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MIDF AMANAH ASSET MANAGEMENT BERHAD NOW A SHARIAH-COMPLIANT ENTITY

Kuala Lumpur, 5 June 2017 – MIDF Amanah Asset Management Bhd (“MIDF Amanah”), one of Malaysian Industrial Development Finance Berhad’s (“MIDF”) four core businesses has joined the Shariah-compliant fraternity. This follows the footsteps of MIDF’s real estate financing arm, Amanah International Finance Sdn Bhd, and MIDF’s Development Finance Division which offer a full range of Shariah-compliant products for all its new businesses.

Islamic finance has come a long way since its inception in 1969, with the establishment of Lembaga Tabung Haji, an Islamic savings institution. Since then, we have witnessed continuous innovation of Islamic finance, which is imperative to its overall sustainability. Recently, the Securities Commission (“SC”) has launched a 5-year Islamic Fund and Wealth Management Blueprint in efforts to further drive the development of Malaysia’s Islamic capital markets. Echoing this ground-breaking initiative by the SC, MIDF Amanah will be introducing new products in the Islamic wealth management space, including one of which is a new Shariah Equity Wholesale Fund for high net worth investors.

This product will have two special key features; the first one being that the fund will have zero entry fee which means that no sales fee or upfront fee will be charged to investors. Secondly, the fund will pay zakat on behalf of its investors. The latter feature on payment of zakat will provide Muslim investors much convenience as they will not have to worry about the zakat due on their respective investments as all annual income distribution will be net of zakat. The total target fund to be raised is RM100 million within the first year of its launch. MIDF Amanah currently records assets under management of RM4.1 billion as at 30th April 2017.

The equity portfolios under MIDF Amanah have seen an overall exceptional performance in first quarter this year with gains ranging from 10% to a high of 15%. For this quarter, in terms of asset class performance, equity portfolios have significantly surpassed the benchmark KLCI that only gained around 6% during the same period. MIDF Amanah has also observed that equity portfolios with high content of small to mid-cap stocks tend to outperform the bigger-cap portfolios during this period.

Gaining Shariah-compliant status for MIDF Amanah is a natural progression for MIDF which began offering Islamic financing facilities in 2003 and has witnessed its Islamic financing portfolio grow steadily ever since. MIDF understands that emphasis on human capital development alongside the growth of the Islamic financial industry is crucial in ensuring that there is a consistent pool of talents in this particular area.

MIDF Amanah Chief Executive Officer, Encik Azlan Hussin said, "MIDF Amanah has been diligently marketing Islamic financing and investment products to our customers and we have also continued to develop talent to facilitate our organisation's eventual transformation into a Shariah-compliant entity."

"With the conversion of MIDF Amanah Asset Management Bhd as well as Amanah International Finance Sdn Bhd and our Development Finance Division into fully Shariah-compliant entities offering Islamic financing and investment products, MIDF is now poised to cater to the ever-growing demand for Islamic finance products and services. In addition to fulfilling our vision of being a Shariah-compliant group, MIDF also plays a role in assisting Malaysia to become an international Islamic financial hub," added YBhg. Datuk. Mohd. Najib Hj. Abdullah, the MIDF Group Managing Director.

MIDF Amanah began as a fund management company licensed by the SC in 1992 as Seacorp-Schroder Capital Management Berhad ("SSCM"), a 51% - 49% joint-venture between MIDF Amanah Capital Berhad ("MIDFAC"), formerly known as Amanah Capital Partners Berhad, and Schroder Investment Management Limited.

In 1998, the company was fully acquired by MIDFAC Group, bringing about the change in name to Amanah SSCM Asset Management Berhad. The MIDFAC Group was then taken over by Malaysian Industrial Development Finance Berhad in 2001. As a result of the MIDF Group corporate rebranding exercise in 2007, the company was then renamed as MIDF Amanah Asset Management Berhad.

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About MIDF

Malaysian Industrial Development Finance Berhad (MIDF) was established on 30 March 1960 as the nation's maiden development finance institution. MIDF was formed to ensure Malaysian enterprises had access to financing, in line with the country's ambition to accelerate the development of the Malaysian economy.

After 57 years in the financial industry, MIDF has evolved into a unique financial institution offering a diversified array of services created to increase shareholder's value with a firm commitment to our clients' business journey from cradle to maturity. Its core business areas are Investment Banking, Development Finance, Asset Management and Mezzanine Financing.

MIDF Amanah Investment Bank Berhad (MIDF Investment) is a boutique investment bank that offers specialised solutions for its clients. MIDF Investment boasts a comprehensive range of services including financial & corporate advisory, underwriting of equities and debt instruments, treasury activities, and equity brokerage services.

MIDF's Development Finance Division (DFD) is proud to be part of a long heritage of the nation building agenda seeking to promote Malaysia's development of its industrial and services sectors through the provision of financing for Small and Medium Enterprises (SMEs) as well as Mid-Tier Companies (MTCs). DFD is now an integral part of the national backbone supporting Malaysia's SMEs and MTCs through conventional and Shariah-compliant financing for new projects as well as for expansion, modernisation, and relocation programmes.

MIDF Amanah Asset Management Berhad (MIDF Amanah) is a niche asset management service provider with a strong local foothold backed by experienced and dedicated fund managers. MIDF Amanah holds exceptional Islamic and Conventional investment portfolios with strong restructuring capabilities, covering mandates, which include equity, fixed income, and balanced portfolios as well as those based on specific requirements such as Shariah and ethical investments.

Amanah International Finance Sdn. Bhd. (AIF) provides mezzanine financing for property owners who seek growth in this sector. AIF also offers bespoke financial solutions in other sectors based on the clients' specific requirements and market conditions, with a product range encompassing Islamic financing. AIF assists in the acquisition of properties, development and construction of projects, and bridges interim financing needs, all backed by the expertise of experienced financial advisors.

MIDF commits itself to improving the lives of the community it is a part of, with a special focus on education and development. Contributing to society where values of sharing and nurturing mutual success continue to fuel our corporate social responsibility programmes in aid of the underprivileged.

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For more information, please contact:

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Anita Ramly
Group Corporate Communications
Tel: (03) 2173 8756
Fax: (03) 2173 8866
E-mail: anita.ramly@midf.com.my

Farah Atiqah Zuhdi
Group Corporate Communications
Tel: (03) 2173 8752
Fax: (03) 2173 8866
E-mail: farah.atiqah@midf.com.my