

MIDF AMANAH ESG MUSTADAMAH FUND

Date of Issuance: 15 February 2024

Responsibility Statements

This Product Highlights Sheet (“PHS”) has been reviewed and approved by the directors of MIDF Amanah Asset Management Berhad (“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.

PRODUCT HIGHLIGHTS SHEET
for
MIDF AMANAH ESG MUSTADAMAH FUND

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

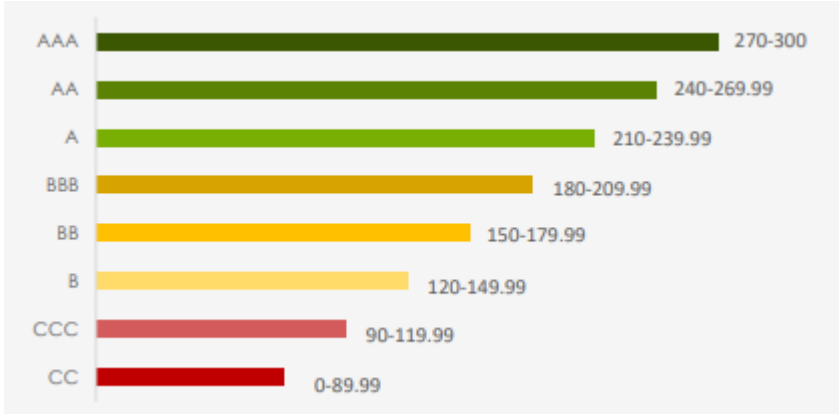
The Fund is suitable for investors with high risk* profile who are seeking capital appreciation over the medium to long term through investments in sustainable equities that are acceptable under the principles of Shariah.

* 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 Policy and 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>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.</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> <p><u>ESG Integration</u></p> <p>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.</p> <p>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</p>

	<p>below.</p>  <p>AAA 270-300 AA 240-269.99 A 210-239.99 BBB 180-209.99 BB 150-179.99 B 120-149.99 CCC 90-119.99 CC 0-89.99</p> <p>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.</p> <p>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.</p> <p>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.</p>
Asset Allocation	<p>Shariah and ESG-compliant equities and Shariah and ESG-compliant equity-related securities¹: 70% - 98% Islamic liquid assets: 2% - 30% 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>Please refer to our website for information on the Fund’s performance.</p> <p><i>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.</i></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:

Market Risk	Market risk refers to potential losses that may arise from changes in the market prices of the Fund's investments. The prices of Shariah-compliant securities that the Fund invest in may fluctuate due to various factors, for example, events or news relating to the general market or economic conditions. Such movements in the prices of Shariah-compliant securities will cause the prices or NAV of the Units to fluctuate.
Securities Specific Risk	Any fluctuation in the value of Shariah-compliant securities 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 Shariah-compliant investments, thus spreading the element of risk.
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.
Reclassification of Shariah Status Risk	This risk refers to the risk that the currently held Shariah-compliant equities in the portfolio of the Fund may be reclassified to be Shariah non-compliant in the periodic review of the securities by the SACSC or the Shariah Adviser. If this occurs, the value of the Fund may be adversely affected where the Manager will take the necessary steps to dispose of such equities in accordance with SACSC's resolutions and guidelines. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities.
Profit Rate Risk	The risk refers to the effect of profit rate changes on the market value of a sukuk portfolio or Islamic money market instruments. In the event of rising profit rates, the profit rate is affected and the sukuk prices and Islamic money market instruments' prices will generally fall and vice versa, thus affecting the NAV of the Fund. However, should the Fund hold a sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the NAV shall not be affected at maturity. In order to mitigate profit rates exposure of the Fund, the Manager will actively manage the duration of the sukuk portfolio.
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.
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.
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.
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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 5.00% 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 https://www.midf.com.my/fund-management
Cooling-off Period	<p>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:</p> <ul style="list-style-type: none"> (i) a staff of the Manager; and (ii) persons registered with a body approved by the SC to deal in unit trusts. <p>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.</p> <p>The refund for every Unit held by the investor pursuant to the exercise of his cooling-off right shall be as follows:</p> <ul style="list-style-type: none"> (a) if the NAV per Unit on the day the Units were first purchased is higher than the NAV per Unit at the point of exercise of the cooling-off right ("Market Price") the Market Price at the point of cooling-off; or (b) if the Market Price is higher than the NAV per Unit on the day the Units were first purchased, the NAV per Unit on the day the Units were first purchased; and (c) the sales charge per Unit originally imposed on the day the Units were purchased. <p>The refund amount shall be paid to the Unit Holder within seven (7) Business Days from the date of cooling-off request is received.</p>
Repurchase of Units	<p>Investors may redeem part or all of his Units by simply completing the transaction form and returning it to the Manager. Investors shall be paid within seven (7) Business Days from the date the request to repurchase is received by the Manager.</p> <p>For partial repurchase, 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 repurchase request, below the minimum Unit holdings of the Fund, a request for full redemption is deemed to have been made.</p> <p>Other than the above conditions, there are no restrictions in terms of frequency and minimum Units to be repurchased.</p>

FUND PERFORMANCE

For the financial year ended 15 May 2023, the NAV per Unit of MAEMF has decreased by 4.03% as compared to its absolute return target of 6% per annum, translating to an underperformance of 10.03%. The key objective of MAEMF is to achieve medium to long term capital appreciation in an ESG portfolio of Shariah-compliant equities. For the period under review, the Fund maintained its NAV above the initial price of RM1.00 even though did not achieve the return objective due to the challenging market conditions.

AVERAGE TOTAL RETURN

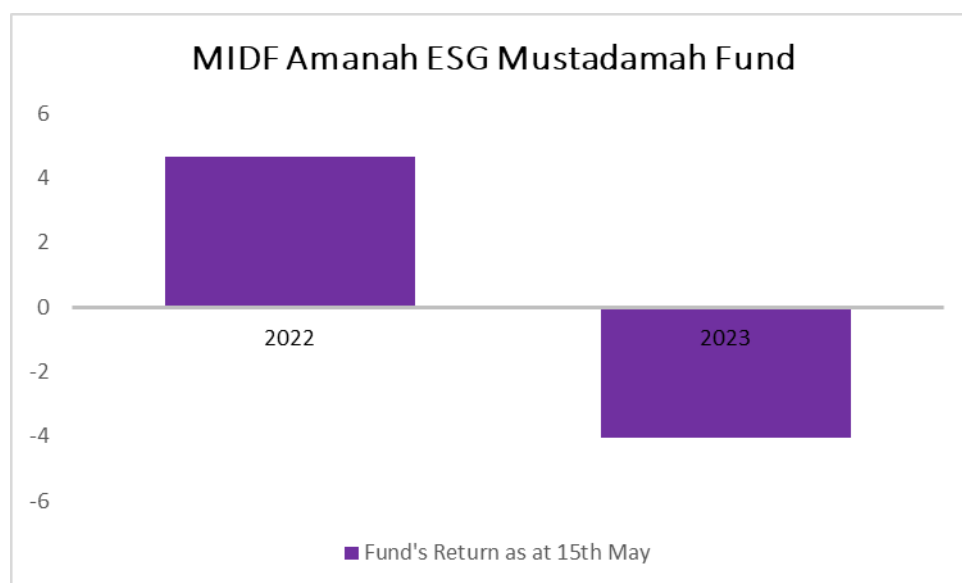
As at 15 th May	The Fund	Absolute Return Target (p.a)
One year	-4.03	6.00
Since Inception	0.43	6.00

Average total return is derived using the following formula:

$$\frac{\text{Total Returns}}{\text{Number of Years Under Review}}$$

ANNUAL TOTAL RETURN

MIDF Amanah ESG Mustadamah Fund			
As at 15 th May	2022	2023	Since Inception
Fund's Return (%)	4.67	-4.03	0.43
Absolute Return p.a (%)	6.00	6.00	6.00



Financial Year As at 15 th May	2022	2023
Asset Allocation:		
- Shariah-Compliant Equities	81.0%	78.6%
- Islamic Money Market Instruments and Others	19.0%	21.4%
Portfolio Turnover Ratio ("PTR") (times)*	1.32	1.25
Total Expenses Ratio ("TER")(%)#	1.43	1.67
Income Distribution – Gross per Unit (sen)	Nil	Nil
Income Distribution – Net per Unit (sen)	Nil	Nil

* The PTR for the Financial Year Ended 15 May 2022 stood at 1.32 times.

The TER for the Financial Year Ended 15 May 2022 was at 1.43%.

FUND HIGHLIGHTS

Audited Statement of Comprehensive Income for the Financial Years ended 15 May:

	2022	2023
	RM	RM
Total Investment Income/(Loss)	(66,506)	(148,068)

Total Expenses	(154,016)	(280,275)
Net Income/(Loss) Before Taxation	(220,522)	(428,343)
Net Income/(Loss) After Taxation	(220,522)	(428,343)

Audited Statement of Financial Position for the Financial Years ended 15 May:

	2022	2023
	RM	RM
Total Assets	10,723,051	10,254,909
Total Liabilities	73,528	30,758
Net Asset Value/Total Equity	10,649,523	10,224,151

THE AUDITED FINANCIAL STATEMENTS OF THE FUND ARE DISCLOSED IN THE FUND'S ANNUAL REPORT.
THE ANNUAL REPORTS OF THE FUND ARE AVAILABLE UPON REQUEST.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

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 : 03-7890 4242
 (b) via e-mail to : complaints@fimm.com.my
 (c) via online complaint form available at : www.fimm.com.my
 (d) via letter to : Legal & 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	: the stock exchange managed or operated by Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
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

The Manager	: MIDF Amanah Asset Management Berhad
Medium to long term	: a period of 3 years and above
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
SACSC	: Shariah Advisory Council of SC
SRI	: Sustainable and Responsible Investment
Unit or Units	: a measurement of the right or interest of a Unit Holder in the Fund and means a Unit (including a fraction of a Unit) of the Fund
Unit Holders / investors / you	: the person registered as the holder of a Unit or Units including persons jointly registered for a particular Fund

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