

Monthly Fund Fact Sheet

MIDF AMANAH SHARIAH MONEY MARKET FUND

May 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 April 30, 2016)

Fund size	RM67.99 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

The local government bonds strengthened given the strong rebound in MYR amid recovering in oil prices. The stabilization of the MYR in recent months and dissipating market uncertainties on the long awaited Fed rate hike generally aided foreign demand for local bonds. Interest has skewed towards GII-segment with robust volume especially for the 7-year GII benchmark. Some profit taking pressure was also noted especially along the short-end of the curve.

Foreign holdings ownership of MGS stood at 48.7% in March from 47.5% in February. The inflows were broad-based as all debt securities reported positive flows led by MGS (RM6.6b) followed by GII (RM3.4b) and discounted instruments (RM1.3b). Strong demand in GII-segment in recent months suggests that offshore players have been exploring GII as an alternative given scarcity supply of short term bills and in search of better yield pick-up.

Meanwhile, BNM held 2 reopening tenders of 7-years GII and 20-years MGS with total issue of 3.5 billion and 2.5 billion respectively. The 7-years GII reopening tender garnered a strong bid-to-cover ratio of 2.68x attracting both onshore and offshore investors with average yield of 3.93%. Whilst re-opening of 20-year MGS garnered bid-to-cover ratio of 1.986x with an average yield of 4.242%.

Overall, the MGS yield curve shifted slightly higher along the belly of curve by 2 to 5 bps. The 3-, 5-, 7- and 10 years closed at 3.26%, 3.43%, 3.72% and 3.80% respectively whilst the 15- and 20-years trended lower at 4.11% and 4.24%. Meanwhile, the GII-segment, traded yields generally unchanged with the 3-, 5-, 7-, 10- and 15-years closed a tad lower at 3.22%, 3.66%, 3.91%, 4.05% and 4.39% respectively.

Investment Outlook & Strategy

As we are moving into 2Q16, our local financial markets continue to recover pleasantly from last year's bumpy ride. Nevertheless, Malaysia proverbial glass remains half empty as the economic fundamental does not have much material improvement and limited policy options to tackle the slowdown.

Malaysia's 4Q15 growth came in much stronger at 1.5%, above a long term potential growth rate of 1.2-1.3%. The domestic financial conditions remain relatively stable with adequate liquidity in the system.

(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 Apr 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 2015 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.

The current monetary stance remains accommodative and supportive until there is more clarity to the growth and inflation outlook.

Given the recent rally in the local government space, we view that market players to extend out the curve in search for higher relative yield pick-up. We foresee market players will continue to take an overweight stance on 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.

The Fund will continue investing in short term Islamic deposits.

LARGEST HOLDINGS (as at April 30, 2016)

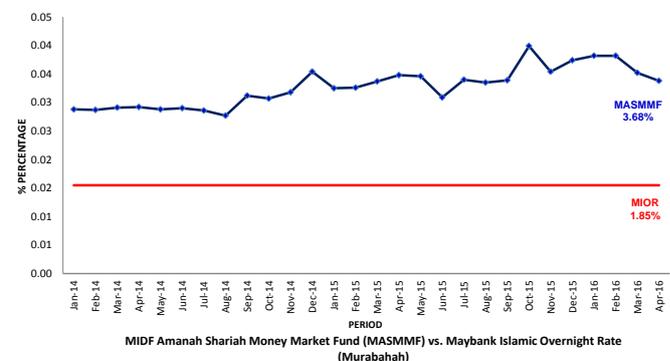
MONEY MARKET PLACEMENT	100.00%
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ASSET ALLOCATION (as at April 30, 2016)



*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 April 30, 2016)



CALENDAR YEAR RETURN % (as at April 30, 2016)

	3M	6M	1YR	3YRS	5YRS
FUND	0.61	1.91	3.66	8.39	24.70

Source: Lipper Fund Table (The Edge, May 9, 2016)