

Monthly Fund Fact Sheet as at 31st October 2018

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

November 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 October 31, 2018)

Fund size	RM 5.037 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

Ringgit government sukuk/bonds weakened on the back of risk-off sentiment. USD/MYR slipped below the 4.16 levels during the week amid risk-off in the markets following declines in the equity market. Bids were generally traded 5-6 bps weaker and as the bond prices tightened, some selling pressures were seen hitting the bids.

Despite the mild selloff, onshore names were seen supporting the curve as they hunt for bargains, keeping the long end, MGS 20y supported and closed only +0.5 bps higher. The soft sentiment was also ahead of the September 2018 CPI print to see the impact of SST implementation on the inflation front as market is expecting a marginal rise (0.8% estimate vs 0.2% prior).

Foreign holdings in MGS declined further to 39.5% in September from 40% in August as foreign investors continued to be net seller of ringgit government bonds for the second consecutive month. The decline in foreign ownership was mainly attributed to the large volume of MGS maturity during the month amounted to RM11.9 billion. Foreign holdings of MGS fell by RM5.6 billion to RM148.3 billion.

As of end October 2018, the overall MGS yield curve traded by 1 to 9 bps higher from end of September 2018. The 3-, 5-, 7-, 10- and 15-years closed at 3.66%, 3.79%, 4.01%, 4.08% and 4.58% respectively. Similarly, the GII-segment also traded higher by 5 to 10 bps. The 3-y, 5-, 7-, 10- and 15-years closed at 3.75%, 3.92%, 4.12%, 4.26% and 4.63% respectively.

Investment Outlook & Strategy

Investors' appetite return on Ringgit government sukuk/bonds especially on the mid to longer end of the curve in 3Q18, likely attributed due to greater clarity by the newly elected government and the potential positive impact from Federal debt reclassification, SST, reintroduction of petrol subsidy (Ron95) and review and reduction of mega infrastructure projects. There could be a marginal return of foreign inflows for local government sukuk/bonds after the recent sell-offs and a larger scale of

foreign inflows if the emerging market risk appetite recovers strongly. However, we do not expect any adjustments in official measures to encourage more foreign flows in the immediate term.

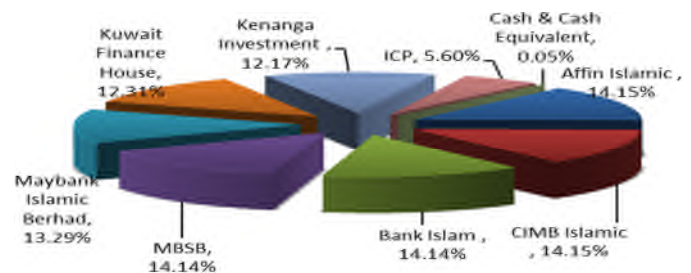
Going forward, investors are expected to stay vigilant, watching closely developments in the US on the ongoing global tariff conflicts between US-China and higher interest rate outlook. MGS/GII curve could potentially flatten further from current levels reinforcing views that market players may extend duration further as domestic growth moderates couple with dimmer prospects on OPR adjustments. Demand will continue towards the GG and AA-segment and supported mainly by lifers and institutional investors. We also anticipate solid support for Islamic papers i.e. government investment issues in view of strong onshore institutional support.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at October 31, 2018)

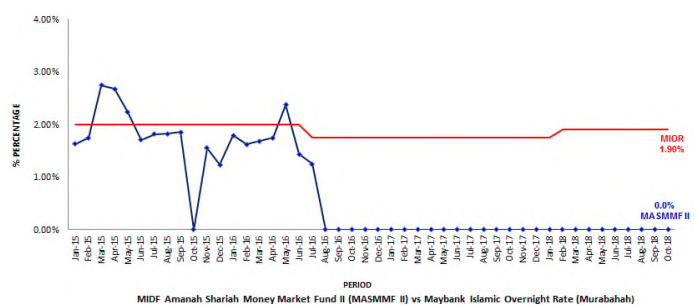
Bank Name	Percentage (%)
AFFIN ISLAMIC BANK BERHAD	14.15%
CIMB ISLAMIC BANK BERHAD	14.15%
BANK ISLAM MALAYSIA BERHAD	14.14%
MALAYSIA BUILDING SOCIETY BERHAD	14.14%
MAYBANK ISLAMIC BERHAD	13.29%

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)



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

FUND	3M	6M	1YR	3YRS	5YRS
	-	-	-	0.81	2.69

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, November 12, 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 Oct 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.