

Monthly Fund Fact Sheet as at 31st August 2018

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

September 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 August 31, 2018)

| | |
|---------------------------|----------------------------------|
| Fund size | RM 0.456 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 bonds/sukuk ended the month positively amid expectation of weaker economy for the rest of the year. Government bonds/sukuk benchmark yields trended lower by 4 to 12 basis points (bps) across the tenor. Both the 10-year benchmark MGS and GII continued with a strong trading interest together with the short and medium-end off-the-runs as well. The 10-/3-years and 10-/5-years spread widened by 3 to 4 bps while 20-/3 years spread narrowed slightly by 1bps. Meanwhile, trading momentum showed a slight improvement in August with total volume of RM62.8 billion transacted compared to RM61.6 billion in the previous months.

During the month, BNM held 2 reopening auction for the 20-years GII and 15-years MGS benchmark with an issue size of RM3.0 billion and RM2.5 billion respectively. Both garnered a decent bid-to-cover ratio of 2.108 to 2.612 times, mainly demand supported by local interest.

Meanwhile, foreign holdings recovered in July as buying mode seems to have resumed but on cautious sentiment. Foreign funds turned net buyers with a net gain of RM4 billion in July. The return of foreign funds was in tandem with other regional government market after the major summer selloff. As of July 2018, foreign share of MGS holdings increased slightly to 40.5% from 40.1% in previous month and mainly driven by MGS.

As at end of August, the 3-, 5-, 7-, 10- and 15-years closed at 3.48%, 3.70%, 3.93%, 4.03% and 4.47% respectively. Similarly, the government investment issues (GII) also closed lower with the 3-, 5-, 7-, 10- and 15-years at 3.60%, 3.83%, 4.01%, 4.14% and 4.55% respectively.

Investment Outlook & Strategy

With 2Q 2018 growth fairly disappointing, market are expecting the overnight policy rate (OPR) to remain unchanged at 3.25% for the remainder of 2018. The neutral to dovish hint during the MPC meeting and low inflation should continue to support the underlying demand for MGS as seen in the recent rally of the 10-years MGS.

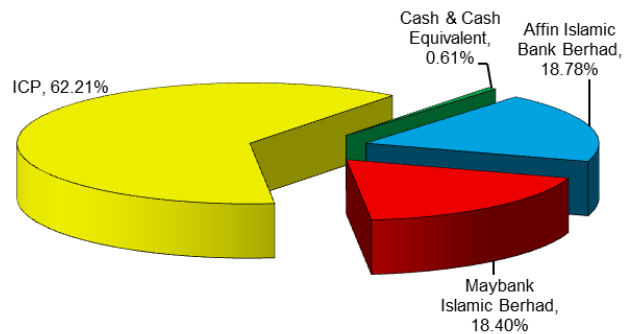
We foresee that the MGS/GII curve to potentially flatten further from current levels reinforcing our views that market players especially life insurance companies and pension funds may extend duration further as domestic growth moderates couple with dimmer prospects on OPR adjustments. Aside, a stable foreign reserves print and an improvement in foreign fixed income flows will continue to support MGS/GII sentiment in coming weeks ahead.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at August 31, 2018)

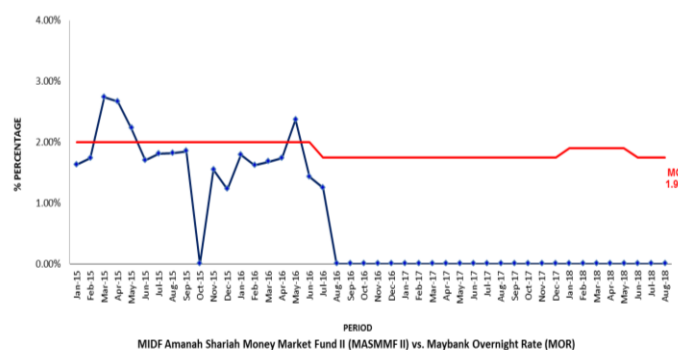
| | |
|---------------------------|--------|
| AFFIN ISLAMIC BANK BERHAD | 18.78% |
| MAYBANK ISLAMIC BERHAD | 18.40% |

ASSET ALLOCATION (as at August 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 August 31, 2018)



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

| | 3M | 6M | 1YR | 3YRS | 5YRS |
|------|----|----|-----|------|------|
| FUND | - | - | - | 0.92 | 2.70 |

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, September 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 15Aug 2018, the volatility Factor (VF) for this fund is 0.16 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.