

## Monthly Fund Fact Sheet as at 30<sup>th</sup> September 2018

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

October 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 September 30, 2018)

Fund size	RM 0.456 million
Unit NAV	RM 0.5000
Fund Inception	24 January 1984
Financial Year End	15 <sup>th</sup> 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 bonds/sukuk was broadly higher in September with most selling pressure concentrated on the short-end of the curve. Bond/sukuk yields eased slightly towards mid-September amid moderate in August's CPI growth of 0.2% year-on-year and firmer crude oil prices. MGS/GII yield curve bearish flattened with the 3-years yield traded 13bps higher to 3.61%. The spike along the short-end was amid the ongoing concerns over the global trade war and EM contagion. Meanwhile, the 10- and 15-years edged slightly by 1 to 3bps to 4.07% and 4.49% respectively. Similarly, the GII 3-years benchmark yields also spiked by 10bps to 3.69% and the 10-years benchmark at 4.15% by 1bps.

The Ringgit traded mostly weaker against other major currencies except against the Japanese Yen. Ringgit continued to depreciate against the USD as the local currency was caught in between higher oil prices and rising global yields. Buying interest for RM was affected by firmer demand for the greenback, which was bolstered by higher interest rates announced by the Fed. RM slipped to RM4.138 against the US dollar from RM4.109 recorded a month ago.

Bank Negara Malaysia (BNM) maintained its Overnight Policy Rate (OPR) at 3.25% as widely expected. Policymakers said the economy maintains its underlying fundamental strength, with steady economic growth, low unemployment and a current account surplus, but may face downside risks stemming from heightened trade tensions, prolonged weakness in the mining and agriculture sectors and some domestic policy uncertainty. In the meantime, foreign investors continued to be net sellers for the 2<sup>nd</sup> consecutive months in September, mainly attributed to the large volume of MGS matured during the month, which amounted to RM 11.9 billion. As at September 2018, the foreign holdings in MGS outstanding stood at 39.5% from 40% in August.

#### Investment Outlook & Strategy

With 2Q2018 growth fairly disappointing, market are expecting the Overnight policy rate (OPR) to remain unchanged at 3.25% for the remainder of 2018. Investors' appetite return on Ringgit government bonds/sukuk 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

- (1) MIDF Amanah Bond Fund has been converted to MIDF Amanah Money Market Fund on 1 January 2011, including the conversion of fund from conventional to Islamic.
- (2) Based on the fund's portfolio returns as at 15Sep 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.

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 after the recent sell-offs due to portfolio repositioning. However, we might see a larger scale of foreign inflows if the emerging market risk appetite recovers strongly, but we do not expect any adjustments in official measures to encourage more foreign flows in the immediate term.

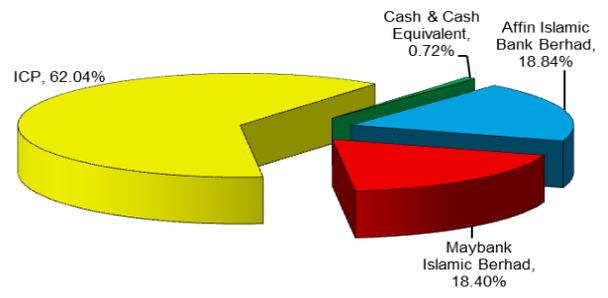
MGS/GII curve could potentially flatten further from current levels reinforcing our views that market players may extend duration further as domestic growth moderates couple with dimmer prospects on OPR adjustments. Demand will continue towards the GG and AA-segment and supported mainly by lifers and institutional investors. 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.

The Fund will continue investing in short term Islamic deposits.

#### LARGEST BANKS (as at September 30, 2018)

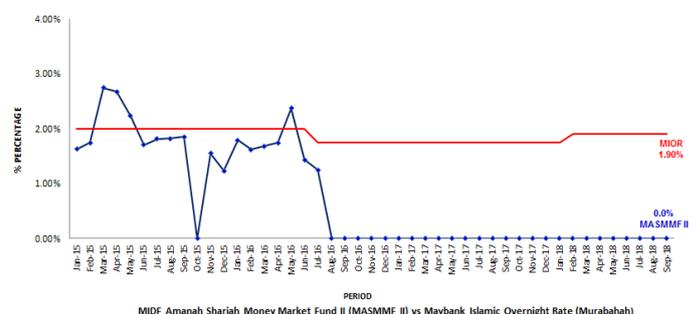
AFFIN ISLAMIC BANK BERHAD	18.84%
MAYBANK ISLAMIC BERHAD	18.40%

#### ASSET ALLOCATION (as at September 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 September 30, 2018)



#### CALENDAR YEAR RETURN % (as at September 30, 2018)

FUND	3M	6M	1YR	3YRS	5YRS
	-	-	-	0.92	2.69

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, October 08, 2018)

The name was changed to MIDF Amanah Shariah Money Market Fund II on 22 May 2018 due to