

Monthly Fund Fact Sheet

MIDF AMANAH MONEY MARKET FUND

April 2017

FUND OBJECTIVE

The objective of the fund is to provide investors with a regular income stream over a short to medium term while maintaining capital stability.

THE FUND IS SUITABLE FOR INVESTORS WHO:

Have either a short or medium term investment horizon; desire a stream of income; and have low risk tolerance.

FUND DETAILS (as at March 31, 2017)

Fund size	RM 0.496 million
Unit NAV	RM 0.5000
Fund Inception	24 January 1984
Financial Year End	15 th day of November
Management Fee	0.5% p.a. of NAV
Trustee Fee	Up to 0.05% p.a. of NAV
Initial Service Charge	Nil
Redemption Payment Period	Within 10 calendar days
Investment Manager	MIDF Amanah Asset Management Bhd

MANAGER'S COMMENTS

Review

Trading in the local government market thinned ahead of the Federal Open Market Committee (FOMC) meeting. Net buying interest in the local government bonds improved especially on the bellies and longer end of the yield curve, pressuring the curve flatter on m-o-m basis. Gains were supported by firmer US Treasury at the start of the month, as players recalibrated their outlook for growth and inflation amid a lack of information on Trump's fiscal, tax plan and mixed signals on Fed direction.

Focus was more towards the government bond auctions as well as a series of economy data releases. There were 2 government auctions conducted in February. The new 7-year GII benchmark with a size of RM4.0 billion garnered strong bid-to-cover ratio of 3.12 times with average yield of 4.045%. Demand was mainly supported by local investors like pension, insurance and asset managers. Also, noted a slew of foreign participation due to increased risk appetite in emerging markets coupled with the weakening Ringgit against the US Dollar. Aside, the RM2.0 billion 30-year MGS benchmark reopening auction garnered decent bid-to-cover ratio of 2.562 times. Average yield was generated at 4.676% within a narrow spread of 4.66% - 4.68%.

Meanwhile, the new issuance of 5-year MGS with issue size of RM4.0bil registered a year-to-date rather weak book-to-cover ratio of 1.538 times in 2017, mainly supported by local buying. Average yield generated at 3.882% with the spread widened by 4.4 basis points to 3.86%-3.90%. The weakening of the MYR against the USD contributed to the weak bid-to-cover ratio brought about by the diminishing risk appetite for emerging market assets.

On a monthly basis, the 3-, 5-, 10- and 15-year closed higher by 3 to 13bps at 3.43% (Feb: 3.30%), 3.79% (3.69%), 4.04% (4.04%) and 4.49% (4.45%) respectively.

Investment Outlook & Strategy

Bank Negara Malaysia held the Overnight Policy Rate (OPR) steady at 3.00%, as widely expected. Rhetoric of the policy statement sounded a tad more upbeat on growth and inflation prospects reinforcing views that OPR to likely stay unchanged this year. Headline inflation averaged 2.1% in 2016 and is expected to average higher in 2017, amid the prospect of higher global oil prices, but core inflation is anticipated to remain stable. The pressure to ease rates are somewhat limited by the volatile financial markets and weaker ringgit. Given that the economy is on a stabilizing path, we opine BNM can afford to stay pat on its policy rate for now. Domestic liquidity is likely to remain sufficient; however the excess liquidity will narrow with continue capital outflows and hence may put pressure on the local bond market.

Foreign holdings in MGS continue to ease lower to 44.7% in February from 46% in January. The lower holdings contributed from reductions in MGS and GII, circa RM2.1 billion and RM1 billion respectively, mostly maturity driven. If foreign flows continue to ease further with yields to go up substantially from current level, we opine onshore real money support remains. After three consecutive months of net outflows, the MGS/GII yields have started to stabilize amid continue demand from onshore real money investors as bond tenders continue to chart robust demand despite sizeable issue amount from RM3.5 – RM 4.0 billion.

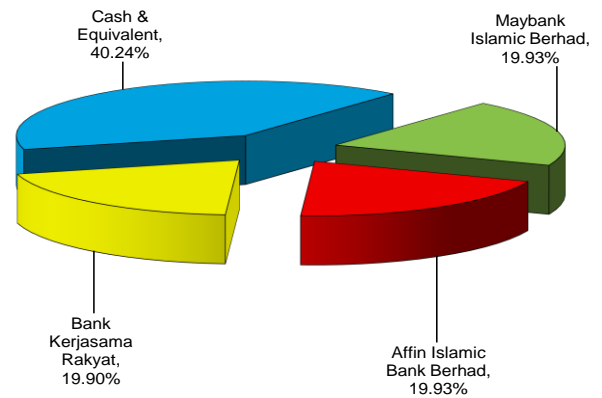
Depending on the FOMC outcome, the medium term outlook for the domestic bond market seems positive; taking into account the stable currency, current attractive valuations and less market volatility. We expect strong demand along the shorter tenor bonds amid continued attractive short tenor swap rates against the longer tenors, with the MYR basis swaps bid of 1-y and 5-years closed at -115bps and -60bps respectively.

The Fund will continue investing in short term deposits.

LARGEST BANKS (as at March 31, 2017)

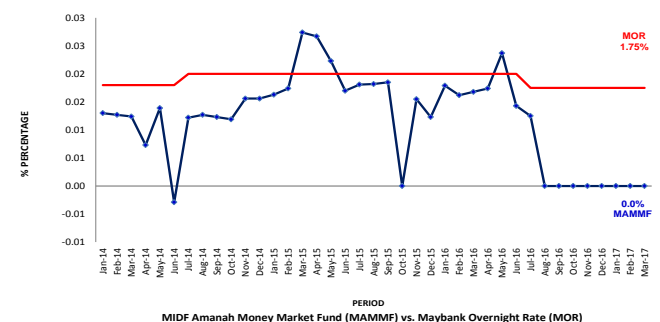
	%
MAYBANK ISLAMIC BERHAD	19.93%
AFFIN ISLAMIC BANK BERHAD	19.93%
BANK KERJASAMA RAKYAT MSIA BHD	19.90%

ASSET ALLOCATION (as at March 31, 2017)



*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 March 31, 2017)



CALENDAR YEAR RETURN % (as at March 31, 2017)

FUND	3M	6M	1YR	3YRS	5YRS
	-	-	0.38	2.69	4.46

Source: Lipper Fund Table (The Edge, April 10, 2017)

(1) MIDF Amanah Bond Fund has been converted to MIDF Amanah Money Market Fund on 1 January 2011.

(2) Based on the fund's portfolio returns as at 15 March 2017, the volatility Factor (VF) for this fund is 0.52 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 & 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.