE4Good Index will serve as reference on those stock that are not only ESG but also Shariah-compliant for the Fund’s performance monitoring. The constituents of FTSE4Good Index comprise both conventional and Shariah-compliant stocks. The Manager will conduct a Shariah screening on the constituents which conform with the list of Shariah-compliant securities issued by the SACSC. The Manager will evaluate the Fund’s investments on a quarterly basis to ensure the investments are in line with the ESG methodology and the overall impact of the investments with the ESG methodology is consistent with any other sustainability considerations.</p> <p>The Fund will invest between 70% - 98% of the NAV of the Fund in Shariah-compliant stocks that are listed in Bursa Malaysia. The stocks which are Shariah-compliant are also required to have a minimum of 2-star rating in ESG criteria, awarded by FTSE Russell. The stocks’ allocation will be based on equal weightage where each stock in the portfolio will be invested at an equal weightage based on its NAV. The Fund’s portfolio will be rebalanced quarterly to meet this objective.</p> <p>If the Fund’s investments become inconsistent with the ESG considerations of the Fund, the Fund shall liquidate such investments within a reasonable time upon becoming aware of the ESG non-compliant status.</p>

	<p>Reclassification of ESG status relates to a security which has been reclassified as ESG non-compliant by FTSE Russell. The Fund shall liquidate such investments within a reasonable time upon the reclassification date.</p> <p>The Fund may also invest in Islamic liquid assets such as Islamic deposits and Islamic money market instruments. The investments of Islamic money market instruments and Islamic deposits are for liquidity purposes. Therefore, the ESG considerations are not applicable to the selection of Islamic money market instruments and Islamic deposits.</p> <p>The Fund is actively managed. However, the frequency of its trading activities will depend on market opportunities.</p>
Asset Allocation	<p>Shariah and ESG-compliant equities and Shariah-compliant equity-related securities¹: 70% - 98%</p> <p>Islamic liquid assets: 0% - 2%</p> <p>¹Shariah-compliant equity-related securities refer to Shariah-compliant warrants and Shariah-compliant convertibles securities that are capable or being converted into new shares.</p>
Benchmark	<p>Absolute expected return of 6% per annum.</p> <p>Bursa Malaysia's FTSE4Good Index will serve as reference on those stocks that are both Shariah and ESG compliant for the Fund's performance monitoring. For information purposes, the performance of the FTSE4Good Index will only be made as a reference against the performance of the Fund which is measured on an absolute basis. Information on Bursa Malaysia's FTSE4Good Index can be obtained from Bursa Malaysia's website: www.bursamalaysia.com</p>
Financial Year End	15 th May
Distribution Policy	Incidental. Distribution, if any, is declared at the end of the financial year, or for any other period and will be at the discretion of the Manager.

b) Who am I investing with?

Manager	MIDF Amanah Asset Management Berhad
Trustee	AmanahRaya Trustees Berhad
Auditors	Ernst & Young
Solicitors	Wei Chien & Partners
Shariah adviser	MIDF Amanah Investment Bank Berhad

KEY RISKS

Specific Risks associated with this product:

Profit Rate Risk	Generally, Islamic money market instruments' prices move in the opposite direction of profit rates; a rise in profit rates will generally cause a fall in Islamic money market instruments' prices and vice versa.
Reclassification of Shariah Status Risk	This risk refers to the risk that the currently held Shariah-compliant equities invested by the Fund may be reclassified as Shariah non-compliant by the relevant authority. In the event the Shariah non-compliant equities and Islamic money market instruments held by the Fund are reclassified as Shariah non-compliant by the relevant authority or the Shariah Adviser of the Fund, the instruments will be disposed in accordance with rules and decision by the Shariah Adviser. Please refer to Section 3 of the Prospectus on the Fund's Shariah methodology on the treatment of gains and losses as a result of the Shariah non-compliant investment.
ESG Investment Risk	As a qualified SRI fund, the investments of the Fund will be subject to ESG integration methodology. By subjecting the Fund to the ESG integration methodology, it may result in the Fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their characteristics when it might be advantageous to do so. The Fund may use one or more different third party ESG research data providers and/or internal analysis by the Manager. In assessing the eligibility of the company of a security based on ESG considerations, there is a dependence upon information and data from third party ESG research data providers and internal analysis by the Manager, which may be incomplete, inaccurate or unavailable. As a result, there is a risk to incorrectly assess a security or company. There is also a risk that the Manager may not apply the relevant criteria resulting out of the ESG research correctly or that the Fund could have indirect exposure to companies who do not meet the relevant criteria (used in the ESG considerations). Furthermore, ESG considerations are subjective and it is therefore possible that an investment may not perform in a way that an investor considers to be

	sustainable or responsible, even though it has been selected in accordance with the ESG criteria applied in the portfolio construction process for the Fund.
Liquidity Risk	This risk refers to the ease with which the Fund's investment can be sold at a favourable price. Should the Fund's investment become illiquid, it may be sold at an unfavourable price which may then lower the value of the Fund's investments and subsequently the value of Unit Holders' investments.
Shariah-Compliant Equity Risk	The performance of the Shariah-compliant equities held by the Fund is also dependent on company specific factors like the company's business situation. If the company-specific factors deteriorate, the price of the specific Shariah-compliant equity may drop significantly and permanently. Such event could possibly occur even in a positive Shariah-compliant equity market trend. The risk will be managed via portfolio diversification of the Fund's investments in terms of its exposure to equity from various industries, sectors and countries. In addition, where necessary, exposure to a particular Shariah-compliant equity will also be reduced in the event of an anticipated weakness in that particular Shariah-compliant equity.
Regulatory Risk	Any changes in national policies and regulations may have an effect on the capital markets in which the Fund is investing. If this occurs there is a possibility that the value of Unit Holders' investments may be adversely affected.
Stock Specific Risk	Any fluctuation in the value of a particular security in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company may affect the price of Units. The impact is however mitigated by the Fund investing in a wide portfolio of investments, thus spreading the element of risk.
Shariah-compliant Equity-related Securities Risk	The value of the Shariah-compliant equity-related securities depends on the value of the underlying equities that the Shariah-compliant securities are related to. Any upward movement in the value of the underlying Shariah-compliant equities may result an upward movement of the value of the respective Shariah-compliant equity-related securities, and vice versa. Hence, the movement of the value of the Shariah-compliant equity-related securities will affect the value of the Fund. The Fund may also invest in Shariah-compliant equity-related securities such as Shariah-compliant warrant, that have an expiry date and may experience time decay, and the erosion of value accelerates as the instrument advances to its expiry date. If the Shariah-compliant warrant is not exercised on or before the expiry date, the Shariah-compliant warrant will have no value and negatively impact the NAV of the Fund.

Note: If your investments are made through a distributor (i.e. the institutional unit trusts advisers via a nominee system of ownership), you would not be deemed to be a unit holder under the deed and as a result, your rights as an investor may be limited if you are investing through a distributor. Accordingly, we will only recognize the distributor as a unit holder of the Fund and the said distributor shall be entitled to all the rights conferred to it under the deed.

FEES AND CHARGES

Sales Charge	Up to 5.0% of the NAV per unit.
Repurchase Charge	Nil
Switching Charge	Two (2) free switching for each unit holder in a calendar year. Subsequent switching will be charged RM25 per switch.
Transfer Fee	RM50 per transfer.
Management Fee	1.50% per annum of the Fund's NAV.
Trustee Fee	Up to 0.05% per annum of the Fund's NAV.

Note: The Manager reserves the right to waive or reduce the amount of any fees or other charges from time to time at its absolute discretion.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

VALUATIONS AND EXITING FROM INVESTMENT

Valuations	The NAV of the Fund is calculated at the end of each Business Day and the unit price is available on our website at www.midf.com.my/index.php/en/what-we-do-en/asset-management
Cooling-off Period	A cooling-off right is only given to an individual investor, other than those listed below, who is investing in any of the Manager's funds for the first time: (i) a staff of the Manager; and (ii) persons registered with a body approved by the SC to deal in unit trusts. The cooling-off period shall be for a total of six (6) Business Days commencing from the date the

	application for units is received by the Manager.
Redemption	<p>A unit holder may make a partial or full redemption by completing a transaction form and returning it to the Manager. The redemption proceed shall be paid within 10 calendar days from the date the request to repurchase is received by the Manager.</p> <p>For partial redemption, the unit holdings after the redemption must not be less than one hundred (100) units or such other lower number of units as may be determined by the Manager from time to time. If the unit holdings of a unit holder are, after a redemption request, below the minimum unit holdings of the Fund, a request for full redemption is deemed to have been made.</p> <p>In the event if a unit holder opts for a redemption payment method that involves any fees or charges such as postage for courier services, registered mail, bank charges for telegraphic transfer, bank cheque or other special payment method, the applicable fees or charges will be charged to the unit holder.</p> <p>Other than the above conditions, there are no restrictions in terms of frequency and minimum units to be repurchased.</p>

CONTACT INFORMATION

- 1) For internal dispute resolution, you may contact:

Our Customer Service Line at 03 – 2173 8488, which is available Mondays to Fridays (except public holidays), from 8.45 a.m. to 5.45 p.m. or you may email us at midfamanah@midf.com.my

- 2) If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Centre (SIDREC):

- (a) via phone to : 03-2282 2280
- (b) via fax to : 03-2282 3855
- (c) via email to : info@sidrec.com.my
- (d) via letter to : Securities Industry Dispute Resolution Centre (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5 Jalan Bangsar Utama 1
59000 Kuala Lumpur

- 3) You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

- (a) via phone to Aduan Hotline at : 03-6204 8999
- (b) via fax to : 03-6204 8991
- (c) via email to : aduan@seccom.com.my
- (d) via online complaint form available at www.sc.com.my
- (e) via letter to : Consumer & Investor Office
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

- 4) Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau

- (a) via phone to : 03-2092 3800
- (b) via fax to : 03-2093 2700
- (c) via e-mail to : complaints@fimm.com.my
- (d) via online complaint form available at : www.fimm.com.my
- (e) via letter to : Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-1, 6th Floor, Wisma Tune,
No.19, Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur.

APPENDIX: GLOSSARY

Bursa Malaysia	: Bursa Malaysia Securities Berhad
Business Day	: a day on which the Bursa Malaysia is open for trading
Deed	: the deed in respect of the Fund and any supplemental deed that may be entered into between the Manager and the Trustees and registered with the SC
ESG	: Environmental, Social and Governance
Fund	: MIDF Amanah ESG Mustadamah Fund
FTSE Russell	: a wholly owned subsidiary of London Stock Exchange Group, and is a unit of the Information Services Division.
MIDF Amanah / The Manager	: MIDF Amanah Asset Management Berhad
Medium to long term	: a period between 3 to 5 years
NAV	: Net Asset Value (NAV) of the Fund is the total value of the Fund's asset minus its liabilities at the valuation point.
NAV per unit	: the NAV of the Fund divided by its total number of units in issue as at a valuation point
PHS	: Product Highlights Sheet
RM	: Ringgit Malaysia
SC	: Securities Commission Malaysia
SRI	: Sustainable and Responsible Investment

Note: Unless the context otherwise requires, words importing the singular number should include the plural number and vice versa.