

## Monthly Fund Fact Sheet as at 31<sup>st</sup> August 2017

### MIDF AMANAH MONEY MARKET FUND

September 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 August 31, 2017)

Fund size	RM 0.491 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

Net selling activities were seen during the month, amid an absence of supportive data releases and cautious sentiment ahead of the upcoming FOMC. Sentiment was also affected by UST movement and global bonds losses spilled over from previous month. Upward yield pressure on local government bond/sukuk continued especially along the 5-y to 10-y papers as UST yields ticked up with the spike in crude oil prices, after Saudi Arabia and Nigeria vowed to cap production to restore market balance.

However, ringgit government bonds/sukuk started to gain in the final week of the month as concerns over hawkish shifts by major central bank dissipated. The gain was also supported by softer June CPI, which moderated to +3.6% y-o-y in previous month. As widely expected, Bank Negara Malaysia held its Overnight Policy Rate ("OPR") steady at 3.00%.

There were 3 government auctions during the month with total issue size of RM10 billion. Among the auctions, the 7-y MGS benchmark reopening saw firm demand with bid-to-cover ratio of 2.877 times. On the other hand, the 30-y GII and 10-y MGS reopening garnered softer demand amid the weak secondary market sentiment. The bid-to-cover ratio was at 1.915 times and 1.683 times, respectively.

On monthly basis, the MGS yield curve trend higher by 1 to 8 bps with the 5-, 7- and 10-years closed at 3.70%, 3.91% and 3.99% whilst the 3-years fell 9 bps lower to 3.30%, respectively. Meanwhile, the GII-segment closed mixed with the 4-, 5- and 10-years closed higher by 1 to 4 bps at 3.59%, 3.82% and 4.09% whilst the 7-years edged 5 bps higher to 4.01%.

#### Investment Outlook & Strategy

On the local front, the local bond market will continue to trade on range bound given there is little catalyst with no fresh leads to move the market.

Meanwhile, the series of indicators that may affect OPR appears to have normalised. We opine the upcoming Malaysia's 2Q GDP release in August to be the key focus for market players. Growth is expected to remain well anchored from improving external demands due to recovery seen on the external environment, which translated to better exports trends. Headline inflation is expected to moderate but the trend of headline will be dependent on future global prices which remain highly uncertain.

(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 August 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.

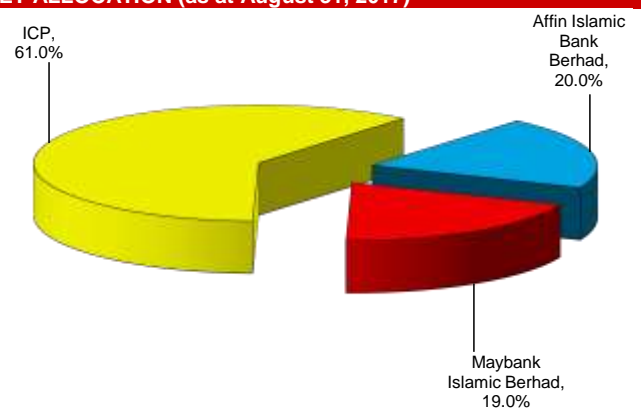
In the immediate term, we expect investors focus to shift towards new government auctions. The new 3-y MGS will replace the current MGS 3/19 as the new benchmark which currently carry a short duration of 1.5 years. Given the benchmark nature, demand is expected to be healthy. Given the lack of any positive catalyst, we expect MGS will likely to show some mild weakness. We reckon the 10-y MGS short term resistance level at 4.05%.

The Fund will continue investing in short term Islamic deposits.

#### LARGEST BANKS (as at August 31, 2017)

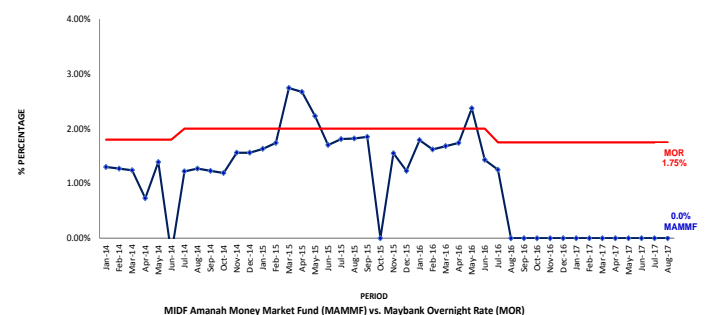
AFFIN ISLAMIC BANK BERHAD	20.0%
MAYBANK ISLAMIC BERHAD	19.0%

#### ASSET ALLOCATION (as at August 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 August 31, 2017)



#### CALENDAR YEAR RETURN % (as at August 31, 2017)

	3M	6M	1YR	3YRS	5YRS
FUND	-	-	-	2.69	3.80

Source: Lipper Fund Table (The Edge September 11, 2017)