Monthly Fund Fact Sheet as at 30 June 2020

MIDF AMANAH SHARIAH EQUITY FUND

JULY 2020

FUND OBJECTIVE

The objective of the fund is to achieve long-term capital growth for investors through investments in a portfolio of Shariah-compliant equities.

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 June 2020)

Fund size	RM 9.713 million
Unit NAV	RM 0.7838
Fund Inception	5 July 2017
Financial Year End	31st day of July
Management Fee	1.5% p.a. of NAV
Trustee Fee	0.05% p.a. of NAV
Initial Service Charge	0.00% of NAV
Redemption Payment Period	Within 10 calendar days
Investment Manager	MIDF Amanah Asset Management Bhd

MANAGER'S COMMENTS

Review

Markets across the globe registered healthy gains in June, mostly recovering from their earlier losses registered in February and March to wrap up the quarter on an ebullient note. The rebound was largely supported by the unprecedented fiscal and monetary stimulus with major indices in the US rising commendably. The S&P 500 Index surged by 20%, its best quarterly performance since 1998, nearly offsetting a 20% pandemic driven drop in the first quarter. Meanwhile, the Dow Jones Index finished 17% higher, outperforming most other regional markets as well as the Emerging Markets Index which finished 6.3% higher despite a lower US dollar.

On the local front, the FBMKLCI wrapping up the second quarter of 2020 on a positive note to close at 1,501 points or a gain of 11.11% (150 points) for the quarter - 5.5% return year-to-date (YTD). Meanwhile, from its low of 1,219 points reported in March, the FBMKLCI staged a strong gain by as much as 23% driven by positive sentiment and ample liquidity. The rally is further supported by the optimism of an economic recovery following the gradual reopening of economy. Investors at large have factored in expectations of a significant recovery in corporate earnings in 2H20 to be driven by selective sectors such as gloves, technology and energy. This is also fuelled by the liquidity released from the stimulus package as well as OPR cuts, trickling some positive flows into the equity market.

The FBM Hijrah Shariah and Emas Shariah posting commendable returns of 18.4% and 19.1% respective for the quarter (4.7% and 0.8% respectively YTD), outperforming the FBMKLCI's quarterly return of 11.11% and YTD return of -5.5%. Meanwhile the Mid Cap and Small Cap stocks narrowed their YTD losses with -8.9% and -14.8% returns respectively.

Investment Outlook & Strategy

The first half of the year saw global equity markets experiencing a roller-coaster ride on the backdrop of the unprecedented Covid-19, sending global shock waves in early March with major indices roiled to the level last seen during the global financial crisis of 2008/2009. The FBMKLCI tumbling nearly 400 points to its lowest point of the year at 1,219.79 points on March 19, a day after the Prime Minister instituted a Movement Control Order (MCO) to contain the spread of the virus. Market optimism during the period was generally attributed to the Glove makers, being the clear winners in the health pandemic. Apart from glove makers, technology sector has also gained traction and emerged strongly on the back of a visible V-shape recovery mirroring the performance of major technology stocks in the US in the likes of Facebook, Apple and Amazon.

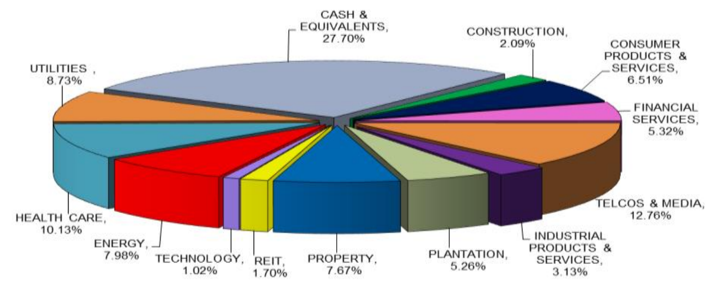
Notwithstanding that, injection of massive liquidity into the system through various fiscal stimulus packages and interest rate cuts further supported the strong market rebound despite continuing worry over economic and earnings growth outlook. The rally is further supported by the optimism of an economic recovery following the gradual reopening of economy. Investors at large have factored in expectations of a significant recovery in corporate earnings in 2H20 to be driven by selective sectors such as gloves, technology and energy. Bank Negara's decisions to reduce OPR by 25bps to 1.75% on 7 July 2020 provides an additional policy stimulus to dampened financial burden of consumers and accelerate the pace of economic recovery.

At current level of 1,550 points, the FBMKLCI trades at 19x PER or +2 standard deviation from mean. We are cautiously optimistic with the view that the near-time upside for Equity market may be capped on the back of stretched valuations amid challenging and disappointing earnings outlook. We will continue to reassess our asset allocation strategy with equity exposure to range between 70% to 75%. Positioning of the portfolio will continue to be anchored on defensive names, favoring quality and liquid large cap companies in selective defensive / resilient domestic sectors such as Utilities, Telecommunications, and Healthcare along with accumulation of high dividend yielding stocks. As we expect market volatility to remain high in 2H20, our trading stance will remain nimble and we would continue to thread carefully taking cognizance of the current portfolio underperformance. We will continue to take advantage of trading opportunities to seek alpha in a range-bound market whilst addressing the performance gap. Stock selection will remain key, and paramount to our strategy moving forward to drive portfolio performance as we continue to restructure the portfolio progressively. Likewise, the use of tactical asset allocation is vital to take advantage of the market gyration and ensuring that all the performance targets are likely met.

LARGEST HOLDINGS (as at 30 June 2020)

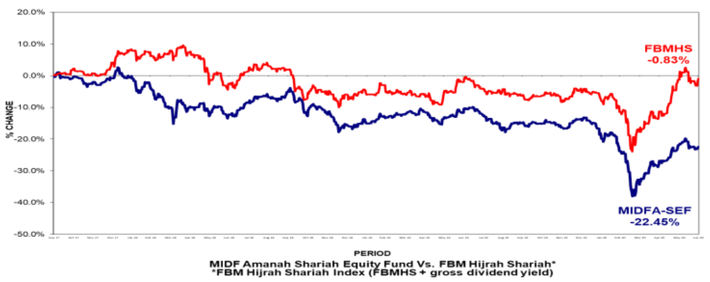
COMPANY	%
AXIATA GROUP BHD	9.14%
TENAGA NASIONAL BHD	8.73%
IHH HEALTHCARE BHD	7.64%
DIALOG GROUP BHD	5.57%
KUALA LUMPUR KEPONG BHD	5.26%

ASSET ALLOCATION (as at 30 June 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 June 2020)



CALENDAR YEAR RETURN % (as at 30 June 2020)

	3M	6M	1YR	3YRS	5YRS
FUND	**16.10**	**-9.92**	**-12.59**	**-**	**-**
FBMHS*	**23.88**	**7.46**	**3.37**	**1.76**	**2.08**

*FBM Hijrah Shariah (FBMHS + gross dividend yield) *Source: Lipper Fund Table (The Edge, 13 July 2020)*

(1) Based on the fund's portfolio returns as at 10 June 2020, the volatility Factor (VF) for this fund is N/A and is classified as "N/A" (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.