

Monthly Fund Fact Sheet

MIDF AMANAH ISLAMIC FUND

February 2016

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 January 31, 2016)

Fund size	RM 7.99 million
Unit NAV	RM 0.3570
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

The Malaysian equity market started the year poorly with the benchmark FBMKLCI falling 40pts on the opening day of the year and kept declining until the index hit a low of 1,600pts in mid-January before a 5-day rally pushed the market up to end the month at 1,668pts. The global sell-off sent shivers down investor's spines at the start of the year and Malaysia was not spared either but managed to stage a late rebound on the back of improved sentiment after the 'revised' Budget 2016 was introduced in addition to the rebound in crude oil prices and a stronger Ringgit. Despite the late recovery, the FBMKLCI still ended the month 1.5% lower while the broader markets all underperformed with the FBM Emas losing 1.9% M-o-M to 11,568pts, the FBM Small Cap index tumbling 5.6% to 15,042.56pts and the FBM ACE shedding 7.4% M-o-M to 5,917pts.

Investment Outlook & Strategy

We remain cautious and it is reflected on our short term investment strategy which remains unchanged, i.e. tactically we will continue to reduce our asset allocation towards Neutral (75% average) from Overweight before end Q1 2016 on the back of market strength should the market run-up due to January effect of portfolio repositioning for 2016, portfolio rebalancing, expectation of earnings improvement due to low-base effect, surprising economic numbers and Sarawak Election. However, there may some downside risk arising from the uncertainty on the succession to the current outgoing BNM governor, Tan Sri Dato' Sri Dr. Zeti Akthar Aziz that's due in April 2016. The window of market opportunity remains very fluid and narrow. As such, we will continue to focus on leading indicators like market liquidity fund flows over pure economic fundamentals (lagging catalyst) as it is very crucial in the current times of uncertainties.

2016 will still be a stock specific, bottoms-up, trading market and will likely be a very challenging year. Nevertheless, we still believe that markets move in cycles and historically periods of downturn are always shorter than upturns. The market's fundamentals still offer opportunities at the right price as equities will still be the relatively better asset class to invest in compared to fixed income on the back of flush liquidity and an eventual rising rate environment globally moving forward.

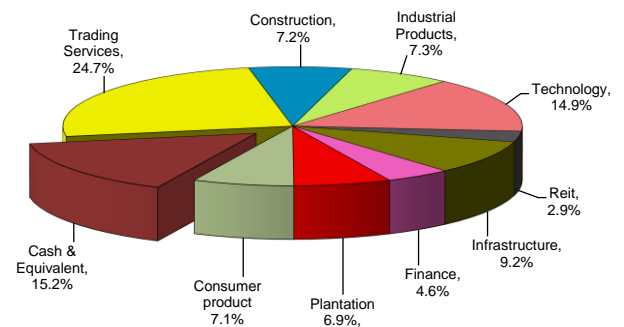
Therefore, the long term investment strategy should reflect such conditions rather than allow our short-term sentiments and emotions to over-shadow the logical thought process. As a result of this, reinvestment, rebalancing

and/or switching activities will focus towards; (a) specific small to mid-caps for growth outperformance while timely selective big-cap index-linked stocks for indexation & dividend yield play, (b) under-valued companies with cheap valuations against its historical band/peers, (c) good companies which are currently at the wrong market cycle but will benefit moving forward due to its inflection point of structural or induced recovery, and (d) tactical positioning in specific thematic plays, other than the selective defensive-resilient led stocks.

LARGEST HOLDINGS (as at January 31, 2016)

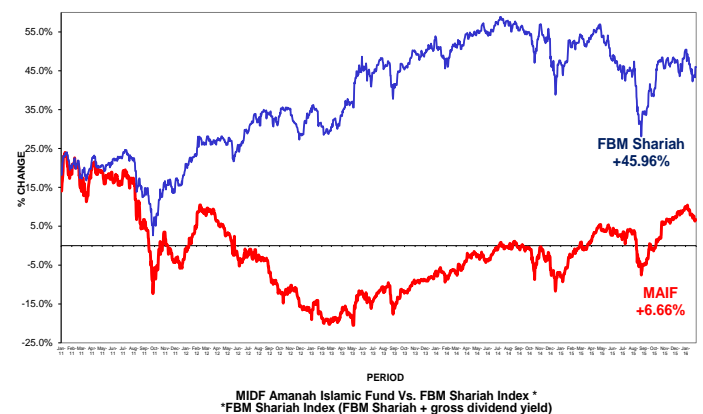
COMPANY	%
TIME DOTCOM BERHAD	5.54
GLOBETRONICS TECHNOLOGY BHD	5.47
CAHYA MATA SARAWAK BHD	5.18
TELEKOM M'SIA BHD	4.88
PRESTARIANG BHD	4.82

ASSET ALLOCATION (as at January 31, 2016)



*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, 2016)



CALENDAR YEAR RETURN % (as at January 31, 2016)

	3M	6M	1YR	3YRS	5YRS
FUND	1.08	3.27	9.98	28.97	-10.19
FBM SHARIAH*	0.27	1.55	-3.45	10.87	21.59

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

Source: Lipper Fund Table (The Edge, February 8, 2016)

(1) Based on the fund's portfolio returns as at 15 January 2016, the volatility Factor (VF) for this fund is 11.02 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.