

## Monthly Fund Fact Sheet

### MIDF AMANAH SHARIAH MONEY MARKET FUND

December 2014

#### 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 November 30, 2014)

Fund size	RM 90.33 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") buying interest improved on the back of weaker US Treasuries and amid fears of global economic growth and slumping equities market. MGS yields declined across the curve by 6 to 14 basis points ("bps") with focus slanted along the 10- and 20-years. BNM held two reopening auction of RM 1.4 billion worth of the 7-year Sukuk Perumahan Kerajaan ("SPK") and RM 2.5 billion of 15-years MGS. Aside, Malaysia's Budget 2015 was tabled in Parliament on Oct 10 and the government has committed to a narrower fiscal deficit target of 3.0% of GDP in 2015 (estimated -3.5% in 2014) and this would entail financing around RM35.7 billion.

On a monthly basis, the 5-, 7-, 10-, 15- and 20-years closed lower by 6 to 14 bps at 3.63% (Sept-14: 3.69%), 3.78% (3.81%), 3.81% (3.92%), 4.16% (4.22%) and 4.26% (4.33%) respectively whilst the 3-year was held steady at 3.49% (3.48%). Meanwhile, the Government Investment Issues, the 3- and 5-years closed a tad higher at 3.64% (3.63%) and 3.81% (3.80%) whilst the 7-, 10- and 15-years closed lower at 3.99% (4.00%), 4.12% (4.14%) and 4.40% (4.42%).

On the economic front, Malaysia's export inched 1.7% in Aug-14 better-than-expected from its slowest rate in 13 months of +0.6% in July, compared to median estimate of 1.4% contraction, underpinned by electrical and electronic product whilst imports rose 7.6% due to intermediate goods. On the inflation front, Malaysia's inflation eased to +2.6% y-o-y in Sept-14 from +3.3% y-o-y in Aug-14, led by cost of food, housing, utilities and fuel.

##### 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.

In the domestic bond market, we expect players will continue to be cautious even though the probability of a rate hike has dropped with

(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 November 2014, the volatility Factor (VF) for this fund is 0.71 and is classified as "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.

growing evidences of a softening degree of demand-pull inflation and signs of easing strains on financial imbalances. The rate hike expectation will likely happen in 1H2015. The local government bond is expected to stay wide in coming months primarily driven by domestic factors as corporate bonds spreads become more attractive and likely to continue into 2015, while the PDS market continued to show encouraging signs as the widening of credit spread looks more attractive. Meanwhile, foreign ownership of MGS remained stable but eased marginally to 47.3% in Aug-14 from 48.4% in Jul-14. Foreign ownership of Ringgit's debt has peaked and is showing signs of easing for the rest of the year on rising expectation of steady policy rate in MPC's November meeting and slowing regional inflows.

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-a-vis a more volatile government bond market, while tactically managing duration and pro-actively realigning the asset allocation in line with market movements.

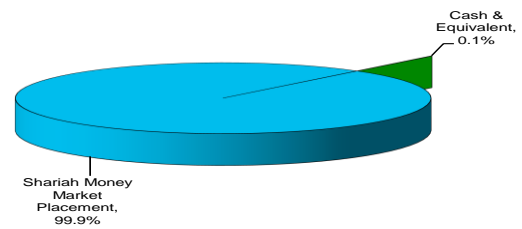
##### Strategy

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

#### LARGEST HOLDINGS (as at November 30, 2014)

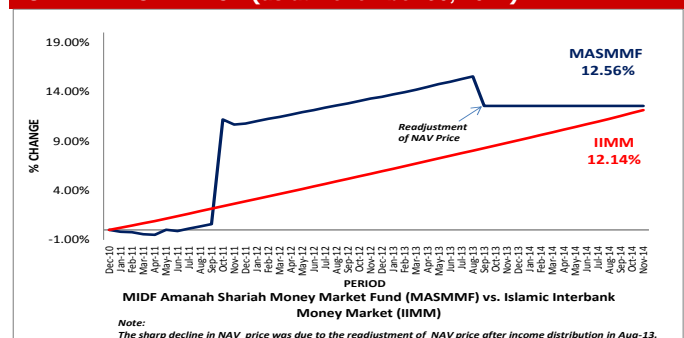
SHARIAH MONEY MARKET PLACEMENT	99.7%
CASH	0.3%

#### ASSET ALLOCATION (as at November 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 November 30, 2014)



#### CALENDAR YEAR RETURN % (as at November 30, 2014)

FUND	3M	6M	1YR	3YRS	5YRS
	0.50	1.08	1.93	6.46	-

Source: Lipper Fund Table (The Edge, December 08, 2014)