

Monthly Fund Fact Sheet

MIDF AMANAH SHARIAH MONEY MARKET FUND

January 2017

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, 2016)

Fund size	RM160.767 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

Trading sentiment improved after an intense sell-down in November. Ringgit government bond strengthened and supported aided by positive OPEC decision to lower oil production beginning Jan 2017 (boosted the crude oil prices) along with bargain hunting after the surge in yields in Nov. Nevertheless, players remained cautious ahead of US FOMC meeting and FX volatility.

BNM released details of 2017 MGS and GII Auction calendar on 21 December. The auction calendar comprises a total of 32 offerings which include 16 MGS and GII auction, skewed towards the long-end of the yield curve. This would lessen pressure off the front end of the yield curve, and supports for a steeper MGS curve in 2017.

M-o-M, the overall MGS benchmark yields shifted lower by 14 to 33bps with the 3-, 5-, 7-, 10- and 15 years closed at 3.57%, 3.70%, 4.01%, 4.21% and 4.51% respectively. Similarly, the GII-segment also traded lower by 11 to 25bps with the 3-, 5-, 7-, 10- and 15 years closed at 3.72%, 3.93%, 4.15%, 4.38% and 4.70% respectively.

Investment Outlook & Strategy

Following the sharp bond market sell-off, ringgit government bond yields continue to hover at higher levels. Despite firmer USD against the MYR, the weaker UST yields continue to pressure ringgit government bond yields. Foreign holdings in MGS climbed to an all-time high of 51.9% in October 2016, but retracing back to 47.1% in December amid capital outflows post US election. We foresee foreign appetite on local government bonds to remain tepid in the near term with risk of more outflows should the broad EM risk-off sentiment is pro-longed.

On the secondary market, liquidity is expected to be subdued as investors are cautious and prefer to stay sideline on the back of persist market volatility and ahead of the FOMC meeting. However, we expect some positive catalyst for the ringgit bonds in the short to medium term on the back of higher oil prices but benign inflation environment in the domestic market. On the corporate bond market, we are still cautious in lieu of further readjustment in spreads against the government bonds. Having said, we think trading momentum will gradually improve as we progress into 2017.

The Fund will continue investing in short term Islamic deposits.

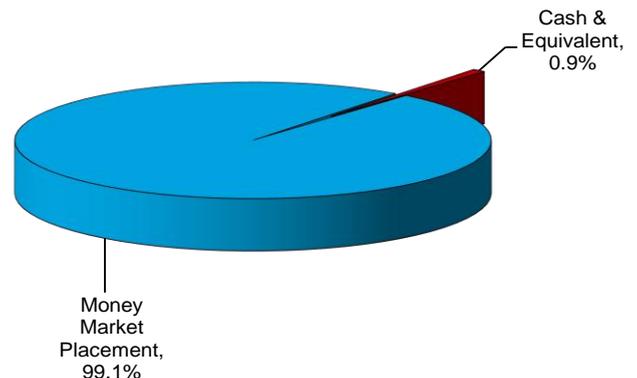
- (1) MIDF Amanah Islamic Bond Fund has been converted to MIDF Amanah Shariah Money Market Fund on 1 January, 2011.
- (2) Based on the fund's portfolio returns as at 15 December 2016, the volatility Factor (VF) for this fund is 0.66 and is classified as "very low" (source:Lipper).
- (3) Volatility Factor (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 2016 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.

LARGEST HOLDINGS (as at December 31, 2016)

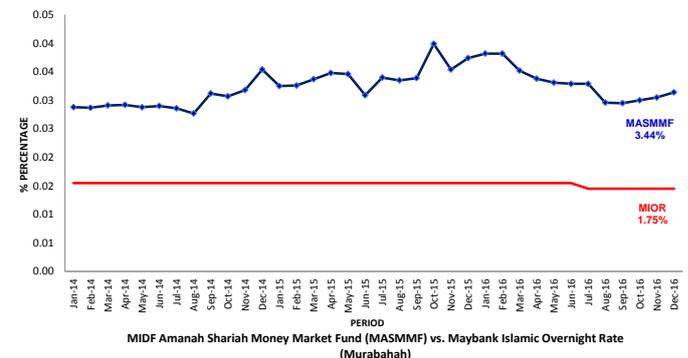
MONEY MARKET PLACEMENT	99.1%
CASH & EQUIVALENT	0.9%

ASSET ALLOCATION (as at December 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 December 31, 2016)



CALENDAR YEAR RETURN % (as at December 31, 2016)

	3M	6M	1YR	3YRS	5YRS
FUND	0.52	1.31	3.46	9.68	14.42

Source: Lipper Fund Table (The Edge, January 9, 2017)