

Monthly Fund Fact Sheet

MIDF AMANAH SHARIAH MONEY MARKET FUND

July 2015

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, 2015)

Fund size	RM 80.71 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

Malaysian Government Securities ("MGS") weakened driven by the sell-off in US Treasuries and Eurozone government bonds. Players were slightly cautious as the ringgit weakened on speculation that Fitch Ratings will downgrade Malaysia as the US moves towards raising interest rates. The overall local government bond and sukuk yields suffered significant losses with the exceptional the 3-years MGS benchmark declined 13bps lower at 3.17%, the lowest level since Jan 2014. The ample liquidity on the back of slow bill auctions is supporting sentiment on the short end of the yield curve. BNM conducted 2 reopening tender of the 10-year and 7-years MGS benchmark. Demand was weak at 1.67 times and 1.9 times respectively.

As at closed, the MGS 5-, 7-, 10- and 15-years closed higher by 5 to 15 bps at 3.64% (May 2015: 3.57%), 3.96% (3.81%), 4.01% (3.91%) and 4.17% (4.13%) whilst the 3-year closed 13bps lower at 3.17% (3.30%). Similarly, the government investment issue also traded higher by 3 to 12 bps across the tenor with the 3-, 5-, 7-, 10 and 15-years at 3.50% (May 2015: 3.46%), 3.77% (3.72%), 4.03% (3.91%), 4.09% (4.01%) and 4.29% (4.18%) respectively.

Investment Outlook & Strategy

Despite lingering concerns over oil prices, the current macro environment; 1) accommodative OPR outlook, 2) subdued global growth and 3) benign inflation appears supportive for bond dynamics. However, we expect a sideways range bound movement in the local bond market due to lack of pertinent macro data and market direction may be negatively influenced if Fed hike interest rate sooner than expected.

We foresee the local bond market players will remain cautious on the back of global bond market volatility. Long dated bonds will continue to be under pressure whilst the short dated will remain supported on the back of ample liquidity likely driven by the net inflows from the discount instruments out of matured BNM noted. Having said, the total debt securities reported a m-o-m outflow of RM7.9 billion. MGS foreign holdings stood steady at 46.9% in May (Apr: 47.0%, Mar: 45.7%), with a small m-o-m inflow of RM0.6 billion in foreign holdings.

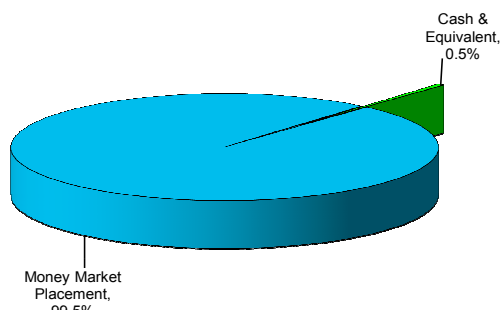
On the monetary policy front, BNM held steady its Overnight Policy Rate steady at 3.25%, citing the stance of monetary policy remains accommodative and supportive for growth. Malaysia's growth is expected to remain on steady path aided by domestic demand, whilst inflation will be contained even with the GST, as commodity prices remain low. Hence, we opined the OPR will stay at 3.25% for the rest of 2015.

In view of the above, we remain cautious but continue to take an overweight stance on selected corporate bonds (especially from the primary market) 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, 2015)

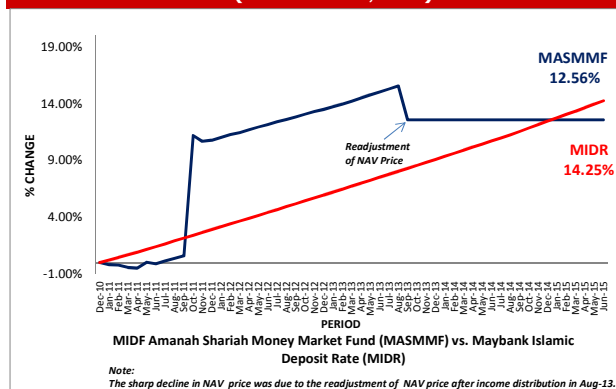
	%
SHARIAH MONEY MARKET PLACEMENT	99.95
CASH	0.05

ASSET ALLOCATION (as at June 30, 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 June 30, 2015)



CALENDAR YEAR RETURN % (as at June 30, 2015)

	3M	6M	1YR	3YRS	5YRS
FUND	0.88	1.68	3.30	7.39	-

Source: Lipper Fund Table (The Edge, July 6, 2015)

(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 June 2015, the volatility Factor (VF) for this fund is 0.68 and is classified as "very low" (source:Lipper).