

Monthly Fund Fact Sheet as at 31st December 2017

MIDF AMANAH ISLAMIC FUND

January 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 December 31, 2017)

Fund size	RM 7.405 million
Unit NAV	RM 0.4095
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

During the last trading month for 2017, the performance of our local bourse was more upbeat and rebounded from lows as the market saw more foreign funds returning with a net buy of an estimated MYR0.9bn. This further lifted net buy position for full financial year 2017 to an estimated MYR10.6bn. On top of this, performance in December was also supported on the back of window dressing activities particularly on the last trading day of the year. Several counters such as Nestle, Press Metal and Sime Darby Plantations were added to the FBM KLCI index whilst other counters with the likes of Westports, Sime Darby Property, IJM and BAT were removed. The benchmark FBM KLCI started the month at a low of 1,713 points but was pretty upbeat and was on a rising trend for most of the month. On the final trading day of 2017, the benchmark index rose to a new high to close at 1,796 points, rising 83 points or 4.6% on a MoM basis. It is expected that in the coming year of 2018 that there will be continued high domestic participation coupled with the flow of foreign interests which are anticipated to drive momentum and volatility in our local bourse.

The broader market was weaker relative to the benchmark KLCI whereby FBM Emas closed at 12,942 points, rising by only 4.3% MoM. Small caps also underperformed the benchmark KLCI as the FBM Small Cap index ended the month at levels of 17,051 points, rising by only 1.6% MoM. Overall basis, average daily trading value for the month of December was at RM2.65bn, falling 3% on a MoM basis.

Investment Outlook & Strategy

The recent 3Q2017 earnings results release in December did not provide fresh catalysts for re-rating the market as number of underperformers exceeded outperformers. However, performance of our local bourse rebounded from lows as we see more foreign flows into the market with foreigners turned better to be buyers of the market for most of the month. Moving forward into 2018, market players are of the view that domestic and global economic activities will stay on an upward trajectory given key economic indicators continue to show signs of optimism. It is widely expected that there will be a hike of 25bps by BNM within 1H2018 bringing end-2018 Overnight Policy Rate (OPR) forecast to 3.25%. FBM KLCI's premium compared to regional peers has gone through compression to about 2-3% suggesting downside buffer which should keep local bourse

supported. GE14 will also play a role as historically, equity market patterns have been better post-elections hence, the 2H2018 is expected to perform better. Several downside risks remain should there be continued weak corporate earnings, weaker commodity prices and sudden slowing down in GDP rate.

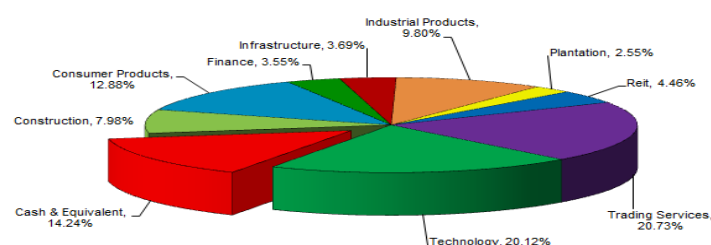
Despite our upbeat overall view of the market spilling over into Q1 2018, our current short term Tactical Strategy remains to be cautious reducing exposure in small-cap stocks skewing towards mid-big-cap index-linked stocks until the respective benchmark indices have done their job of providing its first mover outperformance. Our average equity asset allocation remains at 75% - 85%.

Nevertheless, our long term focus continues to be in value/growth driven, high dividend yielders, under-valued, recovery and thematic plays (Construction/Infra, E-Commerce, General Election, Renewable Energy, IOT, Logistics, Technology, Telco, Tourism & Utilities) that will hopefully shield the portfolio relatively well during market corrections as we favourably position the respective portfolios for 2018.

LARGEST HOLDINGS (as at December 31, 2017)

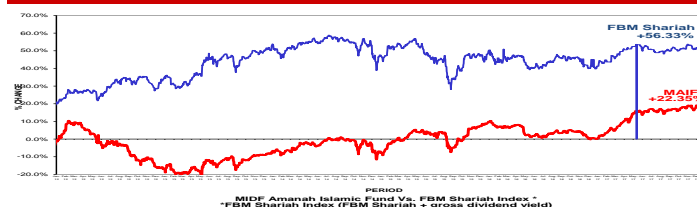
COMPANY	%
VITROX CORP. BHD	7.13%
TENAGA NASIONAL BHD	6.18%
HOVID BHD	6.08%
UCHI TECHNOLOGIES BHD	5.14%
INARI AMERTRON BHD	4.82%

ASSET ALLOCATION (as at December 31, 2017)



*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, 2017)



CALENDAR YEAR RETURN % (as at December 31, 2017)

	3M	6M	1YR	3YRS	5YRS
FUND	4.84	4.41	21.80	31.42	46.98
FBM SHARIAH*	3.95	3.75	10.72	6.36	15.47

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

Source: Lipper Fund Table (The Edge, December 11, 2017)

(1) Based on the fund's portfolio returns as at 15 December 2017, the volatility Factor (VF) for this fund is 10.72 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.