Monthly Fund Fact Sheet as at 31st March 2018

MIDF AMANAH SHARIAH MONEY MARKET FUND

April 2018

FUND OBJECTIVE

The objective of the fund is to provide investors with a regular income stream over the short to medium term that complies with Shariah requirements whilst maintaining capital stability.

THE FUND IS SUITABLE FOR INVESTORS WHO:

Who seek regular income that complies with Shariah requirements with capital stability; have short to medium-term investment horizon; and have low risk tolerance.

FUND DETAILS (as at March 31, 2018)

Fund size	RM 400.298 million
Unit NAV	RM 0.5000
Fund Inception	1 April 2004
Financial Year End	15th day of October
Management Fee	0.2% p.a. of the NAV of the Fund
Trustee Fee	Up to 0.05% p.a. of NAV subject to a minimum fee of RM18,000 p.a.
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 closed weaker in February. MGS/GII yields continued to steepen with yields at the long-end of the curve rising higher. The weak sentiment was further dampened by weaker global bond sentiment following the sell-off in the UST market amid heightened expectations of further rate hikes in 2018. Fed Chair Powell's hawkish comments reaffirmed the view of Fed policy normalization and a more aggressive pace of interest hike, which triggered the sell-off of emerging market's government bonds.

Buying demand in the local market also dampened amid shortened month due the festive CNY holiday season and also affected by the release of upbeat 4Q17 GDP of 5.9% y-o-y, though moderated from 6.2% in the last quarter.

Meanwhile, demand for government auctions were relatively softer in February compared from previous month. Total MGS/GII issued was a tad lower to RM640.8 billion in February from RM641.2 billion in the previous month. The decline was mainly due to higher redemption amount during the month.

The MGS market closed higher by 2 to 7 basis points (bps) across the tenor. The 3-, 7-, 10- and 15-years last traded at 3.40%, 3.94%, 4.03% and 4.47% whilst the 5-y traded slightly lower at 3.62%. Similarly, the government investment issues (GII) also closed higher by 1 to 6 bps. The 3-y, 7-y, 10-y and 15-y closed at 3.59%, 4.11%, 4.23% and 4.59% respectively.

Investment Outlook & Strategy

The recent rise in the UST yields was a reflective of heightened expectations of interest rate hikes and inflationary pressures. Despite outlook for four rate hikes for 2018, we expect upside for UST yields to be capped in the near term on the back of safe haven demand. The US policymakers appeared to gained more confidence regarding the US economy following a series of strong economic data, with manufacturing sector growth hovering near historical high and strong labour market. Meanwhile, new Fed Chair Jerome Powell, in his first congressional testimony hinted of a possible revision of the Fed's economic and interest rate projections in the upcoming policy meeting on March 20-21.

Other concern on investors' radar was the forthcoming bond oversupply from the US government as it surpassed a budget deal to increase spending by nearly USD 300 million. This could put further pressure on UST yields to trade higher.

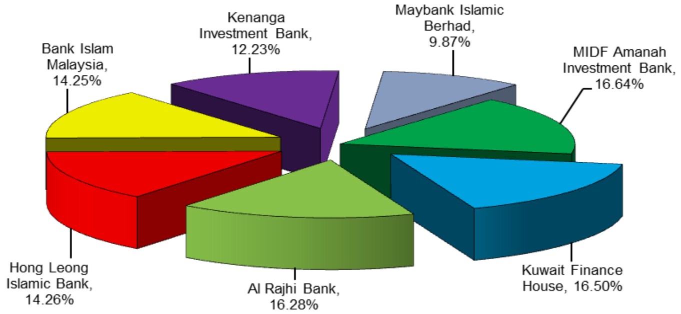
Meanwhile in the domestic market, local bond/sukuk market should see support in the short term period on the back of stable MYR and supportive macro data. Buying demand may continue but along the belly of the yield curve amid anticipation of no rush hikes by Bank Negara Malaysia (BNM). Having said, we anticipate market players to stay cautious in view of rising UST yields and a softer ringgit. Similarly, we also anticipate subdued trading in the corporate secondary market as investors will be cautious and tapping the market on selective names. Demand remains on both AAA and AA-rated papers amid liquidity factor and yield requirements.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at March 31, 2018)

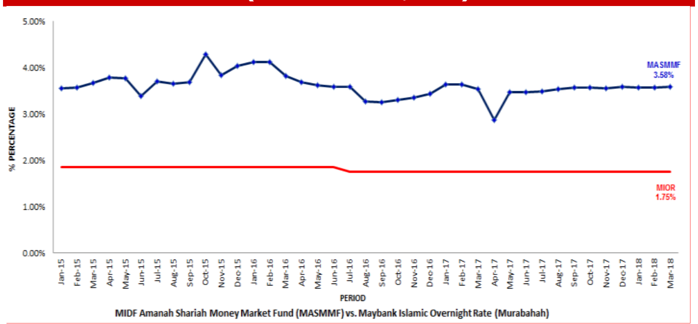
MIDF AMANAH INVESTMENT BANK BERHAD	16.64%
KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD	16.50%
AL RAJHI BANK	16.28%
HONG LEONG ISLAMIC BANK BERHAD	14.26%
BANK ISLAM	14.25%

ASSET ALLOCATION (as at March 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 March 31, 2018)



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

	3M	6M	1YR	3YRS	5YRS
FUND	0.89	1.78	3.47	10.81	15.56

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, April 9, 2018)

(1) MIDF Amanah Islamic Bond Fund has been converted to MIDF Amanah Shariah Money Market Fund on 1 January, 2011.
(2) Based on the fund's portfolio returns as at 15 March 2018, the volatility Factor (VF) for this fund is 0.08 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.