



United Islamic Cash Fund

**Quarterly Report
30 September 2018**

UNITED ISLAMIC CASH FUND

GENERAL INFORMATION ABOUT THE FUND

Commencement Date

United Islamic Cash Fund ("Fund") was launched on 25 April 2016 and the initial offer period was 1 day. The Fund commenced investment on 26 April 2016.

Fund Category and Type

Fund Category - Money Market (Islamic Wholesale)

Fund Type - Income

Investment Objective and Strategy

Objective of the Fund

The Fund seeks to provide investors with income¹ and liquidity² by investing in Islamic money market instruments and/or placement of Islamic deposits.

Note:

¹ Unless otherwise indicated by unit holders, income distribution (if any) will be in the form of units.

² Liquidity means that investors will receive their redemption proceeds next business day after redemption application is received by the Manager (i.e. UOB Asset Management (Malaysia) Berhad) on or before the cut-off time .

Strategy

The Fund seeks to achieve its investment objective by investing 100% of its Net Asset Value ("NAV") in Islamic money market instruments and/ or placement of Islamic deposits with financial institutions which have a maturity period of not more than 366 days.

For the Fund's investment in Islamic money market instruments, the credit rating of the Islamic money market instruments will be at least A3/P2 as rated by RAM Rating Services Berhad ("RAM") or its equivalent credit rating by Malaysian Rating Corporation Berhad ("MARC") or any other recognized local rating agencies at the point of purchase.

In the absence of a credit rating for the Islamic money market instrument, the Manager would use the credit rating of the financial institution issuing the instrument.

In order to achieve the investment objective, the Manager may also invest up to 100% of the Fund's NAV in a single financial institution or with multiple financial institutions.

Asset Allocation

100% of the Fund's NAV in Islamic money market instruments and/or Islamic deposits with financial institutions which have a maturity period of not more than 366 days.

Performance Benchmark

With effect from 14 July 2016, the performance benchmark of the Fund is Bank Negara Malaysia Islamic Interbank Overnight Rate.

Prior to 14 July 2016, the performance benchmark of the Fund was 1-month General Investment Account ("GIA") rate by Malayan Banking Berhad.

Permitted Investments and Restrictions

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there is no inconsistency with the objective of the Fund, the Fund's permitted investments are:

- (1) Placement of Islamic deposits with financial institutions;
- (2) Islamic money market instruments issued by financial institutions such as Islamic accepted bills, Islamic negotiable instruments, where the instruments carry a minimum credit rating of A3/P2 by RAM or an equivalent credit rating by MARC or any other recognized local rating agencies at the point of purchase. In the absence of a credit rating for the instrument, the Manager would use the credit rating of the financial institution issuing the instrument;
- (3) General Investment Accounts with financial institutions; and
- (4) Any other Shariah-compliant investments as may be advised by the Shariah Adviser or the Shariah committee and agreed upon between the Manager and the Trustee from time to time.

The permitted investments of the Fund as stated above are subject to the following restriction:-

All investments made by the Fund must be Shariah-compliant.

Fund Distribution Policy

Subject to the availability of income, distribution will be made monthly.

Mode of Distribution

Distribution (if any) will be automatically reinvested into the unit holder(s)' accounts in the form of additional units in the Fund at no cost.

The number of units will be computed based on the NAV per unit on the day the distribution is declared ("distribution date") and the reinvestment will be made on the first business day immediately following the distribution date.

MANAGER'S REPORT – UNITED ISLAMIC CASH FUND QUARTERLY REPORT (1 JULY 2018 – 30 SEPTEMBER 2018)

Market Review

Money market rates traded flat across the board during the period under review. Local government debts traded higher in July and August on buying interest from local and foreign institutional investors coupled with the release of the weaker-than-expected 2Q2018 Gross Domestic Product ("GDP") number. Subsequently, bonds traded lower in September with some profit taking activities after recent gains.

Malaysia's 2Q2018 GDP growth slowed more than expected to 4.5% from 5.4% registered in 1Q2018 amid supply disruptions in the mining sector and lower agriculture production. On the demand side, private sector activity expanded by 7.5% underpinned by private consumption which grew at a stronger pace of 8.0%.

Bank Negara Malaysia ("BNM") decided to maintain the Overnight Policy Rate ("OPR") at 3.25% at its monetary policy meeting in September. The central bank sees increasing risk to global growth arising from various external uncertainties. Going forward, Malaysia's growth is expected to be supported by private sector spending. On inflation, BNM expects the inflation to remain relatively stable. The central bank views the current degree of monetary accommodativeness to be consistent with its policy stance.

The Ringgit depreciated by 2.4% against the United States dollar ("USD") during the period amid heightened global trade tensions and selloff in emerging markets. USD/ Ringgit Malaysia ("MYR") last traded at 4.1383 from the opening of 4.0385.

At the end of the period, the overnight, 1-month, 3-months, 6-months and 12-months rates last quoted at 3.23%, 3.41%, 3.67%, 3.78% and 3.88% respectively

Source: UOB Asset Management (Malaysia) Berhad (UOBAM(M))

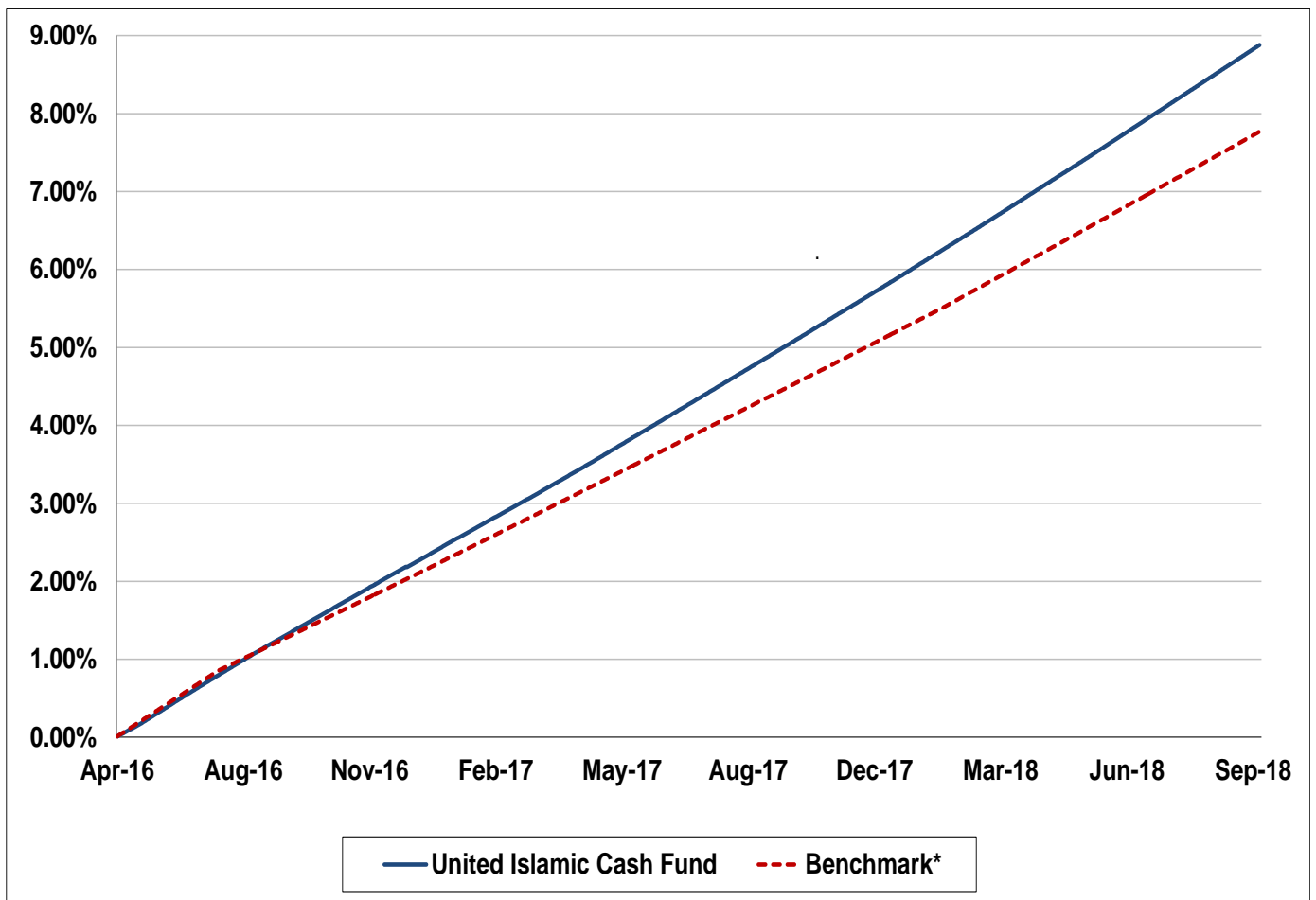
Performance Review

During the period under review, the Manager invested the funds in Islamic term deposits with financial institutions to generate consistent income streams. At the end of the period, the Fund has achieved its objectives of providing investors with reasonable returns and adequate level of liquidity. At the end of the period, the Fund managed to register a holding period return of 0.93% as compared to the benchmark return of 0.80%.

Source: UOBAM(M)

PERFORMANCE DATA (as at 30 September 2018)

	1 month	3 months	6 months	12 months	YTD	Since commencement (26 April 2016)
United Islamic Cash Fund	0.30%	0.93%	1.84%	3.65%	2.74%	8.88%
Benchmark*	0.26%	0.80%	1.59%	3.13%	2.36%	7.77%



* Benchmark (Since launch to 13 July 2016) - 1 month GIA rate by Malayan Banking Berhad

* Benchmark (With effect from 14 July 2016) - Bank Negara Malaysia Islamic Interbank Overnight Rate

Source: UOBAM(M) as at 30 September 2018

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

FINANCIAL REVIEW

For the quarter under review, the Fund reported a total investment income of RM 26.38 million comprising profit income. After taking into consideration the Fund's expenses, the Fund achieved a net income of RM 24.64 million.

PORTFOLIO STRUCTURE

As at 30 September 2018, the Fund was 80.97% invested in Islamic deposits and 19.03% invested in GIA.

ASSET ALLOCATION

The asset allocation of the Fund as at balance sheet date was as follows:

	As at 30 September 2018 % of NAV
1) Islamic deposits with financial institutions:	
Affin Islamic Bank Berhad	17.47
Bank Islam Malaysia Bhd	1.92
Bank Kerjasama Rakyat Malaysia Berhad	17.77
Hong Leong Islamic Bank Bhd	13.46
Malayan Banking Berhad	7.76
Public Bank Islamic	1.46
RHB Islamic Bank Berhad	14.64
United Overseas Bank (Malaysia) Bhd	6.49
	<u>80.97</u>
2) Investment account:	
Bank Islam Malaysia Bhd	18.48
3) Cash & Net Assets	<u>0.55</u>
	<u>100.00</u>

The asset allocation was reflective of the Fund's objective of providing investors with income and liquidity.

FUND SIZE

As at 30 September 2018, the Fund's units in circulation stood at 2,464.82 million units.

Fund Size	As at 30 September 2018
Net Asset Value (RM million)	2,464.82
Units In Circulation (million)	2,464.82
Net Asset Value Per Unit (RM)	1.0000

SHARIAH ADVISER'S REPORT

TO THE UNITHOLDERS OF UNITED ISLAMIC CASH FUND

We have acted as the Shariah Adviser of United Islamic Cash Fund. Our responsibility is to ensure that the procedures and processes employed by UOB Asset Management (Malaysia) Berhad ("the Manager") are in accordance with Shariah principles.

In our opinion, the Manager has managed and administered United Islamic Cash Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial period ended 30 September 2018.

In addition, we also confirm that the investment portfolio of United Islamic Cash Fund comprises instruments which have been classified as Shariah-compliant by the Shariah Advisory Council of Bank Negara Malaysia ("SACBNM"). As for the instruments which are not classified as Shariah-compliant by the SACBNM, we have reviewed the said instruments and opine that these instruments are designated as Shariah-compliant.

For and on behalf of the Shariah Adviser
IBFIM

NAZMI ASHRAF BIN MOHD NAZIM

Consultant (Shariah)/ Designated Person Responsible for Shariah Advisory

Kuala Lumpur

UNITED ISLAMIC CASH FUND**STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2018**

	Note	30.09.2018 RM	31.12.2017 RM
ASSETS			
Islamic deposits with licensed financial institutions	1	1,995,876,658	1,618,457,186
Investment accounts with a licensed financial institution	1	455,495,267	381,927,472
Profit receivables from Islamic deposits with licensed financial institutions		16,290,368	13,769,590
Profit receivables from investment accounts with a licensed financial institution		5,386,270	2,179,377
Cash at bank		111,632	60,624
TOTAL ASSETS		<u>2,473,160,195</u>	<u>2,016,394,249</u>
LIABILITIES			
Amount due to Manager		530,219	455,337
Amount due to Trustee		15,906	13,660
Accruals		20,999	52,255
Distribution payable		7,773,113	6,405,324
TOTAL LIABILITIES		<u>8,340,237</u>	<u>6,926,576</u>
UNITHOLDERS' EQUITY			
Unitholders' capital		<u>2,464,819,958</u>	<u>2,009,467,673</u>
TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS		<u>2,464,819,958</u>	<u>2,009,467,673</u>
TOTAL EQUITY AND LIABILITIES		<u>2,473,160,195</u>	<u>2,016,394,249</u>
UNITS IN CIRCULATION		<u>2,464,819,958</u>	<u>2,009,467,673</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0000</u>	<u>1.0000</u>

The accompanying notes form an integral part of the unaudited financial statements.

UNITED ISLAMIC CASH FUND

**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER OF 1 JULY 2018 TO 30 SEPTEMBER 2018**

	Note	01.07.2018 to 30.09.2018 RM	01.07.2017 to 30.09.2017 RM
SHARIAH-COMPLIANT INVESTMENT INCOME			
Profit income from Islamic deposits with licensed financial institutions		21,763,334	9,219,591
Profit income from investment accounts with a licensed financial institution		4,617,377	6,442,545
		<u>26,380,711</u>	<u>15,662,136</u>
EXPENSES			
Manager's fee		1,683,248	1,047,530
Trustee's fee		50,497	31,426
Auditors' remuneration		2,218	2,279
Tax agent's fee		958	857
Other expenses		4,285	67,865
		<u>1,741,206</u>	<u>1,149,957</u>
NET INCOME BEFORE TAXATION		24,639,505	14,512,179
Tax expense		-	-
NET INCOME AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>24,639,505</u>	<u>14,512,179</u>
Net income after taxation is made up of the following:			
Realised amount		<u>24,639,505</u>	<u>14,512,179</u>
Distributions for the financial period	2	<u>24,639,505</u>	<u>14,512,179</u>

The accompanying notes form an integral part of the unaudited financial statements.

UNITED ISLAMIC CASH FUND

STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED) FOR THE QUARTER OF 1 JULY 2018 TO 30 SEPTEMBER 2018

	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 July 2017	1,239,697,436	-	1,239,697,436
Movement in net asset value:			
Total comprehensive income for the financial period	-	14,512,179	14,512,179
Creation of units	1,152,378,841	-	1,152,378,841
Reinvestment of units	12,770,465	-	12,770,465
Cancellation of units	(892,965,912)	-	(892,965,912)
Distributions	-	(14,512,179)	(14,512,179)
Balance as at 30 September 2017	<u>1,511,880,830</u>	<u>-</u>	<u>1,511,880,830</u>
Balance as at 1 July 2018	2,358,690,582	-	2,358,690,582
Movement in net asset value:			
Total comprehensive income for the financial period	-	24,639,505	24,639,505
Creation of units	1,585,073,980	-	1,585,073,980
Reinvestment of units	24,560,128	-	24,560,128
Cancellation of units	(1,503,504,732)	-	(1,503,504,732)
Distributions	-	(24,639,505)	(24,639,505)
Balance as at 30 September 2018	<u>2,464,819,958</u>	<u>-</u>	<u>2,464,819,958</u>

The accompanying notes form an integral part of the unaudited financial statements.

UNITED ISLAMIC CASH FUND

**STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER OF 1 JULY 2018 TO 30 SEPTEMBER 2018**

	01.07.2018 to 30.09.2018 RM	01.07.2017 to 30.09.2017 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Placement of Islamic deposits with licensed financial institutions	(170,865,412)	(414,847,608)
Placement of investments accounts with a licensed financial institution	(31,763,934)	(54,105,878)
Profit received from Islamic deposits with licensed financial institutions	19,195,586	6,008,894
Profit received from investment accounts with a licensed financial institution	4,350,293	5,830,077
Manager's fee paid	(1,678,137)	(921,648)
Trustee's fee paid	(50,344)	(27,650)
Tax agent's fee paid	(3,800)	-
Payment of other fees and expenses	(1,085)	(57,913)
Net cash used in operating and investing activities	<u>(180,816,833)</u>	<u>(458,121,726)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	1,585,073,980	1,152,378,841
Payment for cancellation of units	(1,503,504,732)	(892,965,912)
Net cash generated from financing activities	<u>81,569,248</u>	<u>259,412,929</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(99,247,585)	(198,708,797)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>116,180,217</u>	<u>228,863,527</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>16,932,632</u>	<u>30,154,730</u>
Cash and cash equivalents comprises the following:		
Islamic deposits with licensed financial institutions with maturity period less than 3 months	16,821,000	29,793,000
Cash at bank	111,632	361,730
	<u>16,932,632</u>	<u>30,154,730</u>

The accompanying notes form an integral part of the unaudited financial statements.

UNITED ISLAMIC CASH FUND

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

1. ISLAMIC DEPOSITS AND INVESTMENT ACCOUNTS WITH LICENSED FINANCIAL INSTITUTIONS

	30.09.2018	31.12.2017
	RM	RM
Islamic deposits with licensed financial institutions comprise the following:		
- Maturity less than 3 months	16,821,000	289,427,534
- Maturity more than 3 months	1,979,055,658	1,329,029,652
	<u>1,995,876,658</u>	<u>1,618,457,186</u>
Investment accounts with a licensed financial institution		
- Maturity less than 3 months	-	20,955,542
- Maturity more than 3 months	455,495,267	360,971,930
	<u>455,495,267</u>	<u>381,927,472</u>
	30.09.2018	31.12.2017
Weighted average profit rate	<u>3.99%</u>	<u>3.88%</u>
Average maturities	<u>81 days</u>	<u>59 days</u>

Included in Islamic deposits with licensed financial institutions are deposits amounted to RM159,909,093 (31.12.2017: nil) placed with United Overseas Bank (Malaysia) Bhd (“UOBM”), a related company of the Manager.

2. DISTRIBUTIONS

Final distributions to unitholders is derived from the following sources:

	01.07.2018	01.07.2017
	to	to
	30.09.2018	30.09.2017
	RM	RM
Profit income	26,380,711	15,662,136
Less: Expenses	(1,741,206)	(1,149,957)
	<u>24,639,505</u>	<u>14,512,179</u>

2. DISTRIBUTIONS (CONTINUED)

Details of distributions to unitholders during the financial period from 1 July 2018 to 30 September 2018 are as follows:

Distributions Ex-date	Reinvestment settlement date	Distributions per unit RM	Total distributions RM
31 July 2018	1 August 2018	1.0000	8,033,966
31 August 2018	3 September 2018	1.0000	8,832,426
30 September 2018	1 October 2018	1.0000	7,773,113
			<u>24,639,505</u>

Details of distributions to unitholders during the financial period from 1 July 2017 to 30 September 2017 are as follows:

Distributions Ex-date	Reinvestment settlement date	Distributions per unit RM	Total distributions RM
31 July 2017	1 August 2017	1.0000	4,352,509
31 August 2017	5 September 2017	1.0000	4,990,367
30 September 2017	2 October 2017	1.0000	5,169,303
			<u>14,512,179</u>

3. MANAGEMENT EXPENSE RATIO (“MER”)

	01.07.2018 to 30.09.2018 %	01.07.2017 to 30.09.2017 %
Manager’s fee	0.07	0.06
Trustee’s fee	-*	-*
Other expenses	-*	0.01
Total MER	<u>0.07</u>	<u>0.07</u>

* represents less than 0.01%

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

4. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.07.2018 to 30.09.2018	01.07.2017 to 30.09.2017
PTR (times)	<u>3.73</u>	<u>3.89</u>

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis.

5. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

6. QUARTERLY REPORT

The quarterly report for the financial period from 1 July 2018 to 30 September 2018 is unaudited.

CORPORATE INFORMATION

Manager	UOB Asset Management (Malaysia) Berhad (219478-X)
Registered & Principal Office	Level 22 Vista Tower The Intermark 348 Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2732 1181 Fax: 03-2164 8188 Website: www.uobam.com.my
Board of Directors	Mr Wong Kim Choong Mr Thio Boon Kiat (alternate to Mr Wong Kim Choong) Mr Seow Lun Hoo Mr Seow Voon Ping (alternate to Mr Seow Lun Hoo) Dato' Dr Choong Tuck Yew Mr Khoo Chock Seang En Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar Ms Lim Suet Ling (Executive Director & CEO)
Trustee	Pacific Trustees Berhad (317001-A)
Investment Manager	UOB Islamic Asset Management Ltd (1226549-H)
Auditor of the Fund	Ernst & Young (AF0039)
Tax Agent of the Fund	Deloitte Tax Services Sdn Bhd (36421-T)
Solicitor of the Fund	Wei Chien & Partners
Shariah Adviser of the Fund	IBFIM (763075-W)

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