

## Monthly Fund Fact Sheet

### MIDF AMANAH SHARIAH MONEY MARKET FUND

June 2016

#### 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 May 31, 2016)

Fund size	RM82.87 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

There was a strong buying interest for the local government bonds at the start of the month on both MGS and GII along the front end up to 10-years. Notably, demand for off benchmark bonds was also strong with foreign flows driving the market. However, sentiments turned cautious as Ringgit came under pressure amid firmer USD and as players adopting a more cautious stance following the reversal of MYR gains. Selling pressure on MYR continued over equity selling by foreign investors and weaker macro numbers. Government bond yields seen mostly edging higher with the MGS 10-year backing up to 3.90%.

BNM issued the reopening of GII 15-years on May 5, registered a healthy demand with bid-to-cover ratio of 2.621 times with an average yield of 4.417%, higher against 4.393% in July 24. The second tender during the month was the new MGS 10.5-years with total issue amount of RM4.0 billion. The tender was well received with bid-to-cover ratio of 2.193 times with an average yield was 3.90%, lower than the level of 3.955% in March 2015 and 4.18% in January 2014.

Overall, the 3- and 5-year MGS benchmark traded a tad lower by 1 to 2 bps at 3.23% and 3.37% respectively whilst the 7-, 10- and 15-year edged higher by 2 to 8 bps at 3.78%, 3.81% and 4.19% respectively. Meanwhile, the GII-segment, the 7- and 10-yr traded a tad lower by 2 bps closed at 3.88% and 4.02% respectively, whilst the 3-, 5- and 15-years closed lower at 3.21%, 3.65% and 4.40% respectively.

#### Investment Outlook & Strategy

The latest MPC statement cites weak global economic developments and volatile financial markets as the main potential risks. Structural issues and geopolitical uncertainties are likely to continue to constraint global economic growth. Despite the affirmation of slower growth and moderate inflation targets, BNM continues to hold its OPR steady at 3.25%. BNM stated that the OPR at the current levels remains accommodative and supportive of economic activity.

Nonetheless, BNM remains wary citing "downside risks in the global economic and financial environment". The statement seems to imply that if external recovery does not materialize or worsen instead, and hinders Malaysia's growth prospects, then there may be need to ease monetary policy.

- (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 May 2016, the volatility Factor (VF) for this fund is 0.70 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 2016 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.

Meanwhile, the Ringgit remains under pressure alongside regional peers amid renewed speculation of a sooner-than-expected rate Fed hike. We reckon the increased anticipation of a rate hike will exert further pressure on MYR as well as ringgit bond market ahead of the Jun FOMC meeting. We expect market players will remain cautious and expect range bound trading in the local government bond market.

The Fund will continue investing in short term Islamic deposits.

#### LARGEST HOLDINGS (as at May 31, 2016)

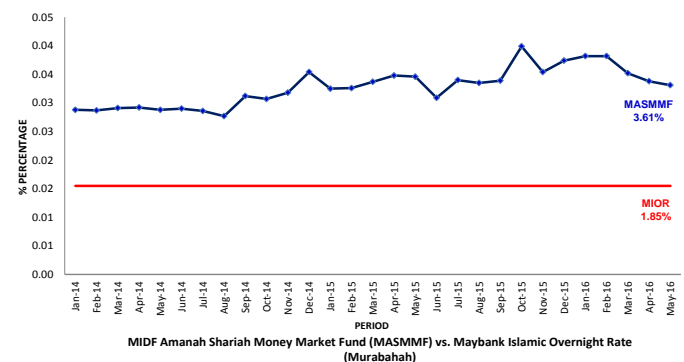
MONEY MARKET PLACEMENT	100.00%
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#### ASSET ALLOCATION (as at May 31, 2016)



\*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 May 31, 2016)



#### CALENDAR YEAR RETURN % (as at May 31, 2016)

	3M	6M	1YR	3YRS	5YRS
FUND	0.89	1.85	3.66	8.46	24.85

Source: Lipper Fund Table (The Edge, June 6, 2016)