

Monthly Fund Fact Sheet as at 30 September 2020

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

OCTOBER 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 30 September 2020)

Fund size	RM8,033.353 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

Local government sukuk and bonds continue to stay resilient in 3Q 2020 with yields of the 3-year and 10-year MGS benchmark hovering around 1.99% and 2.67% level after hitting a fresh low of 1.83% and 2.40% in August.

GII/MGS yields have since corrected higher after BNM decided to maintain OPR rate at 1.75% at September's MPC meeting. BNM viewed that the current OPR level remains accommodative and supportive of the MYR sukuk/bond market.

Previously, there were some concerns over the FTSE Russell's decision on Malaysia's weightage in WGBI which saw some selling in September. However, GII/MGS yields turned attractive after the decision on 24th September to maintain Malaysia on watch list for another 6 months until March 2021.

Investment Outlook & Strategy

BNM in its last MPC meeting on 10th September 2020, left the OPR unchanged at 1.75%, citing more signs of recovery in growth outlook. The OPR cut in July fuelled the additional rally in MGS yields hitting all time low and a strong rally particularly along the long-end of the yield curve. However, momentum began to lose steam in mid-August due to profit taking activities followed by a rate pause in September.

We are of the view that Malaysia's rate cut cycle has probably come to the tail end, but the need for fiscal support remains strong. The less dovish policy tone also suggests BNM has no immediate plans for further rate cuts in the upcoming MPC meeting in November. However, the recent increase in COVID-19 cases may increase the odds for another rate cut as early as November unless a good economy recovery holds.

Meanwhile, as FTSE Russell maintained Malaysia's weightage in the WGBI on watch list for another 6 months until March 2021. We expect the positive catalyst from FTSE Russell's decision will infuse further market confidence on MYR sukuk/bond market.

The key focus now will be on Budget 2021 in November to address the delicate economic situation and news updates on the rising of COVID-19 infections nationwide. Although downside risk continues to persist, the reopening of economic activities is expected to provide further catalysts for economic recovery in the coming quarters.

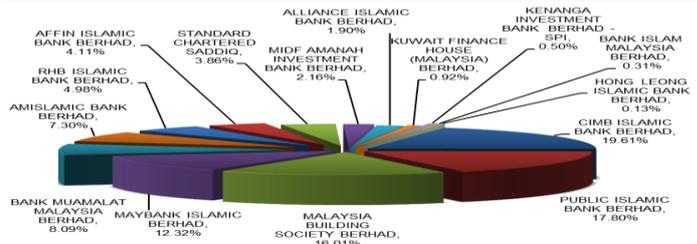
In view of the above, we expect the local sukuk/bond market to remain resilient. Factors supporting the local bond market are driven by abundant liquidity in the financial system; which are likely to keep the overall credit yield curve well anchored and supported.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at 30 September 2020)

CIMB ISLAMIC BANK BERHAD	19.61%
PUBLIC ISLAMIC BANK BERHAD	17.80%
MALAYSIA BUILDING SOCIETY BERHAD	16.01%
MAYBANK ISLAMIC BERHAD	12.32%
BANK MUAMALAT MALAYSIA BERHAD	8.09%

ASSET ALLOCATION (as at 30 September 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 30 September 2020)



CALENDAR YEAR RETURN % (as at 30 September 2020)

FUND	1M	3M	6M	YTD	1YR	3YRS	5YRS
	0.14	0.45	1.05	1.81	2.62	4.83	5.68

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, 12 October 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 Sept 2020, the volatility Factor (VF) for this fund is 0.47 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, 3rd Supplementary Master Prospectus dated 9 March 2020 and 4th Supplementary Master Prospectus dated 5 October 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.