

## Monthly Fund Fact Sheet as at 30<sup>th</sup> April 2018

### MIDF AMANAH SHARIAH MONEY MARKET FUND

May 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 April 30, 2018)

Fund size	RM 367.532 million
Unit NAV	RM 0.5000
Fund Inception	1 April 2004
Financial Year End	15 <sup>th</sup> 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/sukuk was well supported in March following lower-than-expected February CPI, unchanged OPR and the firmer ringgit. Total turnover for local government bonds/sukuk increased to RM61.8 billion in March compared to RM47.2 billion in previous month.

Traded yields continued to fell amid increased in safe haven demand as concerns of a US-China trade war mounted. MGS yield curve flattened month-on-month as long yields of the 10-/3-yr and 20-/3-yr spread edged lower by 12 to 14 bps to 50 bps and 109 bps respectively. As end of March, MGS 10-years settled 9 bps lower at 3.94%, whilst the MGS 3-years closed the day 5 bps higher at 3.45%.

Meanwhile, foreign investors turned net buyers of local government bonds, elevated by a less hawkish stance adopted by the FED in its March FOMC meeting. Foreign flows were also buoyed by the stronger ringgit and firmer crude oil prices during the month. As at March, the total foreign holdings of MGS stood at 45.6% compared to 45.4% in February 2018.

On the economic front, Malaysia's CPI increased 1.4% y-o-y in February, after a 2.7% rise in the prior month while market estimated a 1.9% gain. The lower inflation rate was mainly due to a slowdown in cost of food and non-alcoholic beverages and housing while prices of transport fell sharply.

#### Investment Outlook & Strategy

Global bond market was in a turbulence quarter for bond investors in 1Q 2018. As widely expected, the Fed raised rates by 25bps to from 1.50% to 1.75% in March 2018 FOMC meeting. The US policymakers are maintaining view on interest rate normalization with another 2 rounds of 25bps hike each (total 3 hikes in 2018). Fed Chairman, Jerome Powell resonate a more upbeat tone on US growth optimism, citing that the US job market remains strong with the US economy expected to expand and inflation gradually moving towards the FOMC's target level of 2.0%. Despite the Fed interest rate policy normalization for 2018, we expect UST yield curve may maintain a flattening stance with the pace of short-end tenure to move up slower whilst the longer-end remains anchored at current level.

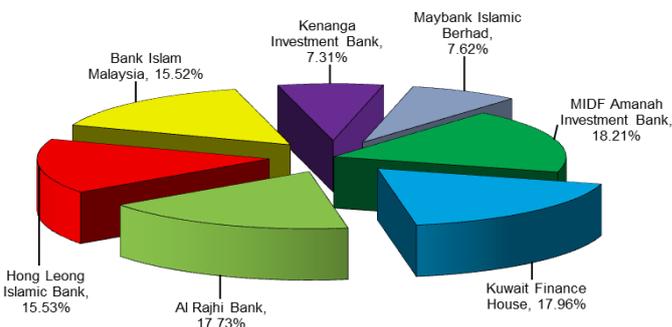
Meanwhile in the domestic market, local bond/sukuk market should see support in the short term period on the back of stable Ringgit and supportive macro data. Buying demand may continue but along the belly of the yield curve amid anticipation of no rush hikes by Bank Negara Malaysia (BNM). Having said, we anticipate market players to stay cautious and watching closely developments in the US on the ongoing global trade tariff issues with China, tapering impact and implications from additional issuances to fund federal deficit due to US tax cuts. However, with BNM expected to stay pat on rates, local bond/sukuk may be less sensitive to any UST sell-off. We also anticipate subdued trading in the corporate secondary market as investors will be cautious ahead of GE14 election. Demand remains on both AAA and AA-rated papers on selective names amid liquidity factor and yield requirements.

The Fund will continue investing in short term Islamic deposits.

#### LARGEST BANKS (as at April 30, 2018)

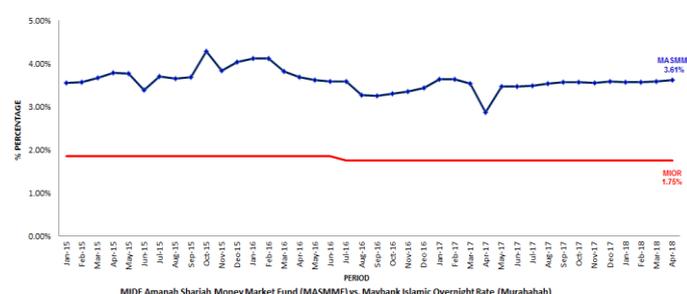
MIDF AMANAH INVESTMENT BANK BERHAD	18.21%
KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD	17.96%
AL RAJHI BANK	17.73%
HONG LEONG ISLAMIC BANK BERHAD	15.53%
BANK ISLAM	15.52%

#### ASSET ALLOCATION (as at April 30, 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 April 30, 2018)



#### CALENDAR YEAR RETURN % (as at April 30, 2018)

	3M	6M	1YR	3YRS	5YRS
<b>FUND</b>	<b>0.89</b>	<b>1.79</b>	<b>3.54</b>	<b>10.80</b>	<b>15.91</b>

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, May 14, 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 April 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.