

## Monthly Fund Fact Sheet

### MIDF AMANAH MONEY MARKET FUND

December 2014

#### 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 November 30, 2014)

Fund size	RM0.75 million
Unit NAV	RM 0.5000
Fund Inception	24 January 1984
Financial Year End	15 <sup>th</sup> 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

Malaysian Government Securities ("MGS") market started the month on a positive note as there was buying interest from both domestic and offshore players amid weakness in the Ringgit against USD. The long-end dated bond yields fell as yield hunting continues with offshore turned toward off-the-run bonds above 10-years maturities. As Ringgit weakened further, local government bonds turned bearish across the curve aggravated by the overall weak sentiment as market players trim their positions. Selling pressure piled on the local government bonds also led by the auction of 10-years MGS bench which printed a weaker bid-to-cover ratio of 1.55 times. On a monthly basis, the 3-, 5-, 7- and 10-years traded higher by 3 to 8 bps at 3.58% (Oct2014: 3.52%), 3.72% (3.64%), 3.81% (3.79%) and 3.88% (3.84%) respectively.

On the economic front, Malaysia's inched higher to 2.0% in Sept-14 against 1.7% in Aug-14 supported by higher demands towards year end. The Industrial production also rose 5.4% in Sept-14 manufacturing, mining and electricity. The 3Q14 GDP grew 5.6%, lower than +6.4% in 2Q14. Demand for Malaysian goods has weakened amid uneven global recovery while subsidy cuts weighed on private consumption. On the inflation front, inflation rate rose 2.8% in Oct-14 against +2.6% y-o-y in Sept-14 from +3.3% y-o-y in Aug-14, led by cost of food, housing, utilities and fuel.

##### Outlook

Malaysia economy outlook remains encouraging supported by robust domestic demand and an improving global backdrop that should support exports and investments. The full-year GDP growth for 2014 was revised to 6.0% from 5.5% whilst growth for 2015 is projected to be around 5.0% - 6.00%, with exports will be the key factor determining the final growth rate. Meanwhile, net external demand was the main driver of the headline with exports growth up 8.8% y-o-y exceeding the growth of imports of 3.9%. On the inflation front, inflation is expected to remain relatively stable for the rest of the year and likely to be around 3.4% for 2014 (2.1% in 2013). Domestic spending is expected to remain weak on the back of tariff hikes and implementation of GST in 2Q2015. The one-off net impact of GST to headline inflation is expected to be from 1.5% to 1.9% increase in 2015. This will likely cause inflation to hit 3.5% to 3.9% in 2015.

In the domestic bond market, we expect players will continue to be cautious even though the probability of a rate hike has dropped with growing evidences of a softening degree of demand-pull inflation and signs of easing strains on financial imbalances. As widely expected, BNM paused OPR at 3.25% for the 2nd straight meeting, citing increasing risks to growth from moderation at both the external and domestic front. Hence, the OPR is likely to remain steady at 3.25% for the rest of the year and the rate hike

(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 Nov 2014, the volatility Factor (VF) for this fund is 0.24 and is classified as "very low" (source:Lipper).

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. A copy of our Master Prospectus dated 1 March 2014 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.

expectation will likely happen in 1H2015. The local government bond is expected to stay wide in coming months primarily driven by domestic factors as corporate bonds spreads become more attractive and likely to continue into 2015. Meanwhile, the PDS market is expected to be well supported and encouraging especially from the new issuances that will provide more attractive levels. On the other hand, foreign ownership of MGS remained stable but eased to 46.9% in Sept-14 from 47.3% in Aug-13. The outflows were primarily driven by foreigners paring their positions in domestic discounted instruments but the foreign holdings of MGS/GII remained fairly steady.

Given the above scenario, we are of the view that the market players will continue to take an overweight stance on corporate bonds (especially from the primary market) vis-à-vis a more volatile government bond market, while tactically managing duration and pro-actively realigning the asset allocation in line with market movements.

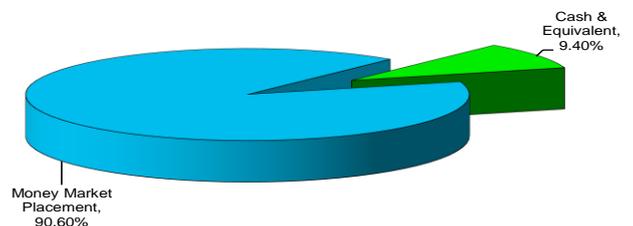
#### Strategy

The Fund will continue investing in quality short term money market instruments.

#### LARGEST HOLDINGS (as at November 30, 2014)

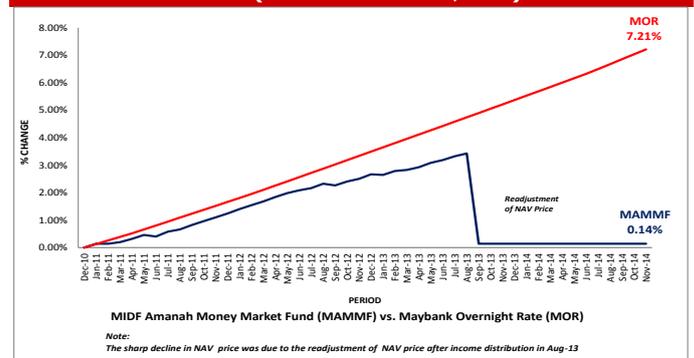
MONEY MARKET PLACEMENT	90.60%
CASH	9.40%

#### ASSET ALLOCATION (as at November 30, 2014)



\*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 November 30, 2014)



#### CALENDAR YEAR RETURN % (as at November 30, 2014)

	3M	6M	1YR	3YRS	5YRS
FUND	0.89	0.89	0.89	3.26	-

Source: Lipper Fund Table (The Edge, December 8, 2014)