

## Monthly Fund Fact Sheet as at 31<sup>st</sup> January 2018

### MIDF AMANAH MONEY MARKET FUND

February 2018

#### 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 January 31, 2018)

Fund size	RM 0.488 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

Ringgit government bonds/sukuk traded firmer supported by the MYR strength with suspected flows from foreign players. While trade numbers were robust with exports and imports expanded by 18.9% and 20.9% y-o-y in October, however, inflation continued to ease to 3.4% in November from 4.3% in September 2017. The economic data releases during the month have little impact to the bond market and trade flows were mainly driven but portfolio rebalancing.

In the meantime, demand for the government auctions in December remained soft on back of less liquidity towards the year-end. Soft bid-to-cover ratio for the last two auctions for the year at 1.53 times for the 10-years MGS reopening and 1.77 times for the 15.5-years new GII issuance, respectively.

Elsewhere, Moody's has reaffirmed the Government of Malaysia local and foreign currency issuer and senior unsecured bond ratings at A3. The affirmation by Moody's in on the back of the government's commitment to fiscal consolidation has resulted in the fiscal deficits narrowing in each of the past 7 consecutive years. Deficit reduction has been achieved mainly through tighter spending and the introduction of the Goods and Service Tax (GST) in 2015.

The overall MGS yield curves trended lower with 3-, 5-, and 7-years fell 3 to 8 bps to 3.32%, 3.53% and 3.87% whilst the 10-years a tad higher to 3.90% from 3.89% a month ago. Similarly, the GII segment also traded lower by 1 to 7bps across the tenor.

##### Investment Outlook & Strategy

Despite looming risks of Fed normalization, the ringgit government bonds/sukuk market remains supported by onshore real money investors. The healthy demand from offshore investors is on the back of a stronger ringgit with USD/MYR seen dipping to below RM4.00.

Going forward, market players are expected to stay vigilant, watching closely developments on US tapering plans, impact and the implications and further interest rate normalization. We opine the bond yields could sustain pressure from interest rate hike on the back of ample liquidity and positive economic growth outlook. Bond market volatility will be cushioned by foreign demand amid continued strength in MYR.

Bank Negara Malaysia raised the Overnight Policy Rate (OPR) by 25bps to 3.25% during the Monetary Policy Committee (MPC) meeting in January 2018. Local government bonds/sukuk saw volume traded improve to RM2.67 billion with investor interest shifting to the mid-to-long ends following the OPR hike. Yields ended marginally lower by about 1bps across most tenure except for the 5-year MGS. The policy statement has turned neutral again, implying another OPR hike is not on the cards in the near future, hence, keeping the market in range bound mode.

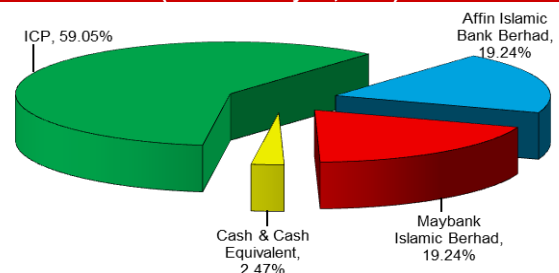
Meanwhile, corporate bonds/sukuk will still be a net buyer despite expectations of higher interest rate going forward. However, we reckon players to stay along the short-end of the yield curve at least until end of 2018 amid cautious sentiment. On the other hand, demand for primary offerings remains strong and well supported amid high liquidity with interests slanted towards AAA and AA-rated names.

The Fund will continue investing in short term deposits.

#### LARGEST BANKS (as at January 31, 2018)

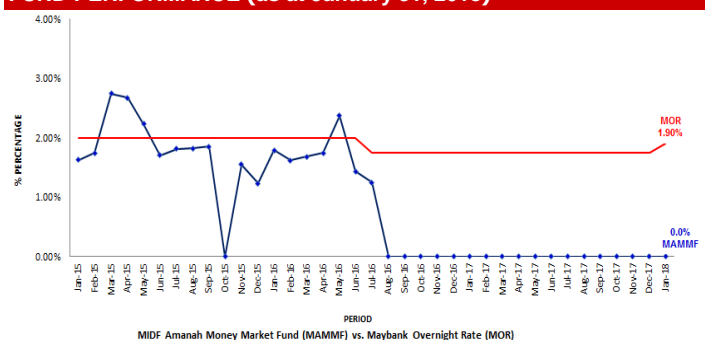
AFFIN ISLAMIC BANK BERHAD	19.24%
MAYBANK ISLAMIC BERHAD	19.24%

#### ASSET ALLOCATION (as at January 31, 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 January 31, 2018)



#### CALENDAR YEAR RETURN % (as at January 31, 2018)

	3M	6M	1YR	3YRS	5YRS
FUND	-	-	-	1.78	3.48

Source: MIDF Amanah's Internal data & Lipper Fund Table (The Edge, February 12, 2018)

(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 January 2018, the volatility Factor (VF) for this fund is 0.20 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.