

## Monthly Fund Fact Sheet

### MIDF AMANAH MONEY MARKET FUND

March 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 February 28, 2017)

Fund size	RM0.498 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 were dealt mixed, amid cautious trading ahead of Trump's inauguration. However, ringgit bonds were basically taking a breather from the recent volatility driven with broadly weaker US Dollar and US Treasury yields. On a positive note, an improved demand from offshore players emerged into local government, but trading volume remained thin. The subdued activity was ahead of the FOMC meeting as investors preferred to stay on the sideline. Aside, the Monetary Policy Committee kept the Overnight Policy Rate unchanged at 3.00% as widely expected.

On the supply side, late January, BNM held 3 auctions – 3-years GII reopening, 15-years and the new GII 10-years benchmark with issue size of RM4 billion. Demand was very strong for the GII tender garnered bid to cover ratio of 3.4 times with average yield of 4.258% (highest tender result in the last three years). The stock subsequently traded 6 bps lower post tender. Despite the good tender results, the bond yields did not move much in general and levels were largely unchanged by 1 to 2 bps lower in the long end of the yield curve.

Trading volumes generally skewed towards the short-end with the GII 3-years benchmark in focus. On a related note, the 15-years MGS benchmark has performed well, tightening to a low of 4.65-4.67% w-o-w.

On monthly basis, the overall yield curve shifted lower across the tenor by 8 to 30 bps. The 3-, 5-, 7-, 10- and 15-years closed at 3.26%, 3.63%, 3.93%, 4.12% and 4.52% respectively. Similarly, the GII's yield curve also shifted lower by 2 to 18 bps with the 3-, 5-, 7-, 10- and 15-years closed at 3.57%, 3.77%, 4.03%, 4.20% and 4.68% respectively.

#### Investment Outlook & Strategy

BNM sounded relatively neutral in the latest MPC meeting held on 19 Jan. 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. BNM is likely to hold to stay focused on managing growth risks in 2017. 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.

(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 February 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 2016 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.

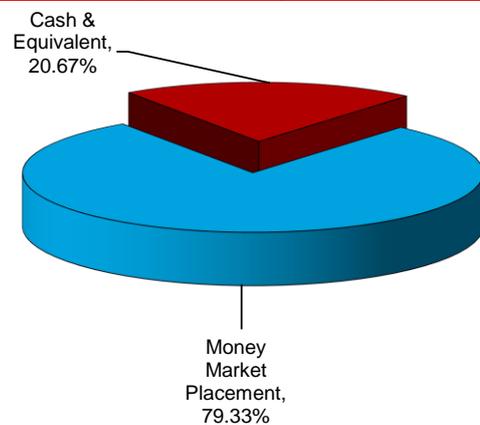
Meanwhile, foreign holdings in MGS continue to ease further to 46% from 47.1% in December. The lower holdings contributed from reductions in MGS and GII, circa RM2.1 billion and RM1billion respectively. After three consecutive months of net outflows, the MGS/GII yields have started to stabilize amid 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. If foreign flows continue to ease further with yields go up substantially from current level, we expect onshore demand such as pension funds and lifers to step up with more purchases.

The Fund will continue investing in short term deposits.

#### LARGEST HOLDINGS (as at February 28, 2017)

MONEY MARKET PLACEMENT	79.33%
CASH % EQUIVALENT	20.67%

#### ASSET ALLOCATION (as at February 28, 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 February 28, 2017)



#### CALENDAR YEAR RETURN % (as at February 28, 2017)

	3M	6M	1YR	3YRS	5YRS
FUND	0.00	0.00	0.57	2.69	4.64

Source: Lipper Fund Table (The Edge, March 6, 2017)