

Monthly Fund Fact Sheet

MIDF AMANAH ISLAMIC FUND

June 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 May 31, 2017)

Fund size	RM 7.052 million
Unit NAV	RM 0.3806
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

After recording four consecutive months of upward momentum this year, the local market took a slight breather in May as the benchmark index ended the month 0.1% lower at 1,766 points. The stronger-than-expected 1Q GDP growth of 5.6% YoY in 1Q17 failed to lift markets up higher but instead saw the benchmark index slid to 1,759 points on profit taking activities after investors were caught off guard by news of the termination of Bandar Malaysia's stake sale to Iskandar waterfront and China Railway Engineering consortium. Nevertheless, the market rebounded from the month's low to hit the month's high of 1,779 points on the back of foreign buying. The broader market underperformed the benchmark as the FBM Emas declined 0.5% MoM to close at 12,569 points while the small caps also underperformed, with the FBM small cap index falling 2.3% MoM to end the month at 17,246 points. Despite the marginally weaker performance, the average daily value traded on Bursa for the month of May increased 6% MoM to RM2.99bn as investors were busy repositioning their portfolios following the 1Q17 results season.

Investment Outlook & Strategy

We continue to err on the cautious side now as we move towards a historically & seasonally poor market performance during the mid-year period, particularly the small-cap stocks as this market cap segment historically will likely experience some knee-jerk technical sell down should there be any unexpected headwinds globally and locally. Then again, this could be an exceptional year whereby the run-up may just continue on a rotational basis and on an orderly manner (market interest switching to mid-and big-cap stocks from small caps) since our overall market has been in negative territory for the last 3 consecutive years. Any technical sell down pressure on the market may be short-lived as has been reiterated at length in our long term view of the market reported previously.

As such, our Tactical Strategy is to reduce asset allocation to 75%– 85% from 95% previously by continuing to lock-in profits more aggressively, especially the small-cap stocks, switch to laggard / thematic mid-big cap stocks in anticipation of the market not making any significant move in Q2, i.e. caught in a trading range. We plan to lock-in performances early in order to preserve realised returns and capital.

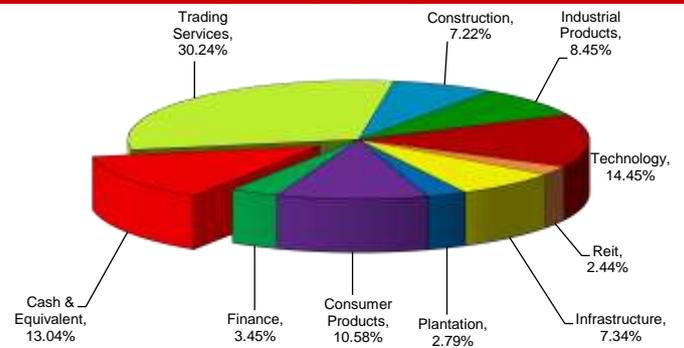
The next step is to continue increasing mid to big-cap exposure, especially in laggard index-linked stocks, and high dividend yielders while reducing

small cap exposure particularly those that have substantially outperformed the overall market. Should our market view and strategy come true, any selling pressures in the market moving forward will not impact the portfolio as much while any uptrend in the market will benefit the portfolios substantially, as evidenced over the last 16 months.

LARGEST HOLDINGS (as at May 31, 2017)

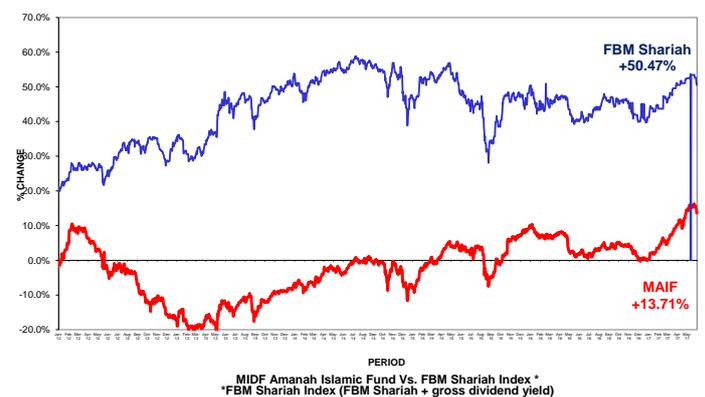
COMPANY	%
VITROX CORP. BHD	7.66%
TENAGA NASIONAL BHD	5.86%
PRESTARIANG BHD	4.83%
BRAHIM HOLDINGS BHD	4.61%
PPB GROUP BHD	4.41%

ASSET ALLOCATION (as at May 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 May 31, 2017)



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

	3M	6M	1YR	3YRS	5YRS
FUND	8.10	13.76	12.32	19.10	18.66
FBM SHARIAH*	3.34	6.78	7.32	-2.72	21.20

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

Source: Lipper Fund Table (The Edge, June 13, 2017)

(1) Based on the fund's portfolio returns as at 15 May 2017, the volatility Factor (VF) for this fund is 10.88 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.