

## Monthly Fund Fact Sheet

### MIDF AMANAH SHARIAH MONEY MARKET FUND

February 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 January 31, 2016)

Fund size	RM78.92 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

The local government bond and sukuk remained bearish at the start of the 2016 with global market continued to tilt towards a risk-off mode, and causing the Ringgit to weaken further. Ringgit ended 0.6% w-o-w weaker at 4.3995/USD as Brent prices dropped below USD30/bbl, the lowest in 12 years. The overall yield curve shifted upwards by 3bps to 6bps w-o-w with decent volume traded. The 7-years new GII benchmark auction garnered good demand with bit-to-cover ratio of 2.68 times with an average yield of 4.39%. The local government bond took a bullish turn as market start pricing in expectations for the budget revision, expecting rates to head down. The rally was triggered by the IRS moved lower. Despite oil prices hitting new lows, trading below \$30, the short end rallied in response by foreign investors on the local government bonds.

BNM held the 2<sup>nd</sup> auction i.e the 3-years MGS reopening tender, with demand remained healthy at 2.06 times averaging at 3.27% amid positive momentum on the cash market. The MGS curve shifted 2bps to 35bps downward with the 3y, 5y, 7y and 10y settled at 3.25%, 3.43%, 3.97% and 4.16%, respectively. Meanwhile, the GII segment all traded lower by 2bps to 18bps with the 3y, 5y, 7y and 10y settled at 3.36%, 3.80%, 4.30% and 4.53%, respectively.

On the economic front, Malaysia's exports in November climbed 6.3% y-o-y. Shipments of electrical and electronic products, which contributed 34.2% to total exports, rose 0.6% in November while export of refined petroleum products surged 13.2% y-o-y. Meanwhile, imports grew 9.1% y-o-y in November, mainly due to consumption goods, intermediate goods and capital goods.

#### Investment Outlook & Strategy

Going into 2016, we expect the market will remain volatile due to the headwinds mainly from fluctuations in crude oil prices, weakening ringgit, fears of further Fed hikes and concerns on China economy slowing down. The Malaysian economy growth for 2016 is expected to moderate at 4.5% versus 4.8% in 2015. Pressure on ringgit will continue in 2016 though expect some strength to return if crude oil price show an upward swing or Malaysia's domestic issues subside.

- (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 January 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.

Oil prices and ringgit performance will continue to be the key drivers for the domestic bond market. Choppiness in oil prices movements is a key influence for the ringgit performance. However, we think as the USD/MYR stabilizes, this will prompt foreign buying interest back into the local bond market.

Meanwhile, the domestic liquidity is still good but may turn tepid as investors may become increasingly discerning on credit amid less rosy economic and credit condition outlook. Slowing domestic prospect and the reduction in liquidity may constrain the pace of fresh funds growth and this will consequently limit the expansion of domestic liquidity.

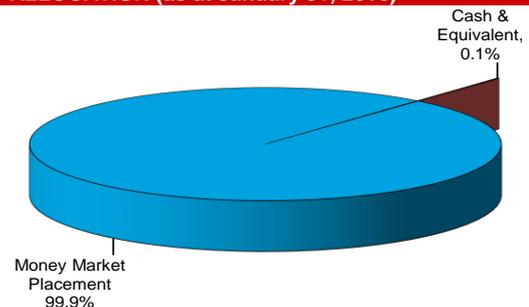
Though sentiment towards the ringgit and local government bonds may have improved, we are of the view that bond and sukuk market players will continue to be cautious and to maintain on short duration so as to minimize impact of a yield upswing.

The Fund will continue investing in short term Islamic deposits.

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

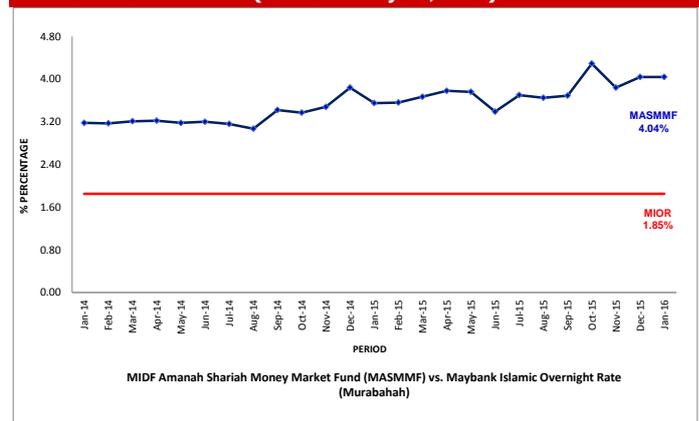
SHARIAH MONEY MARKET PLACEMENT	99.9
CASH	0.1

#### ASSET ALLOCATION (as at January 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 January 31, 2016)



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

	3M	6M	1YR	3YRS	5YRS
FUND	0.96	1.84	3.81	8.10	23.14

Source: Lipper Fund Table (The Edge, February 8, 2016)