

Monthly Fund Fact Sheet as at 28th February 2018

MIDF AMANAH SHARIAH MONEY MARKET FUND

March 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 February 28, 2018)

Fund size	RM 423.259 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

Ringggit government bonds/sukuk started off the year in 2018 on firmer footing on the back of stronger MYR against US Dollar (USD), but came under pressure in the second half of January. Traded yields were broadly higher at end-January amid cautious trading sentiment due to the heightened expectations of interest rate hike.

As widely expected, Bank Negara (BNM) hiked Overnight Policy Rate (OPR) by 25 bps to 3.25% in January 2018. Post OPR, bond yields rose moderately circa 3-7 bps month-on-month as foreign inflow into MGS supported the space. MYR also gained about 4.00% against the USD, supported by expectation of OPR hike, higher oil prices and improved sentiment towards Malaysian assets. Interests were mainly skewed to the short-end off-the-benchmark papers along the 2018-2022 tenor.

During the month, BNM conducted 3 auctions with a total of RM10.5 billion inclusive of private placements. Demand remained resilient, recorded bid-to-cover ratio of record highs for similar issues since 2016. Buying interest was primarily supported by the upbeat performance of the ringgit and firmer global crude oil prices.

On a monthly basis, the MGS yield curve bearish steepened, with both the 20-y/3-y and 10-y/3-y spreads widened by 4 bps and 3 bps respectively to 126 bps and 61 bps respectively. As of closed, the 3-y to 20-y traded 3bps to 11bps higher at 3.35% (3y), 3.64% (5y), 3.96% (10y), 4.42% (15y) and 4.61% (20y), respectively.

Investment Outlook & Strategy

Despite looming risks of Fed normalization, the ringgit government bonds/sukuk market remains supported by onshore real money investors. The healthy demand from offshore investors is on the back of a stronger ringgit with USD/MYR seen dipping to below RM4.00.

Going forward, market players are expected to stay vigilant, watching closely developments on US tapering plans, impact and the implications and further interest rate normalization.

We opine the bond yields could sustain pressure from interest rate hike on the back of ample liquidity and positive economic growth outlook.

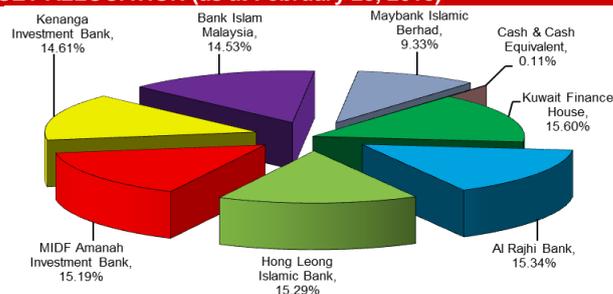
Meanwhile, corporate bonds/sukuk will still be a net buyer despite expectations of higher interest rate going forward. However, we expect player to react with caution and to stay along the short-end of the yield curve amid cautious sentiment. Demand for primary issuances remains healthy as investors continue to seek and willing to move down the credit curve for a better yield pick-up.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at February 28, 2018)

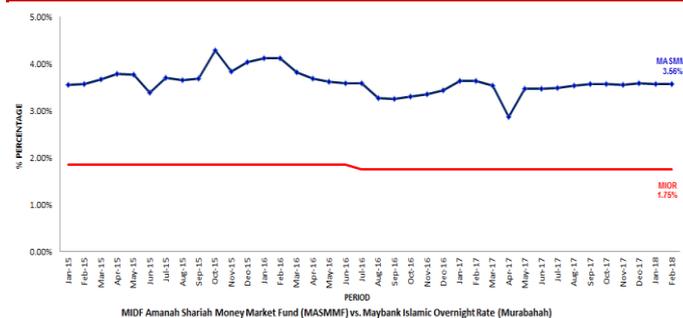
	%
KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD	15.60%
AL RAJHI BANK	15.34%
HONG LEONG ISLAMIC BANK BERHAD	15.29%
MIDF AMANAH INVESTMENT BANK BERHAD	15.19%
KENANGA INVESTMENT BANK – SPI	14.61%

ASSET ALLOCATION (as at February 28, 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 February 28, 2018)



CALENDAR YEAR RETURN % (as at February 28, 2018)

	3M	6M	1YR	3YRS	5YRS
FUND	0.89	1.78	3.47	10.83	15.50

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, February 12, 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 February 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.

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.