

Monthly Fund Fact Sheet

MIDF AMANAH ISLAMIC FUND

February 2015

FUND OBJECTIVE

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

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 January 31, 2015)

Fund size	RM 7.56 million
Unit NAV	RM 0.3253
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

January was a good month for global markets and Malaysia as oil prices appeared to have stabilised, at least temporarily. While investors were cautious in general, there was good appetite for smaller cap companies with robust fundamentals. This was reflected in the strong share price performances of many companies including MyEG, Prestariang, IFCA, GHJ and Karex. For the month, the KLCI gained 1.1% or 20pts to close at 1,781pts. The KLCI rallied above the 1,800pt level for a while before consolidating lower. The broader market outperformed, with the FBM Emas gaining 1.7% mom to 12,272pts. Small caps also outperformed with the FBM Small cap index jumping 5.6% to 15,872pts while the FBM ACE rallied a massive 16% to 6,557pts. Average daily value traded on Bursa in January increased 16% m-o-m to RM2.2bn.

Investment Outlook & Strategy

The dynamics of the market changed with the falling of oil prices. Most investors are re-looking at their 'bigger picture' strategies and asset classes being re-weighted and asset allocation changed to fit into this new dynamics. We expect more volatility and speed-bumps ahead. The volatility would come from (action) potentially weaker economic data around the world and then countered by (reaction) the government's move to put in place a fiscal and/or monetary policy. Investors are also looking at the US as the beacon of hope next year and how they will manage their rate hike. Also news flow from OPEC (and all related) and its impact on oil prices will now have a stronger following as compared to previous years.

Domestically, the market appears to still be looking for a firmer footing. The market is trading lower than last year's close, yet there is no ravenous type accumulation is taking place. Will there be a January effect and/or a CNY rally this year. Potentially, but we reckon that it will be at a waning intensity.

Tactically, our short term view of the market remains cautious but do recognized that there are pocket of opportunities to be made in view of the mass liquidity driven market globally looking for yield enhancing investment returns, despite of the mixed signals / noises emanating from local and global markets alike. Rotational asset and regional play is inevitable. Focus on leading indicators of market liquidity fund flows over pure economic fundamentals (lagging catalyst) is very crucial at current times of uncertainties. As such, a fluid and dynamic investment strategy on asset allocation and stock specific-centric are crucial.

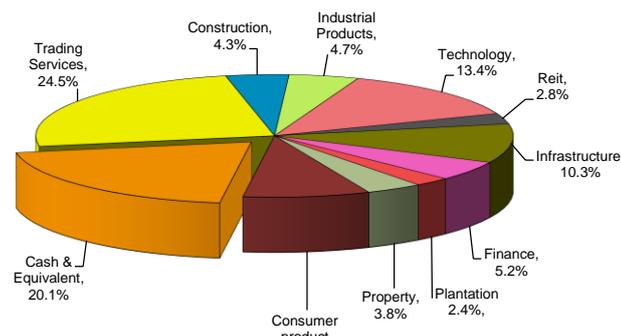
As guided earlier, we have increased our equity exposure to Over-Weight from Neutral as the current sell-down continue in anticipation of a rebound to ensue in Q1 2015 in light of the "January Effect" of portfolio repositioning before hitting a wall just prior to implementation in April. Hence, any profit-taking activities will be front loaded where possible.

On a medium to long term basis, we still believe that the market's fundamentals still remains sound, intact and provides opportunity as the overall global economic and capital market conditions/outlook now continue to improve albeit at a different beat and momentum. In addition, equity will still be a relatively better asset class to invest in compared to fixed income on the back of flush liquidity and eventual rising rate environment. This is so if compared to last 12-24 months ago as the central bankers / policy makers are better prepared with anti-recessionary policies in place. Therefore, long term investment strategy should reflect such conditions rather than allow out short-term sentiments and emotions over-ruled the logical thought process.

LARGEST HOLDINGS (as at January 31, 2015)

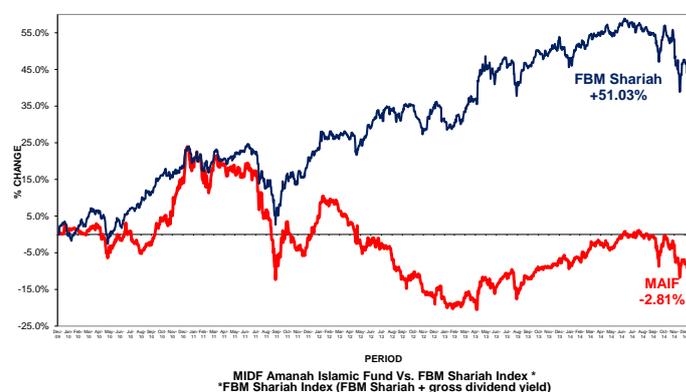
COMPANY	%
GLOBETRONICS TECHNOLOGY BHD	7.65
DIGI.COM BHD	5.90
TELEKOM M'SIA BHD	5.55
PPB GROUP BHD	4.82
CAHYA MATA SARAWAK BHD	4.72

ASSET ALLOCATION (as at January 31, 2015)



*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 January 31, 2015)



CALENDAR YEAR RETURN % (as at January 31, 2015)

	3M	6M	1YR	3YRS	5YRS
FUND	-1.33	-2.66	5.48	-6.95	-3.70
FBM SHARIAH*	-2.84	-4.36	1.97	22.78	51.63

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

Source: Lipper Fund Table (The Edge, February 9, 2015)

(1) Based on the fund's portfolio returns as at 15 Jan 2015, the volatility Factor (VF) for this fund is 10.96 and is classified as "very high" (source:Lipper).