

Monthly Fund Fact Sheet as at 30 September 2020

MIDF AMANAH ISLAMIC FUND

OCTOBER 2020

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 principles;
- Can tolerate high level of risks.

FUND DETAILS (as at 30 September 2020)

Fund size	RM 5.117 million
Unit NAV	RM 0.2956
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

Major equity markets ended in negative territory in September after posting monthly positive gains for five consecutive months. Tech-Heavy Nasdaq which rallies remarkably since its lowest point in March closed -5.2% lower month-on-month ("mom") to end at 11,167.51 points and recorded year-to-date ("YTD") gains of +24.5%. Dow Jones fell -2.3% to record YTD loss of -2.7% while S&P500 fell -3.9% with YTD returns of +4.1%. More broadly, MSCI World and MSCI Emerging Market settled lower for the month by -3.6% (YTD: +0.4%) and -1.8% (YTD: -2.9%) respectively.

Domestically, Bank Negara Malaysia (BNM) decided to maintain the Overnight Policy Rate (OPR) unchanged at 1.75%. BNM stated that the current OPR level is appropriate and accommodative to stimulate growth as the economy showed more signs of recovery from the sharp slowdown particularly in April 2020. The Consumer Price Index had declined by 1.4% year-on-year ("yoy") in August, marking the sixth consecutive month of decline while inflationary pressure is expected to remain soft throughout the year. Additionally, RM10b stimulus package has also been announced by the Prime Minister to further support the economy of which a portion of the stimulus is channelled to Wage Subsidy Programme 2.0 to encourage businesses to employ more workers.

The FBMKLCI extended its losses in September to close at 1,504.82 points or -1.34% mom. For the quarter, the FBMKLCI ended on a flat note to close marginally higher by +3.85 points or +0.26% with YTD loss of -5.28%. The FBM Hijrah Shariah and Emas Shariah fell -1.93% and -2.02% respectively for the month (YTD: +11.54% and +7.98%). Meanwhile, the Mid Cap and Small Cap shariah stocks fell by -4.44% and -6.39% respectively mom (YTD: +7.84% and -6.06%).

Investment Outlook & Strategy

The 3Q20 saw the global equity markets traded broadly lower particularly in September, a month that has historically been very volatile and less optimistic for stocks. Investors have turned jittery as Covid-19 cases around the world experiencing a resurgence which could lead to a slowdown in reopening or worse case a rollback and another sweeping lockdown. This is further escalated with additional uncertainties over future policies in the run-up to the US presidential election on Nov 3.

As end of September 2020, at the level of 1,505 points, the FBMKLCI trades at 22.0 PER or +2 standard deviation from mean. We remain cautiously optimistic with the view that the FBMKLCI likely to perform modestly amidst intermittent volatilities until year end. Market at large is expected to closely monitor the impact of the loan moratorium which ended on 30 September vis-a vis the current trend observed in the market. With the rising cases of Covid-19 in the country attributed to increase of cases in few states namely Kedah and Sabah,

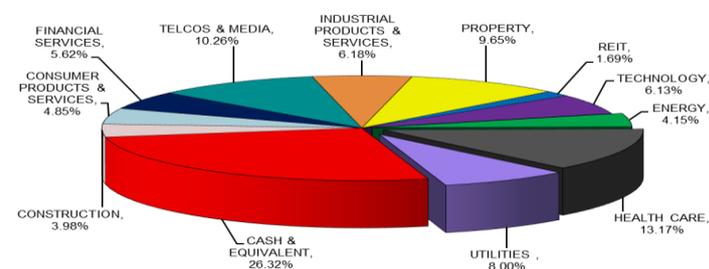
we remain vigilant that the local market flavour will still be on the healthcare and information technology sectors.

We remain neutral on our equity stance amidst market's heightened volatilities. Barring any major external shocks, we will actively position the portfolio tactically within the range of between 75%-78% equity exposure whilst managing the downside risks and the portfolio's performance gap. The use of active asset allocation strategy is pivotal during these uncertain times to allow flexibility for the portfolio to take advantage to buy on weakness during significant market pullbacks. The over dominance of momentum as an investment style, spearheaded by glove and technology stocks following the pandemic, may temporarily come under pressure should the retail liquidity dries-up post-loan moratorium period in October onwards especially if health crisis recede when the probability of a vaccine becomes more prominent. In view of that, quality remains the main characteristic worth considering when investing whether its within growth or value. We are reiterating our positive calls for the following sectors which are healthcare, telecommunication, technology, utilities and mid cap construction/infrastructure. We will take the opportunity of the volatility to trade and lock in profits for the stocks which have performed well and trading at premium.

LARGEST HOLDINGS (as at 30 September 2020)

COMPANY	%
AXIATA GROUP BHD	8.65%
TENAGA NASIONAL BHD	8.00%
S P SETIA DEVELOPMENT BHD	5.27%
IHH HEALTHCARE BHD	5.08%
PHARMANIAGA BHD	5.07%

ASSET ALLOCATION (as at 30 September 2020)



*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 30 September 2020)



CALENDAR YEAR RETURN % (as at 30 September 2020)

	3M	6M	1YR	3YRS	5YRS
FUND	-3.44	8.00	-15.16	-24.28	-11.51
FBM SHARIAH*	7.33	27.87	9.80	0.97	8.69

*FBM Shariah Index (FBM Shariah + gross dividend yield)
Source: Lipper Fund Table (The Edge, 12 October 2020)

(1) Based on the fund's portfolio returns as at 10 Sept 2020, the volatility Factor (VF) for this fund is 13.29 and is classified as "moderate" (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, 1st Supplementary Master Prospectus dated 26 July 2017, 2nd Supplementary Master Prospectus dated 22 May 2019, 3rd Supplementary Master Prospectus dated 9 March 2020 and 4th Supplementary Master Prospectus dated 5 October 2020 have 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.