

## Monthly Fund Fact Sheet as at 28<sup>th</sup> February 2018

### MIDF AMANAH STRATEGIC FUND

March 2018

#### FUND OBJECTIVE

The objective of the fund is to achieve long-term capital growth through investments in smaller, high growth companies.

#### THE FUND IS SUITABLE FOR INVESTORS WHO:

- Are seeking long term capital growth;
- Are prepared to take on a higher level of risk associated with investment in small-capitalized stocks.

#### FUND DETAILS (as at February 28, 2018)

Fund size	RM 19.728 million
Unit NAV	RM 1.1518
Fund Inception	1 June 1970
Financial Year End	15th day of January
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

February was a month of volatility for equity markets sparked off by a sell down in Dow Jones where it fell more than 1,100 points with VIX Volatility Index spiking up to 37.32 levels from previous 10+ levels. The market meltdown was caused by rising inflation concerns which steered investors to anticipate escalated pace of interest rate increases. This resulted to bond yields rising steeply whilst causing the equity markets to lose its appeal in yield offerings. FBM KLCI started the month off on an upbeat note, close to the month's high at 1,870 points following previous month's cheery performance. The momentum was further supported by SC's new initiatives to boost vibrancy of our local market including allowing intraday short selling, waiver of stamp duty on small-mid cap stocks, liberalisation of margin financing rules whilst establishing upcoming corridor between Malaysia and Singapore stock exchanges. This was good news to our local market to spur trading volumes and on-going participation. Despite that, our FBM KLCI tracked the broader market indices and volatility to fall to the month's low of 1,812 points. Nonetheless, it managed to gain composure for the rest of the month on the back of resilient Q4 2017 GDP growth levels of 5.9% coupled with reasonable Q4 earnings season which saw results mostly in line with expectations. The benchmark FBM KLCI remained supported and bounced gradually for the remainder to close the month of February at 1,856 points, falling a tad by -12 points or -0.7% on a MoM basis. Notwithstanding, our domestic markets observed foreign investors reducing their exposure with net outflow for the month amounting to RM1.2bn.

The broader market was weaker relative to the benchmark KLCI whereby FBM Emas recorded a higher decline of -1.1% MoM closing at 13,218 points. Meanwhile small caps also underperformed the benchmark KLCI as the FBM Small Cap index fell even larger by -2.1% MoM, ending the month at levels of 16,721 points. Overall basis, average daily trading value for the month of February was at RM2.87bn, declining -17% on a MoM basis amid a shorter trading month on the back of Federal Territory as well as Chinese New Year (CNY) holidays.

##### Investment Outlook & Strategy

Equity markets were in a volatile mode in February with indices coming off highs as markets reacted to rising inflation concerns which led market players to foresee a quicker pace of Fed rate hikes. This in turn caused bond yields to rocket resulting to a broad flight away from equities. Dow Jones fell -4.60% in the beginning of the month and the spillover effect was seen in our local bourse too. Nonetheless, markets overall have stabilized for now. We continue to remain cautious whilst keeping track, but are optimistic particularly with our local bourse being a defensive stock market. In the unlikely happening of events, market players have been seen historically to channel funds into emerging markets, predominantly Malaysia. The next highlight on local grounds would undoubtedly be the upcoming GE14

elections whereby the expectation of continuation of investors' friendly policies will help instill the foreign investors' confidence and provide the needed support for the market uptrend.

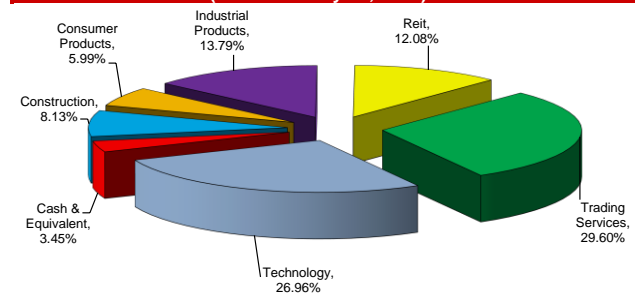
Overall view of the market remains unchanged with an overweight in equities in anticipation of a buoyant 1st half of 2018 despite increased volatility on the back of GE14, which may happen in April coupled with global markets heightened expectation on rate hikes which are causing a retreat in equity markets. Our current short term Tactical Strategy is to lock-in profits as market trends higher while accumulating during times of pullback. Our average equity asset allocation remains at 85% - 95%.

Nevertheless, our long term focus continues to be in value/growth driven, high dividend yielders, under-valued, recovery and thematic plays (Construction/Infra, E-Commerce, General Election, Renewable Energy, IOT, Logistics, Technology, Telco, Tourism & Utilities) that will shield the portfolios better during market corrections while favourably positioning 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 February 28, 2018)

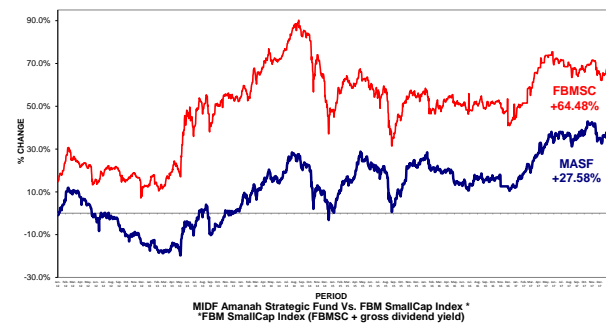
COMPANY	%
VITROX CORP. BHD	10.14%
PERAK TRANSIT BHD	8.46%
KESM INDUSTRIES BHD	6.96%
YTL HOSP. REIT	6.76%
GABUNGAN AQRs BHD	6.70%

#### ASSET ALLOCATION (as at February 28, 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 February 28, 2018)



#### CALENDAR YEAR RETURN % (as at February 28, 2018)

	3M	6M	1YR	3YRS	5YRS
FUND	-6.52	-6.72	4.78	7.79	54.24
FBMS	-1.45	-1.40	2.11	-0.22	42.66

\*FBM SmallCap Index (FBMS + gross dividend yield)  
Source: Lipper Fund Table (The Edge, March 12, 2018)

(1) Based on the fund's portfolio returns as at 15 February 2018, the volatility Factor (VF) for this fund is 15.02 and is classified as "very 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.