

Monthly Fund Fact Sheet

MIDF AMANAH SHARIAH MONEY MARKET FUND

August 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 July 31, 2014)

Fund size	RM 92.56 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 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") yield curve flattened with the medium to long term yield declined quite significantly by 10 to 16 basis points as sentiment remained upbeat post Overnight Policy Rate ("OPR") hike by Bank Negara Malaysia. The yield curve flattened further from continued demand from foreign players whilst the local players were seen switching from short dated bonds into medium and long end dated bonds. The strong interest along the long ends was further supported by the recent MGS/GII auctions whereby the bid-to-cover ratio trends have resumed positive tractions with healthy bid-to-cover ratio at 2.18 times and 3.813 times respectively. On a monthly basis, the 3-, 5-, 7-, 10- and 20-years fell 2 to 16 bps at 3.49% (June 2014: 3.50%), 3.67% (3.73%), 3.76% (3.92%), 3.89% (4.03%), 4.21% (4.33%) and 4.30% (4.40%) respectively.

On the economic front, the CPI climbed marginally to 3.3% y-o-y in June, suggesting price pressure remains well-contained in the absence of further adjustment in government administered prices while spill-over from earlier subsidy cuts waned. The higher CPI was a result of quicker gain in both food (+3.5%) and non-food prices (+3.2%). Malaysia's GDP growth rose significantly to 6.2% y-o-y in 1Q14, outperforming its regional peers, mainly due to the strong recovery in exports, as well as healthy growth in domestic demand.

Outlook

Malaysia economy is expected to expand steadily in 2014 in the range of 4.5% to 5.5% supported by improving exports amid some moderation in domestic demand. The inflation rate is expected to trend higher from 2.0% -3.0% to 3.0%-4.0% in 2014 due to potential new administered price adjustments. BNM raised OPR by 25 bps to 3.25% on 10 July (first since May 2011) on the back of firm growth prospects and inflation remains above its long-run average. The explanation given was that the normalization aims to mitigate the risk broader economic and financial balances that could undermine the growth prospects of the Malaysian economy. With that, some expect another 25bps before year end whilst others believe the next hike will only

(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 July 2014, the volatility Factor (VF) for this fund is 6.02 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.

come in 2015, depending on the trend of economic data, especially signs of inflationary pressure.

In the local bond market, we may foresee a further rise in government bond yields from the current levels but the upside may be limited as the current levels have more or less priced in the 25 bps. Overall, we anticipate market players to remain short on duration however as the yields gradually increase, some players may pick up long end bonds particularly from the primary segment, where rates may be more attractive. Meantime, the foreign holdings in MGS have remained high at 46% from 44% in Apr-14, aided by FED's low interest rate environment well into 2015.

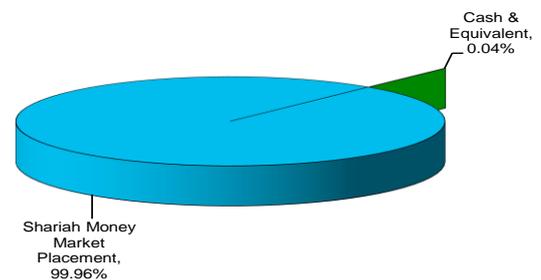
Strategy

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

LARGEST HOLDINGS (as at July 31, 2014)

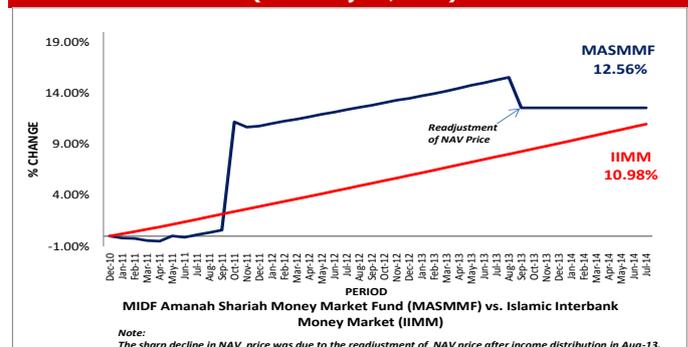
	%
SHARIAH MONEY MARKET PLACEMENT	99.96
CASH	0.04

ASSET ALLOCATION (as at July 31, 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 July 31, 2014)



CALENDAR YEAR RETURN % (as at July 31, 2014)

	3M	6M	1YR	3YRS	5YRS
FUND	0.57	1.42	1.65	17.03	-

Source: Lipper Fund Table (The Edge, August 11, 2014)