

## Monthly Fund Fact Sheet as at 30<sup>th</sup> June 2017

### MIDF AMANAH ISLAMIC FUND

July 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 June 30, 2017)

Fund size	RM 7.213 million
Unit NAV	RM 0.3914
Fund Inception	14 May 1971
Financial Year End	15 <sup>th</sup> 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

Despite starting the month off on a good footing after recording a year-to-date high of 1,792 points, the benchmark FBMKLCI failed to maintain its upward momentum and gave back all of its gains on profit taking activities towards the end the month to close at 1,764 points or down 0.1% MoM. The decline was the 2<sup>nd</sup> straight month of decline after 4 consecutive months of positive close as investors turned slightly more cautious following the market run up as valuations looked stretched. The local market was largely dominated by corporate newsflows surrounding FGV while DRB's Proton finally signed a definitive agreement with Geely to sell a 49.9% and 51% stake in Proton and Lotus respectively to the Chinese company to end all speculation on the suitors<sup>1</sup>. The broader market outperformed the benchmark as the FBM Emas rose 0.2% MoM to end the month at 12,598 points while small caps also fared better, gaining 1.1% MoM to end the month at 17,444 points. Most investors remained on the sidelines as average daily trading value for June declined 23% MoM to RM2.4bn.

##### Investment Outlook & Strategy

Our timely and firm foresight 7 months ago of a "market of two halves" for 2017, i.e. small-cap centric to outperform in the first-half while mid-big caps index-linked stocks to start catching-up in second-half of 2017 has benefited the portfolio tremendously as evidenced from the outperformance thus far. We continue to have an overall positive fundamental undertone to the economy and capital market moving forward but have turned more cautious on market dynamics since late April, more so now than ever as we move further into the 3Q which historically & seasonally has the poorest market performance out of the four quarters in the year, particularly the small-cap stocks as evidenced by its share price corrections / consolidation now outpacing outperformers on a MoM basis. As highlighted in our earlier reports, the anticipated switching activities continue to unfold with market interest switching to laggard mid-and big-cap index-linked stocks from small caps. However, any technical sell down pressure for our market may be short-lived and supported as been reiterated at length in our long term view of the market reported previously.

Hence, our tactical strategy now has turned more cautious by reducing exposure in small-cap stocks while increasing mid-big caps exposure, especially laggard index-linked stocks and reducing overall portfolio

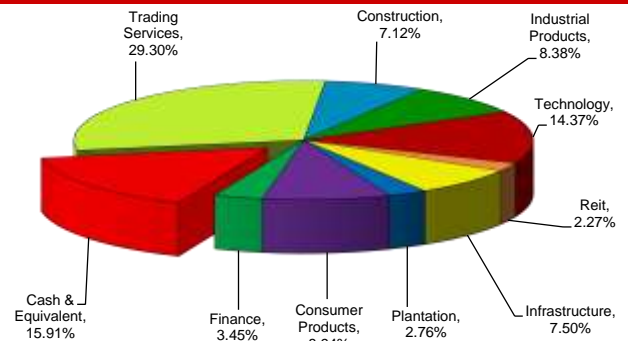
weightings in anticipation of the market continuing to be caught in a trading range with a possible short-term correction in Q3.

Our long term focus will still be on value / growth driven in high dividend yielders, under-valued, recovery, and thematic plays (E-Commerce, General Election, Green Sustainable Energy, IOT disruptors, Logistics, Penang-Sabah-Sarawak infra, Tech-related, Telco, Tourism, Utilities etc.) that will hopefully shield the portfolio relatively better during market corrections while still favourably positioning the portfolio well for the rest of the year.

#### LARGEST HOLDINGS (as at June 30, 2017)

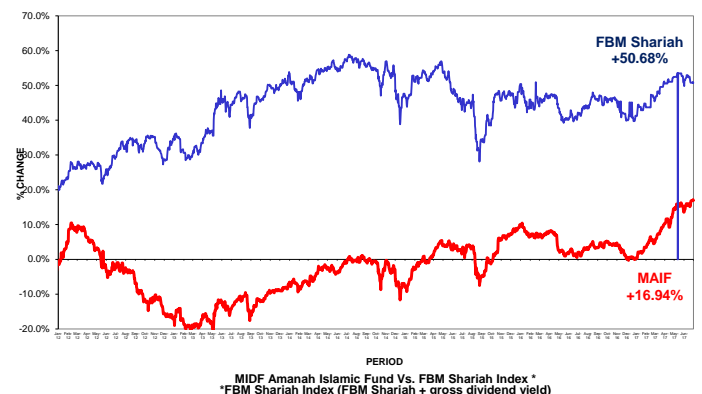
COMPANY	%
VITROX CORP. BHD	7.26%
TENAGA NASIONAL BHD	5.88%
PRESTARIANG BHD	4.61%
PPB GROUP BHD	4.40%
BRAHIM HOLDINGS BHD	4.16%

#### ASSET ALLOCATION (as at June 30, 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 June 30, 2017)



#### CALENDAR YEAR RETURN % (as at June 30, 2017)

	3M	6M	1YR	3YRS	5YRS
FUND	6.19	16.63	14.58	17.89	19.44
FBM SHARIAH*	-0.32	6.72	5.94	-4.22	16.53

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

Source: Lipper Fund Table (The Edge, July 10, 2017)

(1) Based on the fund's portfolio returns as at 15 June 2017, the volatility Factor (VF) for this fund is 10.85 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.