

Monthly Fund Fact Sheet as at 31 May 2020

MIDF AMANAH DYNAMIC FUND

JUNE 2020

FUND OBJECTIVE

The objective of the fund is to achieve long-term capital growth through investments in a portfolio of Shariah-compliant equities with superior growth prospects.

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 a high level of risks associated with stock market investments.

FUND DETAILS (as at 31 May 2020)

Fund Size	RM 1.730 million
Unit NAV	RM 0.6597
Fund Inception	5 May 1976
Financial Year End	15 th day of March
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

Equity rally continued in May as focus shifted towards partial reopening of the economies along with noticeable improvement in reported infection and death cases. Despite persistent trade jibes by President Trump directed towards Chinese technology companies, positive sentiment remained unwavering which saw S&P500 ending May at 3,044.31 points or 131.88 points higher than April's closing. For the month, S&P500 gained 4.5% to record YTD losses of 5.8% while Nasdaq advanced 6.8% to register YTD gain of 5.8%. China CSI300 bucked the trend with 1.2% monthly loss to record YTD loss of 5.6%. More broadly, MSCI World and MSCI Emerging Market ended May with YTD loss of 8.9% and 16.5% accordingly.

Domestically, containment measures implemented by the Health Ministry proved to be a major success as cases dwindled to double-digit figures in May. Although the MCO was extended further until 9 June, gradual reopening of the economy was evident with strict preventive guidelines in place. With most factories and businesses operating near normal capacity, investors' confidence gradually returned along with steady gains in Global Equities. FBM KLCI Index gained 4.7% in May to record YTD loss of 7.3% led by gains in Health Care, Construction and Energy sectors.

All Shariah indices performed better against the benchmark FBM KLCI. FBM Hijrah Shariah, FBM Emas Shariah, and FBM Small Cap Shariah outperformed FBM KLCI at 11.2%, 10.4% and 8.6% MOM respectively to end the month at 13,768.76, 12,025.22 and 10,900.80 points. In May, the average daily value traded increased MOM by 65.6% while rose YOY by 107.4% to MYR4.28B due to higher trading participation by institutional and retail investors.

Investment Outlook & Strategy

As of the end of May, global data for Covid-19 infection rates stood at nearly 6.0 million with 367,166 reported deaths as most countries begin to reopen their economies albeit cautiously as infection and death rates improved gradually. With most major developed economies resuming partial normal activities in May, improvement in global sentiment continued as confidence grew over the containment measures along with some progress on treatments drugs and several human trials on potential vaccines.

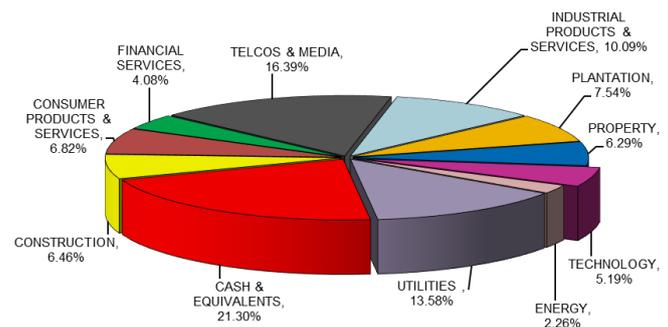
On the domestic front, signs of normalcy begin to return with travel restrictions partially lifted and most businesses operating normally under limited business hours. This represents a significant step towards the full reopening of the economy in June that could steer us away from the brink of another economic contraction in Q2. With steady improvement in Crude Oil and CPO prices, the outlook for the economy brightens along with the revival in manufacturing activities despite continuing low activity in travel-related services sector such as airlines, hotels and shopping malls.

We are of the view that the near-time upside for Equity market is limited by stretched valuations amid challenging and disappointing earnings outlook. On that basis, we would prefer not to chase the current uptrend but instead to position the portfolio defensively within the 70-75% target range by favoring quality and liquid large cap companies in selective defensive domestic sectors such as Utilities, Telecommunications and Health Care along with accumulation of high dividend yielding stocks. As we expect the level of volatility to remain high, we would continue to approach the market carefully through gradual accumulation or disposal of our holdings at the expense of current huge portfolio underperformances while taking advantage of trading opportunities in a range-bound market. Timely stock selection is paramount to our strategy moving forward as we continue to restructure the portfolio progressively.

LARGEST HOLDINGS (as at 31 May 2020)

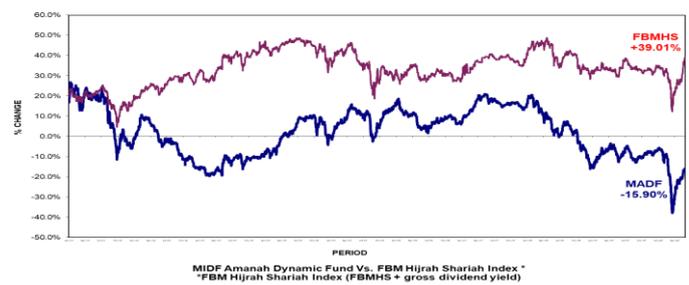
COMPANY	%
TENAGA NASIONAL BHD	9.16%
TELEKOM MALAYSIA BHD	7.37%
PETRONAS DAGANGAN BHD	6.82%
MUHIKBAH ENGINEERING (M) BHD	6.46%
INARI AMERTON BHD	5.19%

ASSET ALLOCATION (as at 31 May 2020)



*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 31 May 2020)



CALENDAR YEAR RETURN (as at 31 May 2020)

FUND	3M	6M	1YR	3YRS	5YRS
FUND	4.02	-7.12	-5.17	-28.92	-24.32
FBMHS*	11.52	7.67	6.28	-2.43	-3.97

*FBM Hijrah Shariah Index (FBMHS + gross dividend yield)

Note: Upon conversion to Shariah fund, benchmark has been changed to FBMHS from June 01, 2018 onwards

Source: Lipper Fund Table (The Edge, 8 June 2020)

(1) Based on the fund's portfolio returns as at 10 May 2020, the volatility Factor (VF) for this fund is 17.00 and is classified as "very 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.