

THIS FIRST SUPPLEMENTARY MASTER PROSPECTUS DATED 15 FEBRUARY 2024 IS TO BE READ IN CONJUNCTION WITH THE MASTER PROSPECTUS DATED 31 MAY 2023

FIRST SUPPLEMENTARY MASTER PROSPECTUS

This First Supplementary Master Prospectus is dated 15 February 2024 and comprises the following 7 Funds namely:

MIDF AMANAH GROWTH FUND

(constituted on 2 December 1966)

MIDF AMANAH STRATEGIC FUND

(constituted on 1 June 1970)

MIDF AMANAH ISLAMIC FUND

(constituted on 14 May 1971)

MIDF AMANAH DYNAMIC FUND

(constituted on 5 May 1976)

MIDF AMANAH SHARIAH MONEY MARKET FUND II

(constituted on 24 January 1984)

MIDF AMANAH SHARIAH MONEY MARKET FUND

(constituted on 1 April 2004)

MIDF AMANAH ESG MUSTADAMAH FUND

(constituted on 3 May 2021)

MANAGER:

MIDF Amanah Asset Management Berhad
(Registration No.:197201000162 (11804-D))

TRUSTEES:

AmanahRaya Trustees Berhad (Registration No.: 200701008892 (766894-T))
Maybank Trustees Berhad (Registration No.: 196301000109 (5004-P))

MIDF AMANAH ESG MUSTADAMAH FUND IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS FIRST SUPPLEMENTARY MASTER PROSPECTUS DATED 15 FEBRUARY 2024 WHICH IS TO BE READ TOGETHER WITH THE MASTER PROSPECTUS DATED 31 MAY 2023. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 8 OF THE MASTER PROSPECTUS DATED 31 MAY 2023 AND PAGE 2 OF THIS FIRST SUPPLEMENTARY MASTER PROSPECTUS.

Responsibility Statements

This First Supplementary Master Prospectus has been reviewed and approved by the directors of the Manager and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, 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 this First Supplementary Master Prospectus false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has authorised the Funds and a copy of this First Supplementary Master Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Funds, and the registration of this First Supplementary Master Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Master Prospectus dated 31 May 2023 or this First Supplementary Master Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manager responsible for the Funds and takes no responsibility for the contents in this First Supplementary Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplementary Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

Additional Statements

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in the First Supplementary Master Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the First Supplementary Master Prospectus or the conduct of any other person in relation to the Funds.

The Funds have been certified as Shariah-compliant by the Shariah adviser appointed for the Funds.

This First Supplementary Master Prospectus is not intended and will not be issued and distributed in any country or jurisdiction other than in Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units in the Funds to which this First Supplementary Master Prospectus relates, may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

The Funds are not capital protected or capital guaranteed funds.

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Unless otherwise provided in this First Supplementary Master Prospectus, all the capitalized terms used herein shall have the same meanings as ascribed to them in the Master Prospectus dated 31 May 2023 (“Master Prospectus”).

EXPLANATORY NOTE:

This First Supplementary Master Prospectus has been issued to inform investors that:

- (i) the email address and website address of the Trustee has been amended;
- (ii) the ESG investment risk has been amended;
- (iii) the investment policy and strategy in relation to the MIDF Amanah ESG Mustadamah Fund has been amended;
- (iv) the information in relation to the performance benchmark of MIDF Amanah ESG Mustadamah Fund has been amended; and
- (v) the definition of “FTSE Russell” has been deleted.

1. Amendment to page 7 of the Master Prospectus – “Corporate Directory”

The e-mail address and website address of the Trustee is hereby deleted in its entirety and replaced with the following:

E-mail: art@artrustees.com.my
Website: www.artrustees.my

2. Amendment to pages 11 – 12 of the Master Prospectus – “Risk Factors, Specific Risks”

The information in relation to the ESG Investment Risk is hereby deleted in its entirety and replaced with the following:

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 (1) 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. The independent data provider and the Manager make no representation, warranty or guaranty as to the reliability, timeliness, quality, suitability, truth, availability, accuracy, security or completeness of the service or any content. 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. To manage and mitigate ESG investment risk, the Manager will apply the ESG screening process as set out under the “Investment Policy and Strategy” of the Fund.

3. Amendment to page 36 of the Master Prospectus – “Information on the Funds – MIDF Amanah ESG Mustadamah Fund (MAEMF), Investment Policy and Strategy”

The information in relation to the Investment Policy and Strategy is hereby deleted in its entirety and replaced with the following:

Investment Policy and Strategy

The Fund seeks to achieve its investment objective by adopting an investment approach that integrates both principles of Shariah as well as ESG investing.

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.

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.

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 BBB rating on the ESG rating scale of IdealRatings Inc, an independent data provider (the “**Independent Data Provider**”). The Independent Data Provider provides an investment service designed to identify Shariah-compliant securities along with custom-built indexes and purification services. It allows the Manager to access a comprehensive range of data that has been analysed by an external research team.

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.

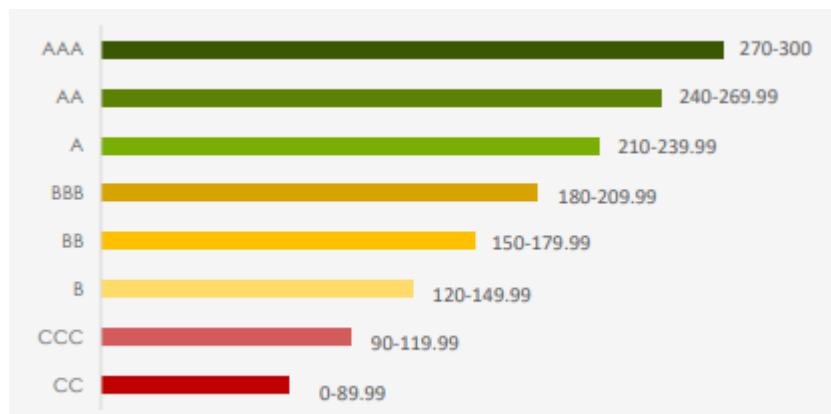
The Fund is actively managed. However, the frequency of its trading activities will depend on market opportunities.

ESG Integration

The integration of ESG assessment is included in the screening, selection and monitoring process of the Fund’s investments. The Manager uses a filtered Shariah-ESG universe list, provided via the Independent Data Provider that provides ESG ratings, based on the sum of the E, S and G scoring from a series of acceptable inputs and data sources.

The Independent Data Provider determines a group of companies (“Group”)’s ESG rating by researching and documenting answers to a series of questions (or inputs) for each of the three pillars (E, S and G). There are over 150 inputs captured during the research process. Each pillar has a maximum score of 100, and the weight each key performance indicator (“KPI”) contributes to a company’s overall pillar score is based on an industry-relative model. For example, inputs under the waste management KPI of the environmental pillar could have a weight of 0% (meaning the inputs have no effect on a Group’s score) for a company in the banking industry, yet a weight of 15% (meaning the KPI contributes 15% to the overall numerical score for the environmental pillar) for a company involved in energy production. The sum of the three pillar scores becomes the company’s ESG score, which can be converted to a letter grade as shown in the table below.

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Securities of companies with an ESG score of “BBB” and higher will be included in the list of reference stocks. The list of reference stocks that has an ESG rating will also satisfy the Shariah-compliant requirement, based on the list provided by the SACSC. The Manager will continuously monitor and evaluate the investments so that the investments are aligned with the overall investment objective and with an acceptable ESG score, on a portfolio level basis and that the overall impact of the investments is not inconsistent with any other sustainability considerations.

The Manager will ensure that at least 2/3 of the Fund’s NAV remains invested in Shariah and ESG-compliant equities and Shariah and ESG-compliant equity-related securities at all times. If the Fund breaches the aforesaid minimum asset allocation, the Manager will within a reasonable period of not more than 3 months from the date of the breach take all necessary steps and actions to rectify the breach.

In the event the Fund’s investments become inconsistent with its investment policies and strategies or are reclassified as ESG non-compliant by the Independent Data Provider, the Fund shall liquidate such investments within a reasonable period of not more than 3 months upon becoming aware of the ESG non-compliant status or reclassification date. If such liquidation results in the breach of the minimum asset allocation of at least 2/3 of the Fund’s NAV in Shariah and ESG-compliant equities and Shariah and ESG-compliant equity-related securities, the Fund will invest in accordance with its investment policies and strategies with immediate effect to ensure that at least 2/3 of the Fund’s NAV remains invested in Shariah and ESG-compliant equities and Shariah and ESG-compliant equity-related securities at all times. The Independent Data Provider will update the ESG scores and ratings reclassification of the companies (if any) and deliver the list of reference stocks to the Manager twice a year.

4. Amendment to page 37 of the Master Prospectus – “Information on the Funds – MIDF Amanah ESG Mustadamah Fund (MAEMF), Performance Benchmark”

The information in relation to the performance benchmark is hereby deleted in its entirety and replaced with the following:

Performance Benchmark

Absolute expected return of 6% per annum.

Please refer to our website for information on the Fund’s performance.

Note: This is not a guaranteed return and is only a measurement of the Fund’s performance. For the purpose of the Fund, the benchmark is used as a yardstick to assess the performance of the Fund.

5. Amendment to page 4 of the Master Prospectus – “Definitions”

The definition of “FTSE Russell” is hereby deleted in its entirety.