

Monthly Fund Fact Sheet as at 31 July 2020

MIDF AMANAH SHARIAH MONEY MARKET FUND II (formerly known as MIDF AMANAH MONEY MARKET FUND)

AUGUST 2020

FUND OBJECTIVE

The objective of the fund is to provide investors with a regular income stream over a short to medium term that complies with Shariah principles while maintaining capital stability.

THE FUND IS SUITABLE FOR INVESTORS WHO:

Have either a short or medium term investment horizon; desire a stream of income; and have low risk tolerance.

FUND DETAILS (as at 31 July 2020)

Fund size	RM5,748.690 million
Unit NAV	RM 0.5000
Fund Inception	24 January 1984
Financial Year End	15 th day of November
Management Fee	0.1% p.a. of NAV
Trustee Fee	Up to 0.02% p.a. of NAV
Initial Service Charge	Nil
Redemption Payment Period	Within 10 calendar days
Investment Manager	MIDF Amanah Asset Management Bhd

MANAGER'S COMMENTS

Review

Following the BNM's OPR cut of 25bps on 7 July 2020 to 1.75%, local government sukuk/bond saw a robust trading activity with the benchmark yields fell sharply between 14-25bps lower. Ringgit government sukuk/bond continued on strong footing and extended gains in July with MGS/GII benchmarks yields tightening further across the curve.

The 3-year and 10-year MGS benchmark yield eased by 31bps and 32bps m-o-m to settle at a fresh low of 1.93% and 2.53%, respectively. The local sukuk/bond market continued to stay resilient despite the recent negative outlook revision of Malaysian Sovereign rating by from S&P. We expect local government sukuk/bond to stay supported amid positive catalyst from the accommodative monetary policy by BNM and ample domestic liquidity.

As of 31 July 2020, MGS benchmark closed lower between 31bps to 44bps with 3-year, 5-, 7-, 10-, 15- and 20-year at 1.91% (end Jun: 2.25%), 2.11% (2.46%), 2.25% (2.66%), 2.55% (2.85%), 2.96% (3.32%), 3.18% (3.62%). Similarly, GII also closed lower by 31bps to 46bps at 1.98% (end Jun: 2.32%), 2.08% (2.52%), 2.29% (2.75%), 2.57% (2.89%), 3.03% (3.43%), 3.30% (3.74%), respectively.

Investment Outlook & Strategy

BNM has reduced the OPR from 3.00% in January 2020 to a fresh low of 1.75% following the 25bps OPR cut during July MPC meeting. The move is deemed necessary to provide more accommodative easing as the impact of COVID-19 continued to dent the country's economy activities. With inflation in negative territory and real interest rates at unprecedented highs, there is

indeed policy space for further policy easing should downside risks to growth escalate. We forecast that BNM will cut its policy rate again by 25bps at its next MPC meeting in September to 1.50%.

The key event risk will be on the upcoming FTSE Russell September review. We expect no exclusion in September as we see FTSE Russell acknowledges BNM efforts BNM in enhancing MYR bond market liquidity. Given the current backdrop of benign inflation and slower growth prospects, MYR sukuk/bond market will remain buoyant on the back of onshore strong support.

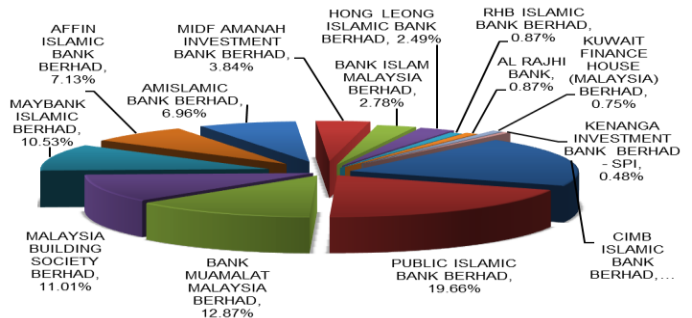
In view of the above, we expect the local sukuk/bond market to remain resilient. Factors supporting the local bond market are still abundant with liquidity in the financial system, which are likely to keep the overall credit yield curve well anchored and supported.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at 31 July 2020)

CIMB ISLAMIC BANK BERHAD	19.76%
PUBLIC ISLAMIC BANK BERHAD	19.66%
BANK MUAMALAT MALAYSIA BERHAD	12.87%
MALAYSIA BUILDING SOCIETY BERHAD	11.01%
MAYBANK ISLAMIC BERHAD	10.53%

ASSET ALLOCATION (as at 31 July 2019)



*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 31 July 2020)



CALENDAR YEAR RETURN % (as at 31 July 2020)

	1M	3M	6M	YTD	1YR	3YRS	5YRS
FUND	0.16	0.52	1.25	1.53	2.86	4.53	5.60

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, 10 Aug 2020)

(1) MIDF Amanah Bond Fund has been converted to MIDF Amanah Money Market Fund on 1 January 2011, subsequently the name was changed to MIDF Amanah Shariah Money Market Fund II on 22 May 2018 due to conversion of fund from conventional to Islamic.

(2) Based on the fund's portfolio returns as at 10 July 2020, the volatility Factor (VF) for this fund is 0.48 and is classified as "very low" (source:Lipper).

(3) Volatility Factor (VF) is subjected to monthly changes and Volatility Class (VC) will be revised every six months.

(4) 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 credit risk, interest rate risk & reinvestment 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 and 3rd Supplementary Master Prospectus dated 9 March 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.