

Monthly Fund Fact Sheet

MIDF AMANAH MONEY MARKET FUND

October 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 September 30, 2014)

Fund size	RM0.74 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

Malaysian Government Securities ("MGS") was relatively quiet due to lack of fresh market catalyst coupled with cautious sentiment ahead of the MPC meeting. MGS trading momentum weakened which eventually sent the MGS benchmark yields higher across the tenor. As widely expected, Bank Negara Malaysia has kept its Overnight Policy Rate unchanged at 3.25% at the MPC meeting held on 18 September 2014, stating that current stance of monetary policy remains supportive of growth. Post MPC, the MGS rallied 3 to 7 bps in late evening given the initial split consensus on the interest rate decision. Net buying interest was seen for the shorter dated MGS but trade flows remained thin.

During the month, BNM conducted 3 debt auctions namely 3-years and 30-years MGS benchmark and 5-years GII benchmark. Demand was weak on both the MGS benchmark at 1.73 times and 1.37 times respectively but the 5-year GII benchmark was pretty well supported with bid-to-cover ratio of 2.359 times. On a monthly basis, the 3-, 5-, 7- and 10-years traded marginally lower by 1 to 4bps at 3.48% (Aug-14: 3.52%), 3.69% (3.69%), 3.81% (3.82%) and 3.92% (3.93%) respectively whilst the 15-years rose 3bps at 4.26% (4.23%).

On the economic front, exports in Jul-14 expanded by a slow pace of 0.6% y-o-y versus 5.3% growth consensus. The slowdown was due to last year's high base and decline exports (-1.0% y-o-y versus +5.5% in Jun-14) whilst imports of intermediate goods remained encouraging (+2.6% y-o-y versus +2.3% in Jun), presaging that exports growth in the coming months will still be supported. Malaysia's IPI showed a small 0.5% y-o-y growth in Jul-14 against 4.3% estimated, after the 7% y-o-y growth the month before. On the inflation front, the CPI nudged marginally higher to 3.3% y-o-y in Aug-14 (+3.2% in Jul-14) due to faster increase in the prices of food and non-food.

Outlook

Malaysia Real GDP growth accelerated to +6.4% y-o-y in 2Q14 from +6.2% in 1Q14, faster than market consensus of 5.8%. The outlook remains encouraging amid an improving global backdrop that should support exports and investments. Given the strong growth and robust ahead, the full year GDP was revised to 6.0% from 5.5% in 2014. The inflation rate is expected to remain relatively stable for the rest of the year. However, the inflation is expected to edge higher and expected to be above its long-term average due to domestic cost factors.

(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 Sep 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.

In the domestic bond market, we foresee the domestic players will continue to be cautious despite the unchanged in OPR at 3.25%. Further adjustment to the degree of monetary accommodation may be taken depending on how new information will affect the assessment on the balance of risks. This is to ensure the sustainability of the growth prospects of the Malaysian economy. Meantime, foreign holdings in MGS declined to 47.3% in Aug-14 compared to 48.4% a month ago. The sell-off by foreigners in their shareholdings coincided with weak sentiment and amid stronger 2Q14 GDP numbers. However, we expect the local bond market will remain supported and as yields gradually increase, some players may pick up long end bonds where rates may be more attractive.

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.

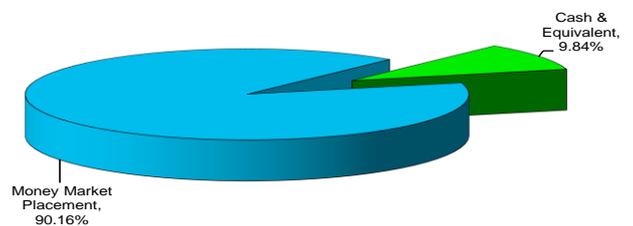
Strategy

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

LARGEST HOLDINGS (as at September 30, 2014)

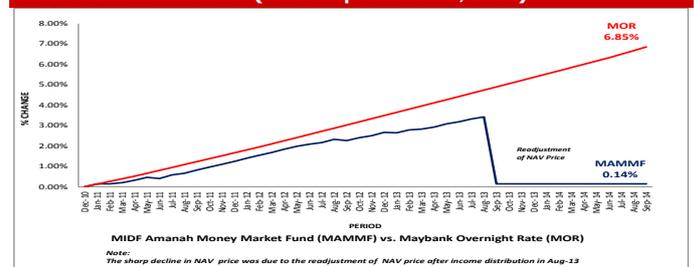
MONEY MARKET PLACEMENT	90.16%
CASH	9.84%

ASSET ALLOCATION (as at September 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 September 30, 2014)



CALENDAR YEAR RETURN % (as at September 30, 2014)

	3M	6M	1YR	3YRS	5YRS
FUND	0.00	0.00	0.00	2.62	-

Source: Lipper Fund Table (The Edge, October 7, 2014)