

## Monthly Fund Fact Sheet

### MIDF AMANAH SHARIAH MONEY MARKET FUND

April 2015

#### FUND OBJECTIVE

The objective of the fund is to provide investors with a regular income stream over the short to medium term that complies with Shariah requirements whilst maintaining capital stability.

#### THE FUND IS SUITABLE FOR INVESTORS WHO:

Who seek regular income that complies with Shariah requirements with capital stability; have short to medium-term investment horizon; and have low risk tolerance.

#### FUND DETAILS (as at March 31, 2015)

Fund size	RM 112.00 million
Unit NAV	RM 0.5000
Fund Inception	1 April 2004
Financial Year End	15 <sup>th</sup> day of October
Management Fee	0.2% p.a. of NAV
Trustee Fee	Up to 0.05% p.a. of NAV subject to a Minimum fee of RM18,000 p.a.
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") traded sideways with thin volume as players await for the MPC meeting. As widely expected, Bank Negara Malaysia ("BNM") maintained its Overnight Policy Rate ("OPR") at 3.25% for the fourth consecutive meeting given the downside risk of the global economy. The yield curve traded marginally steeper at the start of the month but were dealt firmer guided by the rally in US Treasuries, which was boosted by the dovish stance from the FOMC.

MGS was seen trading on a more positive note following the announcement of a benign tender size of RM1.5 billion new 15-years GII. However, gains were pared by the weakening Ringgit, along with negative news triggered by Fitch rating's warning on possible downgrade in Malaysia sovereign rating.

As at closed, the 5-, 7- and 10-years traded higher by 1 to 4 basis points ("bps") at 3.63% (Feb 2015: 3.62%), 3.80% (3.76%), 3.90% (3.87%) whilst the 3- and 15-years traded lower by 1 to 8 bps at 3.35% (3.43%) and 4.13% (4.14%) respectively. Similarly, the Government Investment Issues also dealt mixed with the 3-, 5- and 15-years closed lower at 3.54% (Feb 2015: 3.65%), 3.78% (3.80%) and 4.25% (4.33%) whilst the 10-years closed higher by 3 bps at 4.09% and the 7-years was unchanged at 3.94%.

##### Investment Outlook & Strategy

Globally, the US economy will likely to continue to gain traction on the back of household balance sheets, sustained job creation and falling crude oil prices. Meanwhile the weakness of Euro Zone economy will likely to prevail and the battle of inflationary pressure will prove to be challenging. Thus far, the economic data from the region has not been inspiring. The ECB is expected to embark on a more aggressive stimulus to rev up growth and counter disinflationary pressure. Going forward, we foresee increasing volatility in the global economy and financial markets as a result of a higher gradation in commodity prices.

On the domestic front, the focus will be on the trend of the capital outflows as investors will continue to assess the possible changes in Malaysia's fundamentals. Foreign holdings of total debt suffered its third consecutive month of large outflow with m-o-m decrease of RM7.1 billion in Jan-15 due to persistent outflows from discount instruments. Meanwhile, the foreign holdings in MGS remained resilient netting in RM1.4 billion but the shares of foreign holdings declined 43.8% from 44.1% in Dec-14 due to the lower foreign absorption rate. Hence, we remain cautious on foreign flows as it may edge lower to 42-40% with risk of breaking the 40% threshold in 1H2015.

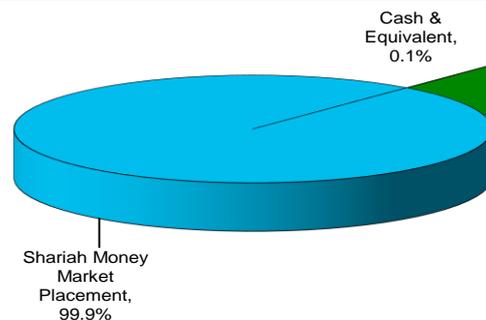
We expect continued price volatilities in the bond market but will start to stabilize and smoothen in the 2H15 given the strong presence of large domestic institutional investors which serves as a strong buffer against the external shocks remains an important mitigating factor against the risk of a sudden reversal of foreign flows. However, following the dovish Fed statement, bond dynamics would again be supported, with prospects for continued bargain hunting.

We expect market players to 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.

#### LARGEST HOLDINGS (as at March 31, 2015)

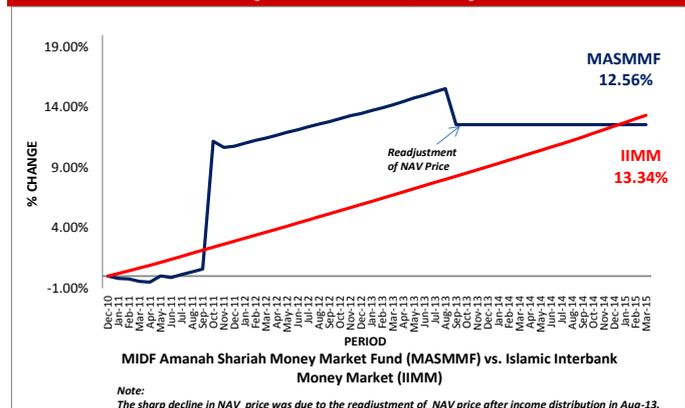
	%
SHARIAH MONEY MARKET PLACEMENT	99.98
CASH	0.02

#### ASSET ALLOCATION (as at March 31, 2015)



\*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 March 31, 2015)



#### CALENDAR YEAR RETURN % (as at March 31, 2015)

	3M	6M	1YR	3YRS	5YRS
FUND	1.09	1.61	3.57	7.37	-

Source: Lipper Fund Table (The Edge, April 13, 2015)

(1) MIDF Amanah Islamic Bond Fund has been converted to MIDF Amanah Shariah Money Market Fund on 1 January, 2011.

(2) Based on the fund's portfolio returns as at 15 Mar 2015, the volatility Factor (VF) for this fund is 0.69 and is classified as "very low" (source:Lipper).