

Monthly Fund Fact Sheet as at 31 August 2020

MIDF AMANAH DYNAMIC FUND

SEPTEMBER 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 August 2020)

Fund Size	RM 1.762 million
Unit NAV	RM 0.6769
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

August saw mixed performances with major equity markets worldwide ended in positive territory on the back of mix signals by a slew of economic data released throughout the month. Over in the US, business activity snapped back to the highest since early 2019 as companies in both manufacturing and services sectors saw resurgence in new orders even with new Covid-19 cases remain stubbornly high across the country. Most data released continued to point to solid, though moderating growth in August.

On the local front, the FBM KLCI ended its four-month-long winning streak, fell 78.5 points or 4.90% mom to settle at 1,525.2 points at the end of August. Year to date 8M20, the FBM KLCI contracted by 4% from a positive gain of 0.94% in 7M20. The losses were largely driven by profit-taking activities particularly on stocks that have gained recently (across glove and technology stocks) as well as concerns over weaker-than-expected corporate earnings registered by cyclical sectors in 2Q20.

For the month of August, the FBM Hijrah Shariah and Emas Shariah fell 3.80% and 2.03% respectively (YTD: +13.74% and +10.20%) while FBM KLCI remained in the negative territory of -4.9% mom and YTD -4.0%. On the other hand, the Mid Cap Shariah and Small Cap Shariah rose 5.72% and 5.80% respectively mom (YTD: +12.85% and +0.35% respectively).

Investment Outlook & Strategy

August also marked the end of the second-quarter (2Q20) earnings season, with the results came in mostly in line. The total reported earnings of FBMKLCI constituents totaled RM7.01b in 2QCY20. It recorded negative growth both sequentially at -7.4 % quarter-on-quarter and -49.1 % year-on-year. On sectoral basis, Healthcare, Technology and Plantation were the sectors which recorded improved total earnings reported in 2QCY20 when compared to both the preceding quarter and corresponding period last year. On the other hand, almost all other sectors except for Transport & Logistics showed both negative sequential and on-year earnings growth percentages in 2QCY20.

At current level of 1,525 points, the FBMKLCI trades at 23.2 PER or +3 standard deviation from mean. We are cautiously optimistic with the view that the FBMKLCI likely to perform modestly amidst intermittent volatilities. Historically, studies suggest that the FBMKLCI's performance tends to be more negative in September, with an average mom negative return of 0.6% over the past 10 years and 0.8% over the past 40 years. In September 2020, the market will be focusing on the next Monetary Policy Committee (MPC) meeting on 10 September, where market at large forecast a 25bp cut in OPR

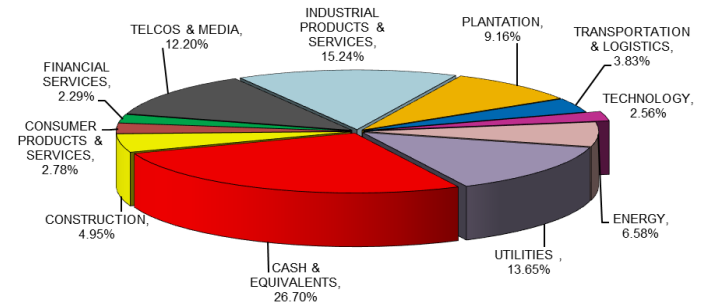
rate, the revelation of findings from the Felda task force, the Sabah election results on 26 September and US Fed meeting on 16 September. Besides, market will also focus on how the loan moratorium which ended on 30 September affects the current trend observed in the market.

Barring unforeseen circumstances, we remain neutral on our equity stance amidst market's heightened volatilities. Tactically, the position of the portfolio will be in the range of between 75%-78% equity exposure depending on how market conditions expected to unfold moving forward. We are reiterating our positive calls for the following sectors which are healthcare, telecommunication, utilities, technology and mid cap construction/infrastructure. We will take the opportunity of the volatility to trade and rake in gains on stocks with hefty valuation premium. Concurrently, we will build the portfolio with high yielding stocks to counter the low interest rate environment with the expectation of further rate cuts by another 25 bps to 1.50% (from the current 1.75%) in the upcoming MPC meeting scheduled on 10 September 2020.

LARGEST HOLDINGS (as at 31 August 2020)

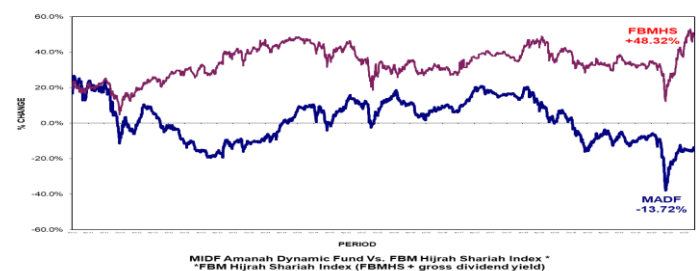
COMPANY	%
TENAGA NASIONAL BHD	8.64%
TELEKOM MALAYSIA BHD	7.07%
SIME DARBY PLANTATION BHD	5.21%
AXIATA GROUP BHD	5.13%
MUHIBBAH ENGINEERING (M) BHD	4.95%

ASSET ALLOCATION (as 31 August 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 August 2020)



CALENDAR YEAR RETURN (as at 31 August 2020)

FUND	3M	6M	1YR	3YRS	5YRS
MADF	4.03	6.72	-0.67	-25.37	-13.24
FBMHS*	9.14	21.71	12.47	7.72	14.44

*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, 7 Sept 2020)

(1) Based on the fund's portfolio returns as at 10 August 2020, the volatility Factor (VF) for this fund is 17.48 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.