

Monthly Fund Fact Sheet as at 30th November 2018

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

December 2018

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 November 30, 2018)

Fund size	RM 5.775 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

For the month of November, the local sukuk/bond market was quite subdued with bid-ask prices were quoted at a wide range. The quiet market was also on the back of political uncertainties vis-à-vis US mid-term election in the Global Markets. Global Equities weakened amid falling crude oil price. Both WTI and Brent crashed by 17% and 14.2% respectively. This led to an upward pressure on the local sukuk/bond yields while the MYR weakened to as low as 4.195.

Meanwhile, the focus in the local market was the reopening of 7-years GII auction, the first post-budget after the PH government announced a wider fiscal deficit. The auction garnered quite a strong bid-to-cover ratio of 2.814 times, despite its hefty issuance of RM5.5 billion comprising public auction of RM3 billion and RM2.5 billion for private placement. Post-auction was taken 3 basis points ("bps") lower from the average of 4.212%.

As widely expected, Bank Negara Malaysia ("BNM") maintain the Overnight Policy Rate ("OPR") steady at 3.25%, with the aim to support the economic growth while maintaining inflationary pressure.

As of end November 2018, the overall MGS yields held higher by 3 bps to 7 bps while the 15-years fell 4bps. The 3y- 5-, 7- and 10-years closed at 3.69%, 3.86%, 4.05% and 4.13% respectively while 15-years closed lower at 4.54%. Similarly, the GII yields also traded higher by 2 bps to 4 bps with the 3-, 5-, and 7-years closed at 3.76%, 3.94% and 4.16% respectively whilst, the 10- and 15-years traded 1 bps to 2 bps lower at 4.24% and 4.61% respectively.

Investment Outlook & Strategy

In the recent budget, the fiscal deficit is expected to narrow to 3.70% in 2018 and 3.4% in 2019, signaling the government's commitment towards further fiscal consolidation. Gross and net MGS/GII supply is projected to be RM120 billion and RM53 billion in 2019. Although the gross MGS/GII supply is relatively higher next year, but the net amount of RM53 billion is still manageable. This could add-in some positive vibes among investors in the near term. Given the healthy bid-to-cover ratio trends and Bank Negara maintains its accommodative stance we expect demand to remain supportive coming from onshore real money especially on the front end of the curve.

As of October 2018, foreign holdings of MGS stood at 40.7% from 39.5% in September 2018 (+RM4.7 billion). The unexpected large inflows in October 2018 were probably due to improving risk sentiment towards Emerging Markets despite continued weakness in Ringgit. These positive inflows further indicate that foreign exposure in MGS has been mostly rolled over

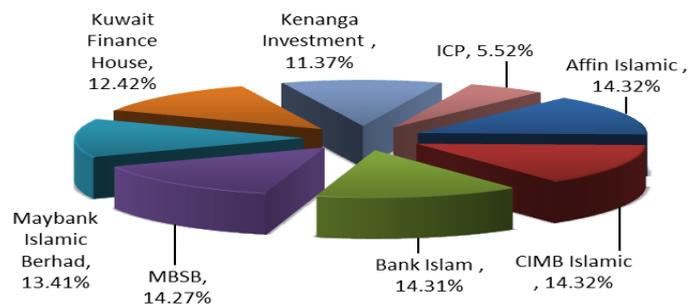
Going forward, investors are expected to stay vigilant, watching closely developments in the US on the ongoing global tariff conflicts between US-China and higher interest rate outlook. MGS/GII curve could potentially flatten further from current levels reinforcing views that market players may extend duration further as domestic growth moderates couple with dimmer prospects on OPR adjustments.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at November 30, 2018)

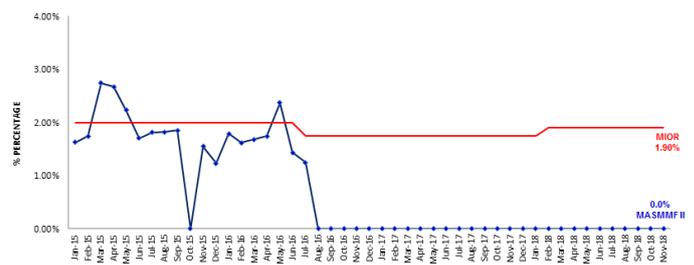
Bank	%
AFFIN ISLAMIC BANK BERHAD	14.32%
CIMB ISLAMIC BANK BERHAD	14.32%
BANK ISLAM MALAYSIA BERHAD	14.31%
MALAYSIA BUILDING SOCIETY BERHAD	14.27%
MAYBANK ISLAMIC BERHAD	13.41%

ASSET ALLOCATION (as at November 30, 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 November 30, 2018)



CALENDAR YEAR RETURN % (as at November 30, 2018)

	3M	6M	1YR	3YRS	5YRS
FUND	-	-	-	0.73	2.69

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, December 10, 2018)

- (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 15 Nov 2018, the volatility Factor (VF) for this fund is 0.15 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 has 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.