

Monthly Fund Fact Sheet as at 31st July 2017

MIDF AMANAH SHARIAH MONEY MARKET FUND

August 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 July 31, 2017)

Fund size	RM 533.081 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

Ringggit government bonds/sukuk yields were broadly higher as end of June, reversing previous month's rally. Overall sentiment was biased towards MGS, tracking higher UST yield movement. The MGS market was mostly dampened by the weaker ringgit and falling crude oil prices. Meanwhile, domestic data releases were mixed which did little impact to the bond prices.

Headline inflation in May rose at a slower pace by 3.9% y-o-y, compared to a 4.4% increase in April and slightly below market expectations of a 4% increase. The slower pace was mainly due to a slowdown in the cost of transport, whilst inflation was steady for alcoholic beverages and tobacco (0.2%), housing, water, electricity and other fuels (2.2%).

Malaysia's export rose with 20.6% growth in April, whilst imports expanded by a smaller 24.7% y-o-y (lower than 31.3% market consensus). Industrial production expanded at 4.2% y-o-y in April, below 4.8% y-o-y projected earlier.

BNM conducted two new auctions with total amount of RM6.5 billion as compared to RM10.3 billion in previous month. Demand for the 20-year MGS benchmark was lacklustre despite the attractive spread as market players remain cautious, however the 10-year GII benchmark reopening auction recorded healthy demand with strong bid-to-cover ratio of 2.541 times.

On monthly basis, the benchmark MGS yield curve bear flattened with the 3-years rose 10 bps higher to 3.39% whilst the 5-y to 10-years up 4bps to 9bps higher at 3.62%, 3.89% and 3.91% respectively. Similarly, the government investment issue yield curve also trended higher by 3bps to 12bps. The 10-year GII closed at 4.10% in June from 3.99% in previous month.

Investment Outlook & Strategy

In the local front, there are little short term catalysts to move the market, except the upcoming meeting schedule in July 2017. During the May's MPC meeting, the OPR was regarded as accommodative and supportive of economic activity.

Overall, the series of indicators that may affect OPR appears to have normalised. Rebound in growth will continue be supported by sustained domestic demand while headline inflation is expected to moderate, but the trend of headline will be dependent on future global prices which

- (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 2017, the volatility Factor (VF) for this fund is 0.41 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 2017 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.

remain highly uncertain. The acceleration of the 1Q2017 GDP growth removes any thought of OPR cut this year and the expected slowdown in CPI y-o-y after the high of 5.1% in March reaffirms that the jump in inflation was cost-push factor and low base effect.

Meanwhile, foreign holdings of MGS posted a net outflow of RM0.9 billion in June, after posting two consecutive monthly positive net flows in May and April. Total foreign holdings in MGS declined marginally to 41.2% in June from 41.8% in May amid thin trading in the local bond market.

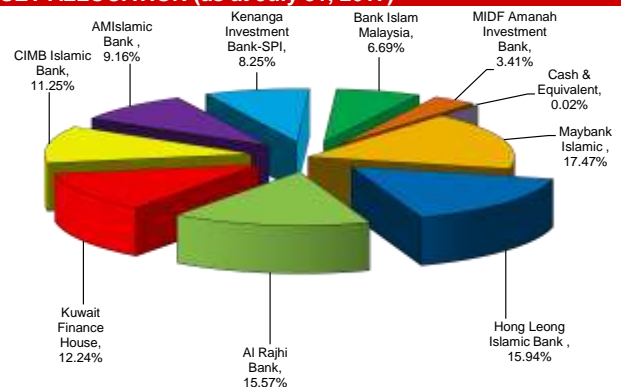
In the near term, we think ringgit government bonds will likely show some mild weakness as market awaited for the upcoming FOMC and MPC meeting and also weighed by weaker MYR. We reckon the 10-years MGS to trade higher in the range of 4-4.05% following the recent weakness in the MGS.

The Fund will continue investing in short term Islamic deposits.

LARGEST BANKS (as at July 31, 2017)

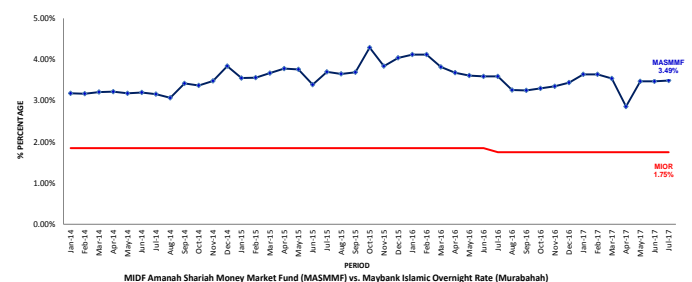
	%
MAYBANK ISLAMIC BERHAD	17.47%
HONG LEONG ISLAMIC BANK BERHAD	15.94%
AL RAJHI BANK	15.57%
KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD	12.24%
CIMB ISLAMIC BANK BERHAD	11.25%

ASSET ALLOCATION (as at July 31, 2017)



*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, 2017)



CALENDAR YEAR RETURN % (as at July 31, 2017)

	3M	6M	1YR	3YRS	5YRS
FUND	0.53	1.58	3.19	10.16	14.94

Source: Lipper Fund Table (The Edge, August 7, 2017)