

## Monthly Fund Fact Sheet as at 31<sup>st</sup> March 2018

### MIDF AMANAH ISLAMIC FUND

April 2018

#### FUND OBJECTIVE

The objective of the fund is to achieve long-term capital growth through investments which conform to the Shariah principles.

#### THE FUND IS SUITABLE FOR INVESTORS WHO:

- Are seeking long term capital growth, who wish their investments to be in line with Shariah requirements ;
- Can tolerate high level of risks.

#### FUND DETAILS (as at March 31, 2018)

Fund size	RM 6.768 million
Unit NAV	RM 0.3795
Fund Inception	14 May 1971
Financial Year End	15 <sup>th</sup> day of June
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

The trading theme for equity markets in March centred on woes of trade tensions between two economic powerhouses namely U.S. and China. Protectionism policies lurked the markets with President Trump imposing hefty import tariffs on steel and aluminium at a rate of 25% and 10% respectively. Concerns lingered on with China imposing tariffs worth USD3bn on 120 American products comprising fruits, nuts, wine and steel pipes. Thereafter, U.S. proposed yet another 25% tax worth USD50bn on 1,300 Chinese goods from aerospace, machinery and medical industries with China retaliating U.S.' proposal by warning additional tariffs of 25%, also worth USD50bn on 106 American products, this time to include aircraft, automobiles, soybean and chemicals. The tit-for-tat threats amongst the two led investors to dread a damaging trade war which would disrupt global growth and economy. Furthermore, the recent interest rate hike of 25bps to 1.50%-1.75% by Fed at its March FOMC meeting together with market's forecasts of shifting up to four hikes for 2018 seemed to spook risk assets. This led markets to witness back and forth movements coupled with weakened sentiment resulting to lackluster performance in broad market indices. The FBM KLCI got off to a start at 1,860 points in March but was choppy for most of the month seeing low of 1,838 whilst testing high of 1,876 before retreating to close pretty much unchanged at 1,863 points. Notwithstanding, benchmark FBM KLCI managed to bounce a tad by 7 points or 0.4% on a MoM basis, bringing 1Q2018 YTD gains to 3.7%. However, our domestic markets observed foreign investors reducing exposure in March with net outflow of RM0.1bn. YTD foreign investors' exposure for 1Q2018 is still nonetheless a foreign net buy amounting RM2.0bn.

The broader market was weaker compared to the benchmark KLCI whereby FBM Emas declined by -1.3% MoM but was up 1.7% YTD for 1Q2018 closing at 13,045 points. Small caps also underperformed the benchmark KLCI as the FBM Small Cap index fell largely by -11.1% MoM and -13.3% YTD for 1Q2018 ending the month at levels of 14,856 points. Overall basis, average daily trading value for the month of March came in at RM2.47bn, falling -14% MoM as investors stayed on the sides due to concerns of U.S. rate hike plus potential trade war between U.S.-China. Nonetheless, average daily trading value of RM2.9bn for 1Q2018 was higher by 16% vs. 1Q2017 on the back of strong average daily traded value in Jan 2018.

#### Investment Outlook & Strategy

We continue to remain cautious and watchful amid global as well as domestic equity markets coming off highs and continuing its descend on the back of persistent volatility in the markets. This is attributed to several ongoing concerns of escalated tensions over global trade particularly between U.S and China, market expectations of more rapid rate hikes and market-leading technology firms wobbling on uncertainties of regulation and other issues. Due to the trading activities which tracked the broader market, our local bourse

ended pretty much unchanged from where it started for the month of March. Upcoming highlight on local grounds centers its attention on GE14 elections whereby the expectation of continuation of investors' friendly policies will help instill foreign investors' confidence and provide much needed support for the market to trend upwards.

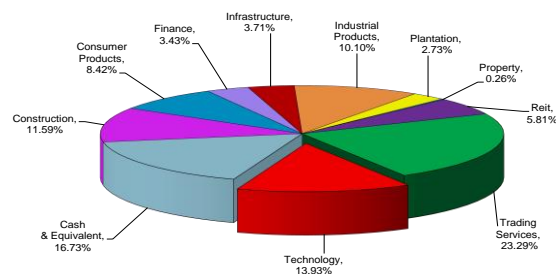
Overall view of the market remains unchanged with a continued overweight in equities particularly at current market sell down, in anticipation of a market rebound by 1st half of 2018. This is amid impending GE14, in the probability that it takes place by mid-May. Our current short term Tactical Strategy is to lock-in profits as market trends higher as market volatility is expected to remain whilst accumulating during times of pullback particularly on undervalued and over-sold stocks. Furthermore, strategy in the near term is also to cut-losses on underperforming stocks. Our average equity asset allocation remains at 85% - 95%.

Nevertheless, our long term focus continues to be in value/growth/defensive driven, high dividend yielders, under-valued, recovery and thematic plays (Banking, Technology, IOT, Construction/Infra, E-Commerce, General Election, Renewable Energy, Logistics, Telco, Tourism & Utilities) that will shield the portfolios better during market corrections while favourably positioning the respective portfolios well for the year. Having said that, the priority is to lock in ROI ahead as much as possible on market strength whilst protecting capital via downside risk management.

#### LARGEST HOLDINGS (as at March 31, 2018)

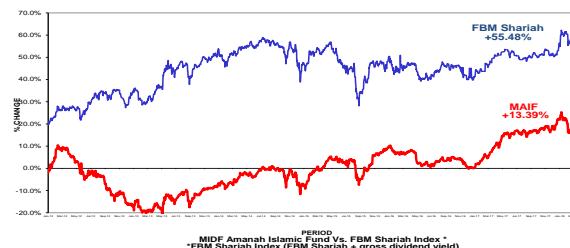
COMPANY	%
TENAGA NASIONAL BHD	9.60%
IJM CORPORATION BHD	7.52%
AXIS REAL ESTATE INVESTMENT TRUST	5.81%
PPB GROUP BHD	5.23%
UCHI TECHNOLOGIES BHD	3.95%

#### ASSET ALLOCATION (as at March 31, 2018)



\*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 March 31, 2018)



#### CALENDAR YEAR RETURN % (as at March 31, 2018)

	3M	6M	1YR	3YRS	5YRS
FUND	-7.33	-2.84	2.96	11.81	37.15
FBM SHARIAH*	-0.54	3.39	2.86	1.19	16.50

\*FBM Shariah Index (FBM Shariah + gross dividend yield)  
Source: Lipper Fund Table (The Edge, April 09, 2018)

(1) Based on the fund's portfolio returns as at 15 March 2018, the volatility Factor (VF) for this fund is 9.76 and is classified as "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.