

Monthly Fund Fact Sheet as at 31st December 2018 MIDF AMANAH SHARIAH MONEY MARKET FUND

January 2019

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 principles 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, 2018)

Fund size	RM 230.254 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 0.02% 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 sukuk/bonds maintained on steady path towards end of 2018. Players remained focus on risk to growth and lessening pressure of central bank tightening. Overall benchmark yields fell with the MGS curve mirroring the bull flattening in the UST curve. The 10-/3-years widened 1 bps from 44 bps to 45 bps.

Net buying interest was mainly focus on the benchmark papers with support along the long end of yield curve. The positive momentum was in tandem with recent rally in UST and in an absence of upbeat inflation data. Traded volume jumped almost 55% at the start of the week but volume declined toward end of the month as investors were mostly away for year-end festive holidays.

Overall, both MGS and GII benchmark yields trended lower month-on-month by 6 bps to 10 bps and 2 bps to 9 bps lower respectively. The MGS 3-, 5-, 7- 10- and 15-years closed at 3.62%, 3.76%, 3.99%, 4.07% and 4.45% respectively. Similarly, the GII-segment also closed lower at 3.70%, 3.85%, 4.08%, 4.24% and 4.59% respectively.

Investment Outlook & Strategy

Economic outlook for Malaysia is expected to slow in 2019. Macro growth is expected to continue its underwhelming trajectory in 2019. Recent macro trend points to a softer growth in the near term. The 3Q2018's real GDP came in below market consensus at 4.4% y-o-y from +4.5% in 2Q2018 and +5.4% in 1Q2018 amid drag from the weaker external sectors.

Domestic demand will continue to provide some relief to the economy with private consumption is expected to continue supporting headline growth in view of stable labour market. The fiscal deficit for 2018 is forecast at 3.7% of GDP and 3.4% in 2019. There is risk on the fiscal outlook as the higher-than-expected fiscal debt positions raise concerns about the possibility of negative rating actions on Malaysia.

Deficit targets are achievable if oil prices and growth remain favourable. If Brent crude oil prices remain above USD60 per barrel and GDP growth is in the range of 4.5% to 5.5% in the next two years, the budget deficit is likely to moderate to 3.0% of GDP by 2020.

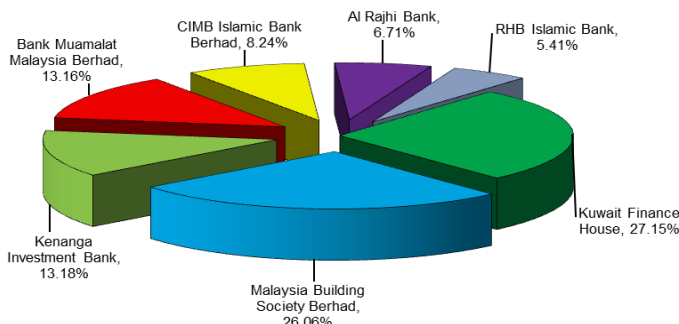
On the monetary front, BNM has maintained the OPR at 3.25% since January 2017, a level that justifies the growth and inflation trend in the last one year. Inflation has slowed considerably in the last 11 months, mainly due to the fixed prices of Ron95 and diesel in 2H2018 as well as the zerorisation of GST in 3Q2018. Going forward, inflation is expected to be kept below 3.0% in anticipation of a moderate growth in domestic demand in 2019.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at December 31, 2018)

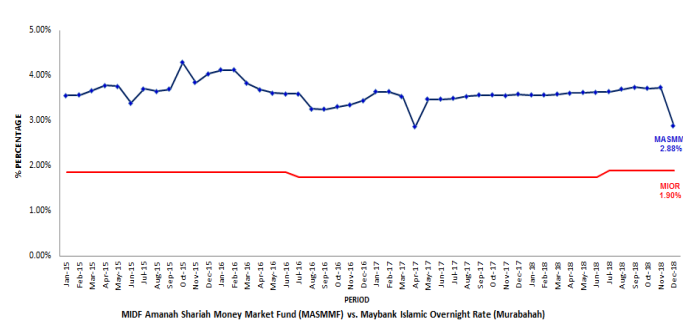
KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD	27.15%
MALAYSIA BUILDING SOCIETY BERHAD	26.06%
KENANGA INVESTMENT BANK	13.18%
BANK MUAMALAT MALAYSIA BERHAD	13.16%
CIMB ISLAMIC BANK BERHAD	8.24%

ASSET ALLOCATION (as at December 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 December 31, 2018)



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

	3M	6M	1YR	3YRS	5YRS
FUND	0.86	1.78	3.58	10.66	17.18

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, January 14, 2019)

(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 Dec 2018, the volatility Factor (VF) for this fund is 0.18 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.