

Monthly Fund Fact Sheet as at 31 October 2020

MIDF AMANAH DYNAMIC FUND

NOVEMBER 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 October 2020)

| | |
|---------------------------|----------------------------------|
| Fund Size | RM 1.692 million |
| Unit NAV | RM 0.6609 |
| 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

Wrapping up the month of October, stock markets in the US largely traded in the red as the optimism for the prospect of a second round of \$2 trillion coronavirus relief package faded away. All three major indices recorded their second consecutive months of declines after a remarkable run since March this year. The Dow Jones Industrial Average shed -4.6% in October, marking the worst month since March 2020. The S&P 500 and Nasdaq were also not spared as both indices slid by -2.8% and -2.3%, respectively.

Domestically, the third wave of the Covid-19 outbreak saw Sabah emerged as the most infectious state. As at 30 October, it had recorded 14,519 positive cases, making up almost half of the total cases in Malaysia. Tracking some of the economic data released during the month, Malaysia's exports returned to a positive territory with a solid double-digit growth of 13.6% year-on-year ("yoy") in September, the highest expansion since October 2018. The PMI slipped only modestly in October despite the challenges presented by the Covid-19 pandemic. The month's reading of 48.5 was marginally lower than 49.0 recorded in September but in line with a 4-year average of 48.5 despite the brewing headwinds.

The FBM KLCI contracted by 2.5% for the month of October to settle at 1,466.89 points. Hijrah Shariah Index also closed 1.0% lower while Emas Shariah lost 1.2% in October to register YTD gains of 10.4% and 6.6% respectively. Meanwhile, Small cap index rose 0.5% in October after a 6.3% down in September while mid-cap index recorded a loss of 1.0% for the month. YTD loss of for Small Cap and Mid Cap stocks were 9.0% and 1.6% respectively.

Investment Outlook & Strategy

Market volatility in October was further elevated as investors waited for a clearer steer from both the US election and the results of coronavirus vaccine trials. The persistence bouts of uncertainty, including the selloff seen in the last two weeks of October attributed to concerns over the global economic recovery has sent the FBMKLCI to trade sideways towards month end before wrapping up the month on a weaker note.

The tabling of the National Budget 2021 ("Budget 2021") on November 6, with a behemoth and expansionary budget amounting to RM322.54 billion is the biggest federal government budget announced in history. The expansionary budget is projected to result in a budget deficit of 5.4% of Gross Domestic Product ("GDP") for 2021E (lower than 6% of GDP in 2020), which came in largely within market expectations.

Looking at stock/sector perspective, our preliminary assessments suggest that glove makers will have a positive impact given the overhang concerns of

- (1) Based on the fund's portfolio returns as at 10 October 2020, the volatility Factor (VF) for this fund is 17.51 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.

Investors are advised to read and understand the prospectus before investing. Among others, investors should consider the fees and charges. The price units and distributions payable, if any, may go down as well as up. Past performance of the fund should not be taken as indicative of its future performance. Investment in the funds are subjected to market risk, stock specific risk and liquidity risk. A copy of our Master Prospectus dated 1 March 2017, 1st Supplementary Master Prospectus dated 26 July 2017, 2nd Supplementary Master Prospectus dated 22 May 2019, 3rd Supplementary Master Prospectus dated 9 March 2020 and 4th Supplementary Master Prospectus dated 5 October 2020 have been registered with the Securities Commission who takes no responsibility of its contents. The prospectus and application form can be obtained at our office. Units will only be issued upon receipt of an application form referred to in and accompanying the prospectus.

the speculated windfall tax did not eventuate. The top four glove players instead, will only need to contribute RM400 million to the government for the procurement of a Covid-19 vaccine and medical equipment. The estimated impact to net profit for the respective companies is deemed marginal between 3% to 5%, hence likely to spur a sector rally post this major overhang.

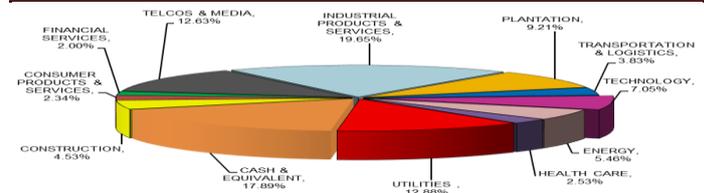
The other sector beneficiaries are the Construction and Telecommunication sectors. Higher development expenditure at RM69bn (+38% yoy) should be positive for the construction/infrastructure sector. The sector is projected to improve and expand by 13.9% in 2021, as compared to -18.7% in 2020. The telecommunication sector is also set to benefit from a RM1.5bn aid to the B40 segment to ensure access to broadband. The emergence of the fifth-generation cellular network ("5G") spectrum, the information and communication subsector are also expected to improve in 2021 with a higher growth projection of 7.9% in 2021 from 6.4% in 2020.

At the level of 1,467 points registered at the end of October, the FBMKLCI trades at 21.3 PER or +1.5 standard deviation from mean. We remain neutral on our equity strategy with the position of the portfolio tactically will be in the range of between 75%-78% equity exposure due to the prevailing uncertainty seen in the markets, not only from the external front but also domestically driven. The Budget 2021 has provided clarity in terms of the Government's key focus areas which has further reinforced our positive calls for healthcare, technology, telecommunication, utilities and construction/infrastructure sectors which will be prioritized in positioning our portfolio next year.

LARGEST HOLDINGS (as at 31 October 2020)

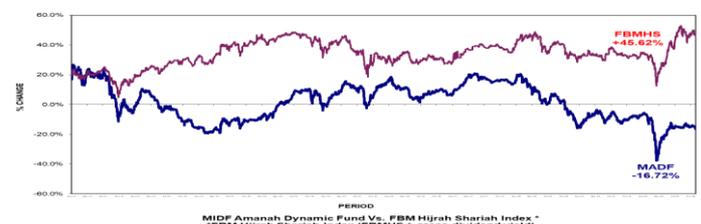
| COMPANY | % |
|---------------------------|-------|
| TENAGA NASIONAL BHD | 7.89% |
| TELEKOM MALAYSIA BHD | 7.43% |
| V.S. INDUSTRY BHD | 6.22% |
| AXIATA GROUP BHD | 5.20% |
| SIME DARBY PLANTATION BHD | 5.15% |

ASSET ALLOCATION (as 31 October 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 October 2020)



CALENDAR YEAR RETURN (as at 31 October 2020)

| | 3M | 6M | 1YR | 3YRS | 5YRS |
|--------|-------|-------|-------|--------|--------|
| FUND | -1.98 | 5.59 | -8.49 | -28.47 | -25.11 |
| FBMHS* | -6.62 | 17.76 | 11.63 | 2.37 | 3.58 |

*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, 9 November 2020)