

Monthly Fund Fact Sheet

MIDF AMANAH SHARIAH MONEY MARKET FUND

January 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 December 31, 2015)

Fund size	RM79.75 million
Unit NAV	RM 0.5000
Fund Inception	1 April 2004
Financial Year End	15 th 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 moved in mixed directions during the month of December with the long end of the yield curve continued to be under selling pressure. Sentiment turned bearish on the heels of declining crude oil prices with Brent crude broke below the crucial support of USD40/bbl. On the other hand, the short to medium end of the yield curve attracted buying demand on the back of stabilizing USD/MYR near 4.30 level. The 3-years MGS benchmark traded firmer to 3.29% as foreign interest continued showing decent demand. On a monthly basis, the 3-,5-, 7 and 10-years fell by 4 to 27 bps closed at 3.29%, 3.45%, 4.04% and 4.17% respectively whilst the 15-years closed at 4.58% higher by 11bps from previous month. In the GII-segment, the 3- and 5-years fell 6 to 17 bps closed at 3.42% and 3.89% whilst the 7-, 10- and 15-years closed higher by 2 to 10 bps at 4.32%, 4.52% and 4.67% respectively.

BNM conducted a reopening auction for the 5-years MGS benchmark in early December. Issue size is RM 4.0billion. The auction garnered bid-to-cover ratio of 2.5 times at an average yield of 3.873%. BNM also conducted the reopening of 10-years GII benchmark, which was the last auction for the year with bid-to-cover ratio of 1.8 times. Bids mostly came from onshore investors with the highest cut at 4.53% and a low of 4.49%. Post tender the yields shifted higher in the range of 4.53% to 4.56%.

On the economic front, Malaysia's trade balance increased from RM9.69 billion to RM12.16 billion in October, led sharp gain in exports to 16.7% y-o-y in October from 8.8% y-o-y in prior month. Shipments of electrical and electronic products increased 22.7% y-o-y in October while exports of timber and timber-based products advanced 28.5% y-o-y. Meanwhile, imports declined sharply from +9.6% in September to -0.4% in October.

Investment Outlook & Strategy

As we are nearing the end of 2015, the focus remains on the outcome of FOMC decision on the interest rate hike. As widely expected, the FED had increased its Federal Funds Rate ("FFR") by 25bps in December 2015. The US economy continued to expand at a healthy rate, underpinned by strong job creation and the expectation of higher inflation seems to strengthen the situation. The FFR is expected to move higher in 2016-2017 but most economists expect a gradual pace in the range of 0.75% to 1.00%. Hence, we foresee US weakness will continue in 2016 and continue to bear flatten across the yield curve.

(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 December 2015, 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.

Domestically, we anticipate that the market will remain volatile, driven by weakness in domestic demand, fluctuation in crude oil prices, Ringgit performance and added with external uncertainties such as fears of further Fed hikes and China slowdown. The Malaysian economic growth for 2016 is expected to moderate at 4.5% for 2016 versus 4.8% for 2015 while inflation is likely to trend higher. Pressure on the 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.

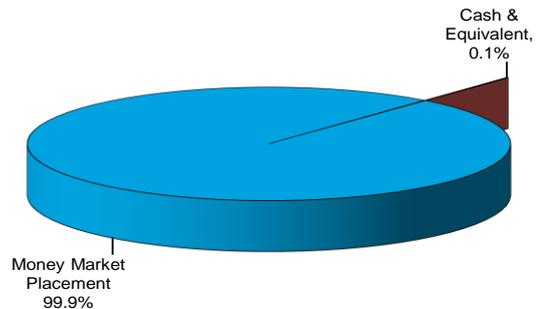
In view of the above, we expect the local government bond to remain weak with yield curve shifting marginally upwards on a bear steepening move. We also foresee that bond market player will continue to be cautious and likely will maintain on short duration so as to minimize impact of a yield upswing.

The Fund will continue investing in short term Islamic deposits.

LARGEST HOLDINGS (as at December 31, 2015)

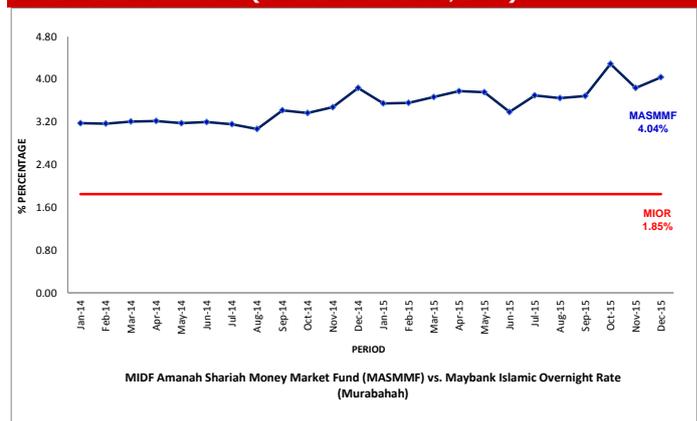
SHARIAH MONEY MARKET PLACEMENT	99.9%
CASH	0.1%

ASSET ALLOCATION (as at December 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 December 31, 2015)



CALENDAR YEAR RETURN % (as at December 31, 2015)

	3M	6M	1YR	3YRS	5YRS
FUND	0.64	1.51	3.48	7.97	-

Source: Lipper Fund Table (The Edge, January 11, 2016)