

Monthly Fund Fact Sheet

MIDF AMANAH ISLAMIC FUND

January 2017

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 December 31, 2016)

Fund size	RM 6.50 million
Unit NAV	RM 0.3356
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

December was a volatile but good month for the local bourse as the benchmark FBMKLCI ended the month 22.6 points or 1.4% higher at 1,642 points. Markets started off the final month of 2016 strongly, surging 19 points to record a month high of 1,645 points before the further weakening of the Ringgit resulted in a selloff that saw the benchmark hit the month's low of 1,617 points. There was however some respite as the usual year end window dressing activities kicked in and lifted the FBMKLCI off its lows but it was still not enough to reclaim lost ground as the benchmark FBMKLCI recorded its 3rd consecutive year of decline, the first since its inception. The broader market underperformed the KLCI as the FBM Emas only rose 1.4% MoM to end at 11,466 points while small caps outperformed with the FBM small cap index gaining 2.7% MoM to end the year at 14,715 points. The average daily value traded on Bursa for the month of December fell 15% MoM to RM1.75bn as investors remained on the sidelines in a holiday shortened month.

Investment Outlook & Strategy

Malaysian markets started off 2017 on the right foot after the benchmark index recorded +2.0% in terms of performance at the point of writing. Our overall equity asset allocation remains at an Over-Weight level (93% average) for the early part of 2017 but we will tactically remain in trading mode. Our immediate tactical strategy is to continue investing selectively in sold-down index-linked stocks first before turning towards our preferred list of small-mid cap companies with high dividend yields, growth, under-valued, recovery, and thematic plays (E-Commerce, General Election, Green Energy, Penang-Sabah-Sarawak infrastructure, Tourism, strong USD beneficiaries, etc.) that will hopefully position the portfolio well into the 2H of 2017.

As such, our bigger picture focus of long term outperformance at the expense of short term gains remains unchanged as trying to time purchases and sales in a volatile market more often than not is detrimental and costly. As a result of this, the general reinvestment, rebalancing and/or switching activities will always focus on; (a) specific small to mid-cap companies 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

(1) Based on the fund's portfolio returns as at 15 December 2016, the volatility Factor (VF) for this fund is 10.49 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.

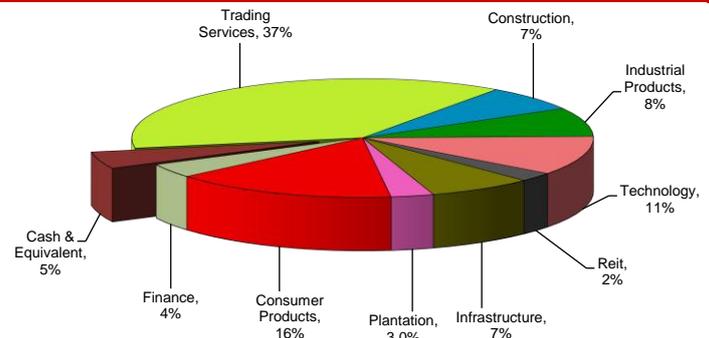
Investors are advised to read and understand the prospectus before investing. Among others, investors should consider the fees and charges. The price units and distributions payable, if any, may go down as well as up. Past performance of the fund should not be taken as indicative of its future performance. Investment in the funds are subjected to market risk, stock specific risk and liquidity risk. A copy of our Master Prospectus dated 1 March 2016 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.

recovery, and (d) tactical position in specific thematic plays, other than the selective defensive-resilient led stocks.

LARGEST HOLDINGS (as at December 31, 2016)

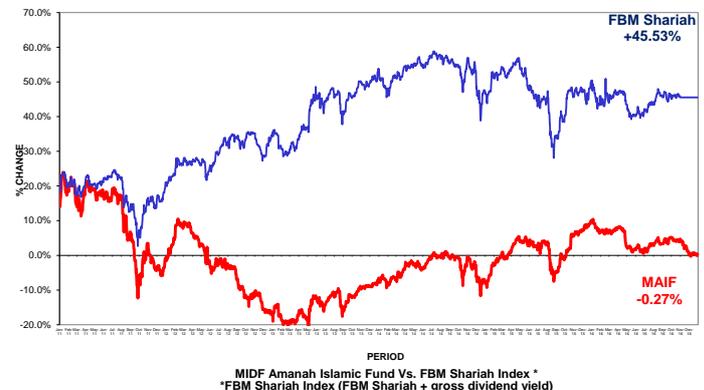
COMPANY	%
VITROX CORP. BHD	5.72%
AXIATA GROUP BHD	5.45%
BRAHIM HOLDINGS BHD	4.84%
TELEKOM M'SIA BHD	4.58%
PPB GROUP BHD	4.52%

ASSET ALLOCATION (as at December 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 December 31, 2016)



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

FUND	3M	6M	1YR	3YRS	5YRS
FBM SHARIAH*	-2.70	-0.73	-5.97	-8.24	16.64

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

Source: Lipper Fund Table (The Edge, January 9, 2017)