

## Monthly Fund Fact Sheet

### MIDF AMANAH SHARIAH MONEY MARKET FUND

July 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 June 30, 2014)

Fund size	RM 76.17 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 NAV
Trustee Fee	Up to 0.07% 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") traded mixed with thin trading volume amid rising US Treasuries. The lacklustre trading was also on the back of cautious sentiment ahead of the Monetary Policy Meeting ("MPC") and the upcoming reopening of GII 20-year auction. MGS yields had surged since the last MPC on May 8. The shorter end of the yield curve edged higher due to its sensitivity to changes in policy rates. Additionally, demand on the MGS 3-year reopening auction was relatively weak and attracted a softer bid-to-cover ratio of 1.39 times compared to the average of 2.56 times despite the benign tender size of RM 3 billion. Meanwhile, yields along the medium to long end of the curve fell significantly on the back of buying interest from selected investors seek for attractive yield pick-up.

The 3-, and 5-year closed higher by 1 to 5 bps at 3.50% (May 2014: 3.45%) and 3.73% (3.71%) whilst the 7-, 15- and 20-years fell 2 to 19 bps 3.92% (3.94%), 4.33% (4.39%) and 4.52% (4.54%) and unchanged for the 10-years. In the GII space, the 3- and 15-year yields closed marginally lower at 3.65% (May 2014: 3.66%) and 4.53% (4.54%) whilst the 5-, 7- and 10-years closed higher at 3.88% (3.86%), 4.10% (4.09%) and 4.25% (4.23%) respectively.

##### OUTLOOK

Malaysia economy is expected to expand steadily in 2014 in the range of 4.5% to 5.5% supported by improving external conditions 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. On the monetary stance, the OPR is expected to increase by at least 25 bps should the steady growth is intact. At this juncture, consensus view is that the OPR is likely to remain at 3.00% at least until the 2H2014.

In the local bond market, the movement in the bond yields will be determined by the direction of fresh economic data coming from local and external market environment as well as the direction of the global bond yields and the US Treasury market. Higher CPI expectation may also put upward pressure on bond yields, however any excessive

(1) MIDF Amanah Islamic Bond Fund has been converted to MIDF Amanah Shariah Money Market Fund on 1 January, 2011.

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.

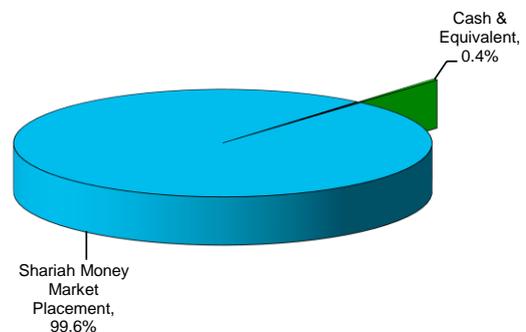
upwardly movement will likely to be moderated by bargain hunters seeking for attractive levels may again lure buying interest.

Given the above scenario, we are of the view that the market players will continue to take an overweight stance on corporate bonds (particularly in the primary segment) vis-à-vis a more volatile government bond market, while tactically managing duration and pro-actively realigning the asset allocation in line with market movements.

#### LARGEST HOLDINGS (as at June 30, 2014)

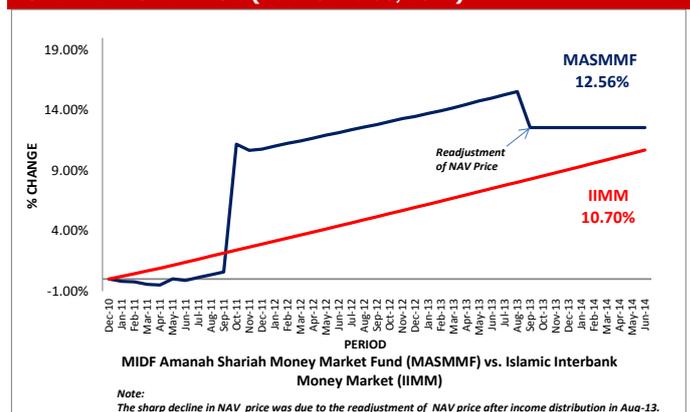
	%
SHARIAH MONEY MARKET PLACEMENT	99.64
CASH	0.36

#### ASSET ALLOCATION (as at June 30, 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 June 30, 2014)



#### CALENDAR YEAR RETURN % (as at June 30, 2014)

FUND	3M	6M	1YR	3YRS	5YRS
	0.84	0.84	1.35	16.70	-

Source: Lipper Fund Table (The Edge, July 7, 2014)