Monthly Fund Fact Sheet as at 31st October 2018

MIDF AMANAH SHARIAH EQUITY FUND

November 2018

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 October 31, 2018)

Fund size	RM 11.291 million
Unit NAV	RM 0.9017
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

Globally, a slew of factors continue to plague the markets affecting overall risk sentiment with on-going global concerns such as Sino-U.S. trade tensions, diplomatic tensions between U.S. and Middle East, a standoff between Rome and the European Union over Italy's deficit-deepening budget and concerns over a no-deal Brexit all contributed to global equity markets' downtrend. The Dow Jones Industrial Average (DJI) witnessed a MoM decline of -5.1%, closing way below 26,000 levels. Locally, our domestic equity market tracked the performance of global as well as regional stock markets amidst investors shying away from riskier assets. Aside from disorderly external events, the confluence of domestic factors also played a part as cautiousness lurked in anticipation over the Mid-Term Policy Review of 11th Malaysia Plan and the upcoming Budget 2019 announcement. Market players remained jittery as the main rhetoric on reviews centred on the high likelihood of new taxes implementation coupled with various cuts in development expenditure and public investment in PH government's quest to reduce the nation's persistent high debt levels. Despite uncertainty over near-term policy reforms nonetheless, PH government delivered a slight optimistic boost in the recent Mid-Term Policy Review. The government proved its commitment to transparency and accountability by implementing a two-term limit for the Prime Minister, Ministers and State Chief positions in order to curb abuse of power and corruption. However, market jitters caused continued selling particularly amongst foreign funds with MTD and YTD outflows reaching -MYR1.676B and –MYR10.195B respectively as of end-October. Benchmark FBM KLCI started the month and quickly reached a high of 1,798 in the early part of the month but witnessed an obvious downtrend hitting a low of 1,683 before closing at 1,709 points for October. On a MoM basis, it declined -84 points or -4.7% while the benchmark's 10M2018 YTD loss amounts to -4.9%. Overall, caution needs to be exercised as global growth levels including Malaysia (anticipated to range 4.5%-5.5% vs. 5.0%-6.0% previously) are expected to be revised lower on the back of prolonged trade tensions.

The benchmark KLCI outperformed the broader market of Shariah indices with FBM Hijrah Shariah, FBM Emas Shariah and FBM Small Cap Shariah declining MoM by -7.1%, -7.2% and -11.7% to close at 13,199; 11,772 and 11,326 levels respectively. Meanwhile, average daily value traded for the month of October dropped -13.7% MoM to RM2.15bn which is the lowest since August 2017 attributed to investors staying on the side-lines amidst the uncertainty surrounding global markets and the much anticipated Malaysia's Budget 2019.

Investment Outlook & Strategy

Global concerns of Sino-U.S. trade tensions, concerns over Italy's Budget and on-going Brexit negotiations were amongst some of the factors that continue to present global markets with a slew of uncertainties which did not boost overall risk sentiment. Meanwhile, our domestic equity market tracked global and regional market movements with a persistent downtrend amidst the lack of positive external news flows. Also, the continued foreign fund outflows from our local market on the back of market players' uncertainty were unable to reverse the market's lackluster momentum. We maintain a cautious approach in the short-term amid geopolitical concerns but remained optimistic particularly towards year-end 2018. The much-anticipated Budget 2019 announcement on November 2nd will provide greater clarity on country's policy reforms. Stable fundamentals carved out by PH government over time together with year-end seasonality factors will hopefully provide the catalyst for the market to trend upwards.

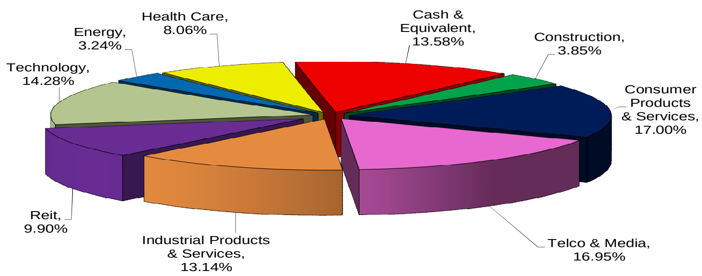
Our Tactical Strategy in the short-term is to continue rebalancing the portfolio by expediting cutting losses on underperforming stocks for capital protection with emphasis for a speedy portfolio recovery. We will also accumulate during times of pullback particularly on fundamentally good counters, undervalued stocks and index-linked stocks/selected distressed stocks that were sold down indiscriminately. We remain invested in high dividend-yielding stocks for passive/recurring income which will buffer portfolio downside. Our average equity asset allocation is at 80% - 85%.

Long term focus would continue to be on value/growth/defensive driven, high dividend yielders, under-valued, recovery and thematic plays (Technology, Consumer, Gloves, Healthcare, Takaful Insurance, REITs, E-Commerce, IOT, Renewable Energy & Utilities) that will favourably position the respective portfolios well into 2019. Priority is to improve portfolio's overall market value and relative performance against benchmark.

LARGEST HOLDINGS (as at October 31, 2018)

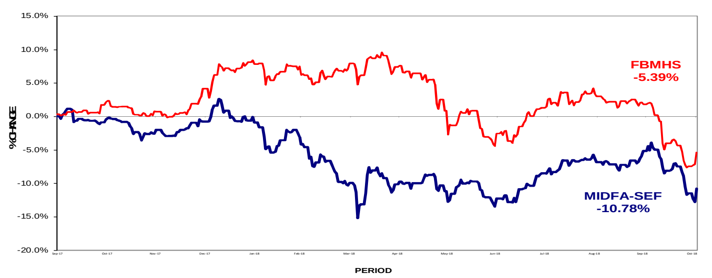
COMPANY	%
QL RESOURCES BHD	8.43%
TENAGA NASIONAL BHD	8.07%
VITROX CORPORATION BHD	6.95%
AXIS REAL ESTATE INVESTMENT TRUST	5.83%
CYPARK RESOURCES BHD	5.47%

ASSET ALLOCATION (as at October 31, 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 October 31, 2018)



MIDF Amanah Shariah Equity Fund Vs. FBM Hijrah Shariah*
*FBM Hijrah Shariah Index (FBMHS + gross dividend yield)

CALENDAR YEAR RETURN % (as at October 31, 2018)

	3M	6M	1YR	3YRS	5YRS
FUND	**-1.42**	**0.12**	**-9.66**	**-**	**-**
FBMHS*	**-6.52**	**-10.71**	**-6.29**	**-5.73**	**-3.94**

*FBM Hijrah Shariah (FBMHS + gross dividend yield)

Source: Lipper Fund Table (The Edge, November 12, 2018)

(1) Based on the fund's portfolio returns as at 15 September 2018, 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.