

## Monthly Fund Fact Sheet as at 30<sup>th</sup> April 2018

### MIDF AMANAH ISLAMIC FUND

May 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 April 30, 2018)

Fund size	RM 6.599 million
Unit NAV	RM 0.3747
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

April saw an eventful month as performance of equity markets was rather volatile yet sideways. Trade tensions between U.S. and China were averted for now amid President Xi's speech at the Boao Forum by promising investors on future prospects which managed to soothe market players. However, jitters filled markets again as coalition of U.S., France and the U.K. attacked and destroyed President al-Assad's chemical weapons facilities. Market players were concerned on possible geopolitical confrontation with Russia and Iran, both of which were supporting President Assad with military forces. As a result of possible Syrian war worry and lower supply count, crude oil prices skyrocketed. The spike in oil drove up market expectations of future inflation and led to U.S. Treasury yields exceeding 3.00% mark which was additionally caused by an anticipated increased supply in Treasury bills to fund President Trump's tax cuts. Meanwhile, Q1 earnings season in the U.S. mostly beat estimates. Nonetheless, market players were not too enthusiastic with the outperformance which was further plagued by weakness in Tech and Consumer stocks. Stock market indices responded lacklustredly with the Dow Jones index rangy. On a separate note, North Korea's Supreme Leader Kim Jong Un offered market good news as he agreed to cultivate diplomatic ties whilst ending his multi-year nuclear and missile tests programme. Shifting the focus back domestically, all eyes were on the election announcements with Parliament dissolution on 7th April followed by GE14 polling to be held on 9th May. Aside from that, Bursa Malaysia implemented intraday short-selling framework for all investors on 16 April and the combination of both spurred excitement for the performance of our local bourse. The FBM KLCI started the month of April at 1,858 points but activity was volatile and choppy with the index witnessing a low of 1,815 before bouncing to a record high of 1,895 on 19 April amid the excitement and later retreat to close at 1,870 points. Our benchmark FBM KLCI managed to bounce a tad by 7 points or 0.4% on a MoM basis. Albeit minimally, it brought about a second consecutive month of gains as our domestic markets observed net foreign buying of RM1.5bn in April.

The broader market continued to be weaker compared to the benchmark KLCI whereby FBM Emas declined by -0.1% MoM for the month of April to close at 13,034 points. The small caps also underperformed vis-à-vis the benchmark KLCI as the FBM Small Cap index fell by -1.9% MoM ending the month at levels of 14,580 points. Overall basis, average daily trading value for April came in at RM2.358bn, falling -4.5% MoM as investors stayed on the sidelines amid uncertainties surrounding GE14.

#### Investment Outlook & Strategy

We continue to remain cautious and watchful as global and domestic equity markets were tested again by the spike in U.S. Treasury yields with 10-year yields challenging the all-important 3.00% handle. Nonetheless, major markets seemed to have found support for the time being as largely the U.S-China trade war concerns were averted for now coupled with other good news including

- (1) Based on the fund's portfolio returns as at 15 April 2018, the volatility Factor (VF) for this fund is 10.16 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 2017 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.

North Korea's progress of complete denuclearization and reaching a peace treaty with South Korea. As for our domestic market, optimism came about upon the election announcements with the local bourse reaching record high which was also buoyed by rising crude oil prices of late. The short-term outlook for the local bourse will be very much dependent on the GE14 outcome of which the expectation of continuation of investors' friendly policies will help instill foreign investors' confidence and provide much needed support for the market to trend upwards. 1Q2018 domestic earnings results in the coming month will also be of focus for investors.

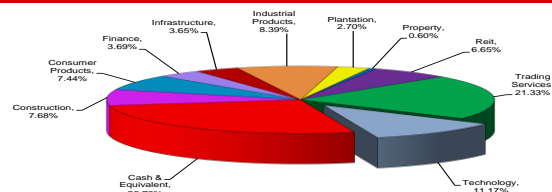
Overall view of the market remains with a continued overweight in equities even during the occasional current market sell down which has loomed the markets off-and-on over the past quarter. A market rebound by 1st half of 2018 including post GE14 period is still very much anticipated particularly if better results are seen for the incumbent in the upcoming GE14. Nonetheless, uncertainties continue to create a volatile and weak market for the time being. Our current short term Tactical Strategy is to cut-losses on underperforming stocks whilst accumulating during times of pullback particularly on undervalued and over-sold stocks. Meanwhile, rebalancing also includes switching to heavily weighted index-linked stocks and selected distressed stocks in the Tech and Construction/Infra space that were sold down indiscriminately. Our average equity asset allocation remains at 85% - 95%.

Nevertheless, our long term focus continues to be in value/growth/defensive driven, high dividend yielders, under-valued, recovery and thematic plays (Banking/Takaful Insurance, Construction/Infra, E-Commerce, Renewable Energy, Technology, IOT, Logistics, REITs, Telco, Tourism & Utilities) that will favourably position the respective portfolios well for the year. Having said that, the priority is to lock in ROI ahead as much as possible on market strength whilst protecting capital via downside risk management.

#### LARGEST HOLDINGS (as at April 30, 2018)

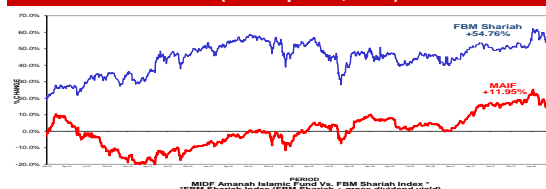
COMPANY	%
TENAGA NASIONAL BHD	9.60%
AXIS REAL ESTATE INVESTMENT TRUST	6.38%
PPB GROUP BHD	5.39%
GHL SYSTEMS BHD	4.36%
UCHI TECHNOLOGIES BHD	4.12%

#### ASSET ALLOCATION (as at April 30, 2018)



\*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 April 30, 2018)



#### CALENDAR YEAR RETURN % (as at April 30, 2018)

	3M	6M	1YR	3YRS	5YRS
FUND	-6.86	-5.95	-2.04	7.80	40.81
FBM SHARIAH*	-4.13	0.46	1.32	-0.18	13.45

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

Source: Lipper Fund Table (The Edge, May 14, 2018)