

Monthly Fund Fact Sheet as at 31 August 2020
MIDF AMANAH SHARIAH MONEY MARKET FUND

SEPTEMBER 2020

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 31 August 2020)

Fund size	RM115.395million
Unit NAV	RM 1.0000
Fund Inception	1 April 2004
Financial Year End	15 th day of October
Management Fee	0.1% 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

Local government sukuk/bond market traded mix during the month with short-end GII/MGS benchmark yields tightening further as investors anticipate of another OPR cut in the next upcoming MPC meeting in September. Market players generally pricing in of another 25bps cut as efforts to spur domestic growth and support the economy. Meanwhile, the long-tenure GII/MGS benchmark yields inched up higher over the month as risk sentiment improved on the back of news on possible vaccine development.

The 3-year MGS benchmark yield saw eased 10bps to settle at a fresh low of 1.83% while the 10-year MGS yield settled 7bps higher to hover around 2.60%, resulting in a wider spread of 10vs3 to around 77bps compared to 60bps in previous month.

As of end August 2020, the 3-, 5- and 10-year MGS benchmark closed at 1.85%, 2.14% and 2.62%, respectively. Meanwhile, GII benchmark closed at 1.86%, 2.06% and 2.61%, respectively.

Investment Outlook & Strategy

BNM has reduced the OPR from 3.00% in January 2020 to a fresh low of 1.75% following the 25bps OPR cut during July MPC meeting. The move is deemed necessary to provide more accommodative easing and speedy recovery as the impact of COVID-19 continued to dent the country's economy activities. With inflation in negative territory and real interest rates at unprecedented highs, there is indeed policy space for further policy easing should downside risks to growth escalate. The next upcoming MPC meeting in September will likely be key influence for sukuk/bond market. We expect there will be

another 25bps OPR cut for the remaining of the year to 1.50% following softer GDP print in 2Q 2020.

The key event risk will be on the upcoming FTSE Russell September review. Markets remain cautious on the FTSE Russell decision on Malaysia bond weightage in the WGBI which is scheduled for 24 September 2020. We expect no exclusion in September as we see FTSE Russell acknowledges BNM efforts BNM in enhancing MYR bond market liquidity. Given the current backdrop of benign inflation and slower growth prospects, MYR sukuk/bond market will remain buoyant on the back of onshore strong support.

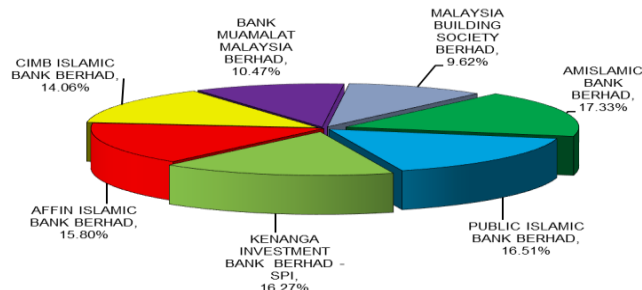
In view of the above, we expect the local sukuk/bond market to remain resilient. Factors supporting the local bond market are still abundant liquidity in the financial system; which are likely to keep the overall credit yield curve well anchored and supported.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at 31 August 2020)

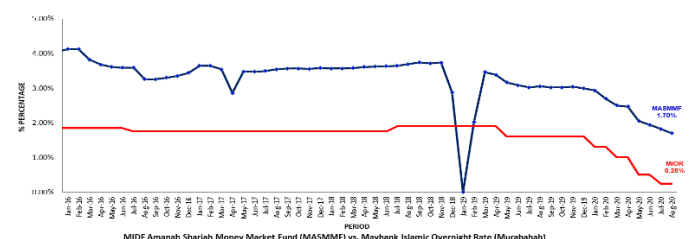
AMISLAMIC BANK BERHAD	17.33%
PUBLIC ISLAMIC BANK BERHAD	16.51%
KENANGA INVESTMENT BANK BERHAD - SPI	16.27%
AFFIN ISLAMIC BANK BERHAD	15.80%
CIMB ISLAMIC BANK BERHAD	14.06%

ASSET ALLOCATION (as at 31 August 2020)



*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 31 August 2020)



CALENDAR YEAR RETURN % (as at 31 August 2020)

	1M	3M	6M	YTD	1YR	3YRS	5YRS
FUND	0.14	0.46	1.04	1.51	2.51	9.05	15.95

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, 7 Sept 2020)

(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 10 August 2020, the volatility Factor (VF) for this fund is 0.28 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, 1st Supplementary Master Prospectus dated 26 July 2017, 2nd Supplementary Master Prospectus dated 22 May 2019 and 3rd Supplementary Master Prospectus dated 9 March 2020 have 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.