

## Monthly Fund Fact Sheet

### MIDF AMANAH ISLAMIC FUND

September 2014

#### FUND OBJECTIVE

The objective of the fund is to achieve long-term capital growth through investments which conform with the principles of the Shariah.

#### 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 August 31, 2014)

Fund size	RM 7.99 million
Unit NAV	RM 0.3330
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

In August, The KLCI ended the month 5pts or 0.3% lower to close at 1,866pts. The broader market underperformed the KLCI as the FBM Emas fell 0.7% mom to 12,995pts. Small cap underperformed too as the FBM Small cap fell 2.4% to 18,605pts while the FBM ACE was down 2% to 6,904pts. Average daily value traded on Bursa in Aug increased 19% mom to RM2.52bn.

##### Investment Outlook & Strategy

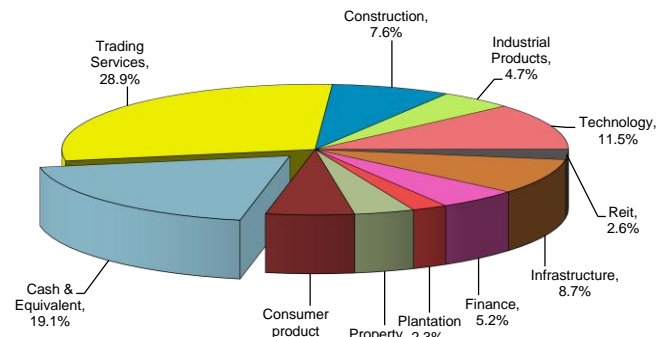
Our local market continues to be one of the structurally sound and relatively attractive markets in the region despite the Malaysian equity market currently trading above its average fair value and being perceived as an expensive market regionally. It is above its historical average PER but not that expensive compared on a relative terms against its regional peers as its trailing PER currently is at 16.6x vs. Korea at 30.0x, Indonesia at 20.3x, Philippine at 21.9x & Taiwan at 19.1x, with only Thailand now at 17.9x, Singapore at 13.7x, Hong Kong at 10.9x and China at 10.8x are cheaper than Malaysia. On a dividend yield basis, Malaysia has moved up the rank to 4<sup>th</sup> highest in the region at 3.15%, taking over Thailand at 3.10%, after Singapore at 3.28%, Hong Kong at 3.46%, and China at 3.47%.

Tactically, our short term view of the market has turned cautious since the recent changes in the monetary policy by BNM from an easing to a tighter measured policy and global chains of adverse geopolitical developments. We believe that the market will eventually realized that the cost of doing business will escalate (downgrades in earnings – EPS growth for 2014 around low single digit of around 2% - 4% vs. 8% - 9% for 2015) and will increase pressure on margins and share prices if the market moves too far ahead based on BNM's optimistic view of the global / local economy, especially if actual numbers fall short. Additionally, 8 out of 10 occasions historically, our market's performance for the month of August and especially September on a m-o-m basis has always been a negative month. As such selling ahead would be prudent in the expense of short term underperformance for long term preservation of capital and realized profits. Bottom-up stock picking is crucial more so in the mid to small cap space where more value and growth can be found.

#### LARGEST HOLDINGS (as at August 31, 2014)

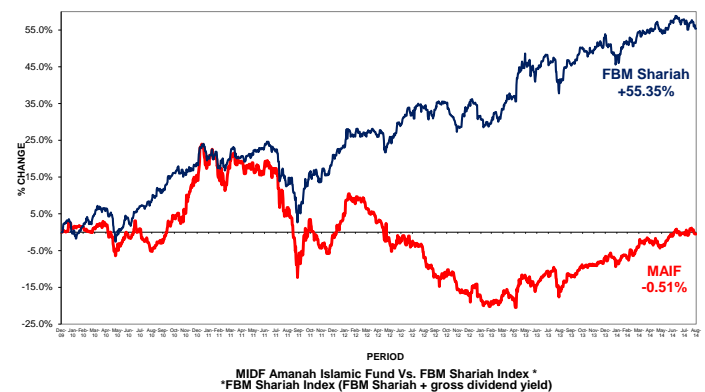
COMPANY	%
GLOBETRONICS TECHNOLOGY BHD	8.60
TELEKOM M'SIA BHD	6.76
DIGI.COM BHD	4.99
PPB GROUP	4.90
CAHYA MATA SARAWAK BHD	4.72

#### ASSET ALLOCATION (as at August 31, 2014)



\*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 August 31, 2014)



#### CALENDAR YEAR RETURN % (as at August 31, 2014)

	3M	6M	1YR	3YRS	5YRS
FUND	3.19	7.07	18.25	-6.77	-1.54
FBM SHARIAH*	0.13	2.51	11.16	37.65	61.24

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

Source: Lipper Fund Table (The Edge, September 8, 2014)

(1) Based on the fund's portfolio returns as at 15 Aug 2014, the volatility Factor (VF) for this fund is 15.40 and is classified as "very high" (source:Lipper).