

## Monthly Fund Fact Sheet as at 30th June 2017

### MIDF AMANAH SHARIAH MONEY MARKET FUND

July 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 June 30, 2017)

Fund size	RM 193.144 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 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

Ringgit government bonds dealt firmer underpinned by improving sentiment and foreign inflows whilst foreign reserves improved by USD 1.2billion to USD 97.3 billion as at 15 May 2017. Gains were also driven by the stronger MYR, subdued external risks despite an increasingly hawkish US Fed and dip in oil prices below the \$50/bbl.

The overall MGS yield curve trended lower across the tenor but interest mainly slanted towards short to medium tenor benchmarks. Meanwhile, the 10-years MGS benchmark dipped circa 18bps, last traded below 4.00% since November 2016 whilst the MYR strengthened by 1.38% m-o-m. Meantime, foreign participants were seen initially buying the short end of the curve before extending into the belly and the longer end of the curve.

As widely, expected, BNM held the OPR steady at 3.00% in May 2017. Though projecting an overall neutral tone in the statement accompanying the rate decision, policymakers indeed sounded more upbeat on growth on the global and domestic economic but cautions that risks remain. Growth continued remains driven by both domestic and external demand and expected to strengthen in the 1Q2017 and to be sustained for the rest of the year.

On a monthly basis, the 5-, 7-, 10-, 15-years fell 10 to 18bps closed at 3.56%, 3.81%, 3.87% and 4.31% respectively whilst the 2-years closed higher by 8bps at 3.29%. Similarly, the GII-segment also traded lower 2 to 12 bps with 3-, 5-, 7-, 10- and 15-years closed at 3.63%, 3.72%, 3.92%, 4.00% and 4.52% respectively.

#### Investment Outlook & Strategy

Bank Negara Malaysia expects the Malaysian economy to expand by 4.3% - 4.8% (2016 forecast: 4.0% - 5.0%) in 2017 in conjunction with its Annual Report 2016 release. Growth will be supported by sustained domestic demand and improvement in exports. The central bank also sees that inflation to moderate in the 2H2017. Latest April CPI moderated to 4.4% y-o-y suggesting inflation may have peaked in March at 5.1% y-o-y. Hence, we foresee that there is no urgency for BNM to hike rates to tame inflationary pressure and expect for the OPR to stay unchanged for the rest of 2017.

Meanwhile, foreign holdings continue to mirror positive momentum with a 2<sup>nd</sup> month of net positive bond inflow. Foreign holdings in MGS gained +RM8billion to RM150.50 billion or 41.8% versus 39.7% in April 2017, as foreigners turned net buyers in May after the large outflow from MGS since November 2016. We think demand for government bonds is still healthy whilst appetite remains along the short belly of the curve.

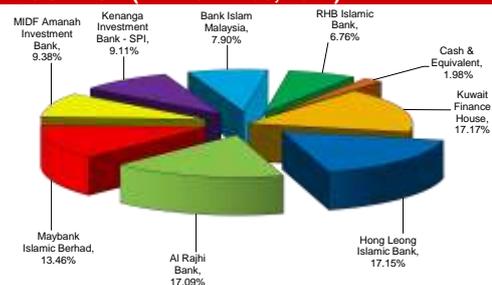
At this juncture, the highlight should be on the upcoming FOMC in June, as the Fed will reveal its economic projections alongside the rate decision. Assuming Fed policymakers maintain their previous projection (target median Fed funds rate at 1.40% by end-2017), ringgit bonds should see some profit taking activities especially after the recent rally. However, the downside maybe limited unless MYR continues to strengthen substantially.

The Fund will continue investing in short term Islamic deposits.

#### LARGEST BANKS (as at June 30, 2017)

	%
KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD	17.17%
HONG LEONG ISLAMIC BANK BERHAD	17.15%
AL RAJHI BANK	17.09%
MAYBANK ISLAMIC BERHAD	13.46%
MIDF AMANAH INVESTMENT BANK BERHAD	9.38%

#### ASSET ALLOCATION (as at June 30, 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 June 30, 2017)



#### CALENDAR YEAR RETURN % (as at June 30, 2017)

FUND	3M	6M	1YR	3YRS	5YRS
	0.77	1.32	2.93	9.88	14.85

Source: Lipper Fund Table (The Edge, July 10, 2017)

(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 2017, the volatility Factor (VF) for this fund is 0.45 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.