

## Monthly Fund Fact Sheet

### MIDF AMANAH SHARIAH MONEY MARKET FUND

April 2016

#### 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, 2016)

Fund size	RM68.36 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 the NAV of the Fund
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

Trading momentum for local government bonds was a more upbeat tone tracking strong rebound in Ringgit performances and oil prices. Robust volume in local government bond spaces with interest shifted towards GII segment. The good demand in GII was on the back of investors searching out for higher relative yield pick-up following the compression in MGS yields. The spread remain attractive circa 26-30 bps for the 10-year benchmarks.

The rally was further supported by strong demand from the MGS 30-years auction, with healthy bid-to-cover ratio of 2.596 times. Interest was mainly from lifers and pension funds as well as offshore players. The strong participation had been earlier anticipated to be forthcoming as continue to search for yield pickup. Some players were seen extending duration given the current macro backdrop of benign global growth and inflation outlook.

On the other hand, MYR continues to stage strong rebound to 4.05 from the peak of 4.40 in January, drove renewed trading sentiment along the government bond space.

Overall, the MGS yield curve fell by 2 to 8 bps across all tenor with the 3-, 5-, 7- 10- and 15-years closed at 3.26%, 3.47%, 3.73%, 3.84% and 4.23% respectively. Similarly, the GII's yield curve also fell across all tenors with the 3-, 5-, 7-, 10- and 5-years closed lower by 1 to 7 bps at 3.28%, 3.67%, 3.93%, 4.13% and 4.44% respectively.

#### Investment Outlook & Strategy

As we are moving into 2Q16, our local financial markets continue to recover pleasantly from last year's bumpy ride. Nevertheless, Malaysia proverbial glass remains half empty as the economic fundamental does not have much material improvement and limited policy options to tackle the slowdown. Malaysia's 4Q15 growth came in much stronger at 1.5%, above a long term potential growth rate of 1.2-1.3%. However, the fact remain that the growth is still sluggish due to headwinds mainly from fluctuations in crude oil prices, weakening ringgit and slowdown in economy growth at both local and global front.

On the other hand, the central bank also mentioned that domestic financial conditions remain relatively stable with adequate liquidity in the system. If conditions of market stability continue and inflation eases

significantly, we think that there is a possibility that BNM may cut OPR as much as 50bps in the second half of 2016.

Against the benign backdrop of the global growth and concerted monetary easing by key central banks, we expect demand for the MYR bonds and sukuks to be well supported. Furthermore, following the dovish stance by the Fed coupled with Ringgit staging a strong rebound, we think this will also drive investors to resume their hunt to search for higher yielding assets.

In view of the above, we expect 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.

The Fund will continue investing in short term Islamic deposits.

#### LARGEST HOLDINGS (as at March 31, 2016)

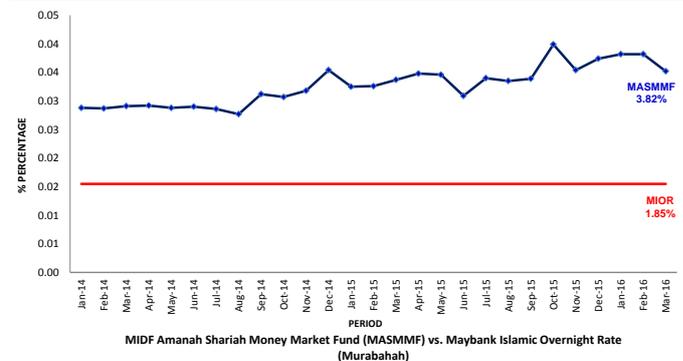
MONEY MARKET PLACEMENT	100.00%
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#### ASSET ALLOCATION (as at March 31, 2016)



\*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, 2016)



#### CALENDAR YEAR RETURN % (as at March 31, 2016)

	3M	6M	1YR	3YRS	5YRS
FUND	0.96	1.89	3.65	8.36	24.23

Source: Lipper Fund Table (The Edge, April 4, 2016)

(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 2016, the volatility Factor (VF) for this fund is 0.70 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, and reinvestment risk. A copy of our Master Prospectus dated 1 March 2015 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.