

**Monthly Fund Fact Sheet as at 31 August 2020**

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

**SEPTEMBER 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 31 August 2020)**

Fund size	RM9,415.456 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**

Local government sukuk/bond market traded mix during the month with short-end GII/MGS benchmark yields tightening further as investors anticipate of another OPR cut in the next upcoming MPC meeting in September. Market players generally pricing in of another 25bps cut as efforts to spur domestic growth and support the economy. Meanwhile, the long-tenure GII/MGS benchmark yields inched up higher over the month as risk sentiment improved on the back of news on possible vaccine development.

The 3-year MGS benchmark yield saw eased 10bps to settle at a fresh low of 1.83% while the 10-year MGS yield settled 7bps higher to hover around 2.60%, resulting in a wider spread of 10vs3 to around 77bps compared to 60bps in previous month.

As of end August 2020, the 3-, 5- and 10-year MGS benchmark closed at 1.85%, 2.14% and 2.62%, respectively. Meanwhile, GII benchmark closed at 1.86%, 2.06% and 2.61%, respectively.

**Investment Outlook & Strategy**

BNM has reduced the OPR from 3.00% in January 2020 to a fresh low of 1.75% following the 25bps OPR cut during July MPC meeting. The move is deemed necessary to provide more accommodative easing and speedy recovery as the impact of COVID-19 continued to dent the country's economy activities. With inflation in negative territory and real interest rates at unprecedented highs, there is indeed policy space for further policy easing should downside risks to growth escalate. The next upcoming MPC meeting in September will likely be key influence for sukuk/bond market. We expect there will be another 25bps OPR cut for the remaining of the year to 1.50% following softer GDP print in 2Q 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 August 2020, the volatility Factor (VF) for this fund is 0.48 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, 1<sup>st</sup> Supplementary Master Prospectus dated 26 July 2017, 2<sup>nd</sup> Supplementary Master Prospectus dated 22 May 2019 and 3<sup>rd</sup> Supplementary Master Prospectus dated 9 March 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.

The key event risk will be on the upcoming FTSE Russell September review. Markets remain cautious on the FTSE Russell decision on Malaysia bond weightage in the WGBI which is scheduled for 24 September 2020. We expect no exclusion in September as we see FTSE Russell acknowledges BNM efforts BNM in enhancing MYR bond market liquidity. Given the current backdrop of benign inflation and slower growth prospects, MYR sukuk/bond market will remain buoyant on the back of onshore strong support.

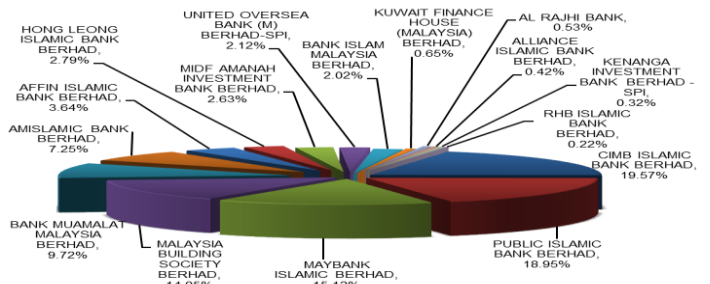
In view of the above, we expect the local sukuk/bond market to remain resilient. Factors supporting the local bond market are still abundant liquidity in the financial system; which are likely to keep the overall credit yield curve well anchored and supported.

The Fund will continue investing in short term Islamic deposits.

**LARGEST BANKS (as at 31 August 2020)**

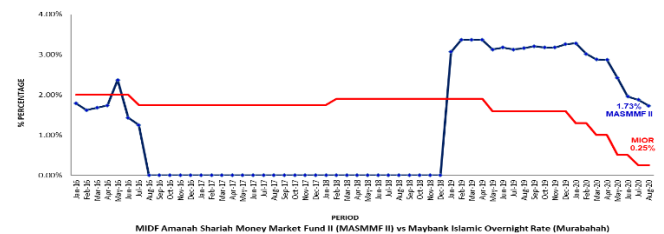
CIMB ISLAMIC BANK BERHAD	19.57%
PUBLIC ISLAMIC BANK BERHAD	18.95%
MAYBANK ISLAMIC BERHAD	15.12%
MALAYSIA BUILDING SOCIETY BERHAD	14.05%
BANK MUAMALAT MALAYSIA BERHAD	9.72%

**ASSET ALLOCATION (as at 31 August 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 31 August 2020)**



**CALENDAR YEAR RETURN % (as at 31 August 2020)**

	1M	3M	6M	YTD	1YR	3YRS	5YRS
<b>FUND</b>	<b>0.14</b>	<b>0.46</b>	<b>1.15</b>	<b>1.67</b>	<b>2.74</b>	<b>4.68</b>	<b>5.65</b>

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, 7 Sept 2020)