

Monthly Fund Fact Sheet as at 31 July 2019

MIDF AMANAH ISLAMIC FUND

AUGUST 2019

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 principles;
- Can tolerate high level of risks.

FUND DETAILS (as at 31 July 2019)

Fund size	RM 5.792 million
Unit NAV	RM 0.3576
Fund Inception	14 May 1971
Financial Year End	15 th 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

Global sentiment was neutral despite better-than-expected July Non-Farm Payrolls (NFP) at 224K (vs. consensus: 164K) and steady 2Q2019 US GDP of 2.1%. Progress in US-China trade negotiations in Shanghai seemed to ease investor concerns of a global trade tensions. Notwithstanding, the expectation for aggressive easing diminished when the Federal Reserve delivered a 25bps cut while not signalling a series of rate cuts. The Dow was strongly supported in July, trading above 27,000 level but was aggressively sold off upon the Fed announcement on July 31. Meanwhile, renewed geopolitical tensions in Hong Kong and between U.S. and Iran further undermined market sentiment.

Domestically, the economic news flows remained relatively muted as Bank Negara left key Overnight Policy Rate (OPR) unchanged at 3% during its July 9th meeting. June Inflation numbers were higher than anticipated with headline CPI gaining 1.5% YOY (vs. May: 0.2% YOY) providing markets some relief. News flow on the East Coast Rail Link (ECRL) project being relaunched on July 25 provided a boost to the Construction sector with Malaysian contractors expected to benefit as much as 40% of the project's civil works.

Benchmark FBM KLCI fell in July in line with regional markets as on-going global trade and geopolitical uncertainties encouraged investors to be in a risk-averse mode. The benchmark started the month at 1,683 points as persistent selling led to lower closing of 1,635 points as at end-July. MOM basis, losing 37.26 points, or -2.22% while on YTD basis, it fell -3.29%. In July, domestic equity markets witnessed a slight foreign outflow of funds of -MYR79.3M, resulting in a slight increase in YTD foreign funds outflow to -MYR4.741B. The upcoming 2Q2019 earnings results season will be the next focus for market participants as investors await upside surprises that could provide the market with a much-needed boost.

The broader market of Shariah indices' performances were mixed against the benchmark FBM KLCI. FBM Hijrah Shariah trended lower than benchmark FBM KLCI, declining -2.42% to close at 13,342 points. Meanwhile, FBM Emas Shariah and FBM Small Cap Shariah indices outperformed benchmark FBM KLCI. FBM Emas Shariah declined only -1.07% while FBM Small Cap Shariah gained +3.65% to close at 12,003 points and 11,857 points separately. The average daily value traded in July rose MoM by +6.6% to MYR2.08B partially on higher trading participation by local institutional investors. YoY, it still declined -15.5%.

Investment Outlook & Strategy

We still maintain the view that the market will trade within a narrow range with bouts of volatility given the headwinds coming from prolonged trade dispute between US and China. If it remains unresolved, the ramification on global growth could be significant amidst ongoing weakness in global economic momentum. Despite a rate cut of 0.25% in July, the US Federal Reserves is non-committal on the need for additional policy easing to shore up slowing US economy. Meanwhile, outlook for Malaysia's corporate earnings has not

(1) Based on the fund's portfolio returns as at 10 July 2019, the volatility Factor (VF) for this fund is 8.97 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.

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 has 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.

improved materially to support a breakout from current KLCI trading range of between 1,600-1,700 points.

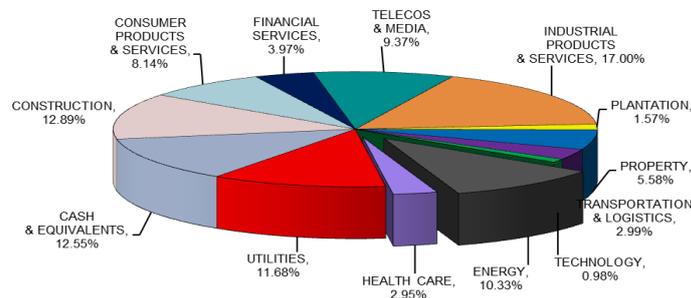
Given this backdrop, we are tactically positioning Equity exposure towards 85-90% at current KLCI level of 1,600 points to capture trading opportunity in fundamentally sound companies which have been unjustifiably sold down due to globally driven adverse news flows. At the same time, we shall not hesitate to bring down the exposure to 75-80% as the market level reaches its saturation points at around 1,700 levels.

At sector level, we would be looking to increase exposure in domestically-oriented sectors with positive outlook such as Construction, Utilities and Telecommunications along with beneficiary of weak Ringgit such as Glove and Plantation. Notwithstanding that, we shall be looking to add defensive stocks with stable growth and high dividend yield as a stabilizing component of the portfolio. At the same time, the ongoing housekeeping efforts to reduce legacy holdings shall continue.

LARGEST HOLDINGS (as at 31 July 2019)

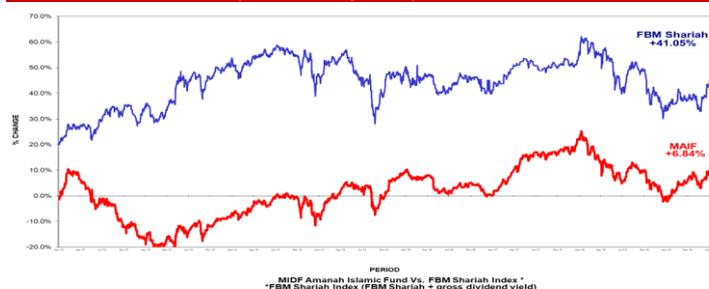
COMPANY	%
TENAGA NASIONAL BHD	8.35%
PETRONAS CHEMICALS GROUP BHD	5.88%
MUHIBBAH ENGINEERING (M) BHD	5.56%
TELEKOM MALAYSIA BHD	5.49%
CAHYA MATA SARAWAK BHD	5.25%

ASSET ALLOCATION (as at 31 July 2019)



*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 July 2019)



CALENDAR YEAR RETURN % (as at 31 July 2019)

	3M	6M	1YR	3YRS	5YRS
FUND	-1.00	5.23	-3.83	3.52	7.19
FBM SHARIAH*	1.72	3.32	-6.21	-2.43	-10.50

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

Source: Lipper Fund Table (The Edge, 12 Aug 2019)