

Monthly Fund Fact Sheet as at 31st December 2017

MIDF AMANAH SHARIAH MONEY MARKET FUND

January 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 December 31, 2017)

Fund size	RM 360.561 million
Unit NAV	RM 0.5000
Fund Inception	1 April 2004
Financial Year End	15 th 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

There were renewed interests of ringgit government bonds/sukuk in November 2017 following the net inflow of RM5.2 billion on the back of firmer ringgit, a lower-than-expected CPI and a positive outlook on Malaysia's economy. Trading volume improved with RM63.7 billion transacted again M39.3 billion recorded in October 2017.

Overall, the benchmark MGS yield curve shifted lower by 1 to 7 bps in November with the 10-years traded lower at 3.89% from 3.90% in previous month. However, the GII 10-years traded higher by 12bps to 4.27% from 4.15% in previous month.

Foreign holdings of MGS increased in November 2017 to 44.3% of total outstanding from 42.7% in October 2017. The increased in foreign holdings were spurred by the outperformance of the ringgit as it reach a new highs in 2017. However, foreign holdings in GII fell to 6.8% in November from 7.4% in October 2017, mainly driven by higher matured GII compared to none in previous month.

On monthly basis, MGS 3-, 5- 7- and 10-years trended lower at 3.40% (-5bps), 3.60% (-7bps), 3.90% (-3bps) and 3.89% (-1bps). Conversely, the GII-segment traded higher across the tenor by 3 to 12bps except 3-years trended lower by 3bps. The 3-, 5-, 7- and 10-years GII benchmark closed at 3.48% (-3bps), 3.88% (+7bps), 4.09% (+3bps) and 4.27% (+12bps) respectively.

Investment Outlook & Strategy

Going into 2018, we expect market players to remain watchful on developments of US tapering plans, the impact and the implications and further interest rate normalization. Domestically, we expect bond yields could sustain the pressure from interest rate hike on the ample liquidity and on the back of positive economic growth outlook. In addition, we think that the current MGS levels has somewhat been priced-in for a potential rate hike especially along the end of the yield curve. Hence, we expect to see increase in bond yields only in the event of any policy rate adjustments.

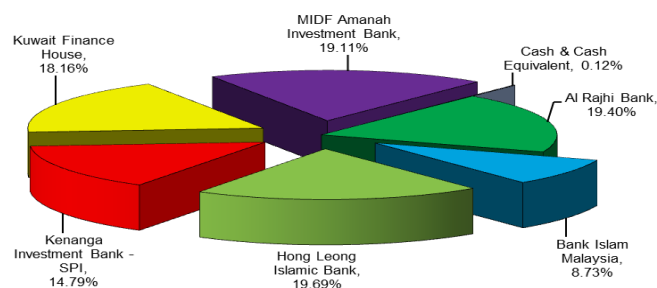
Meanwhile, corporate bonds/sukuk will still be a net buyer despite expectations of higher interest rate going forward. We expect players to stay along the short-end of the yield curve at least until end of 2018 amid cautious sentiment. Overall, we think corporate bond/sukuk prices are supported amid high liquidity, hence will reinforce demand for corporate bonds/sukuk. Demand for primary offerings remains strong and well supported with interests slanted towards AAA and AA-rated names.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at December 31, 2017)

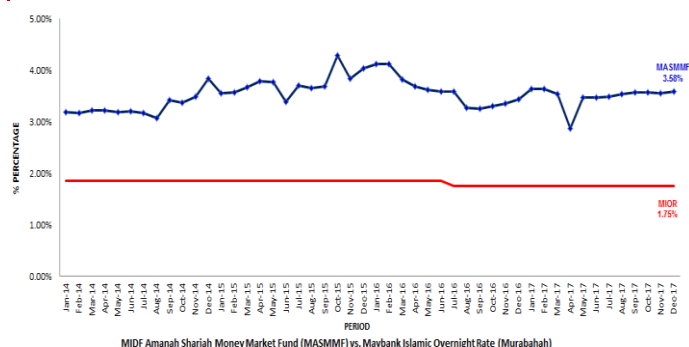
	%
HONG LEONG ISLAMIC BANK BERHAD	19.69%
AL RAJHI BANK	19.40%
MIDF AMANAH INVESTMENT BANK BERHAD	19.11%
KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD	18.16%
KENANGA INVESTMENT BANK - SPI	14.79%

ASSET ALLOCATION (as at December 31, 2017)



*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 December 31, 2017)



CALENDAR YEAR RETURN % (as at December 31, 2017)

	3M	6M	1YR	3YRS	5YRS
FUND	0.89	1.77	3.48	10.83	-

Source: MIDF Amanah's Internal data

(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 December 2017, the volatility Factor (VF) for this fund is 0.24 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, and 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.