

## Monthly Fund Fact Sheet July 2010

### MIDF AMANAH STRATEGIC FUND (Formerly known as AUTB Progress Fund)

#### FUND OBJECTIVE

The objective of the fund is to achieve long-term capital growth through investments in smaller, high growth companies.

#### THE FUND IS SUITABLE FOR INVESTORS WHO:

- Are seeking long term capital growth;
- Are prepared to take on a higher level of risk associated with investment in small-capitalized stocks.

#### MANAGER'S COMMENTS

##### Review

The market recovers this month as the KLCI rebounded strongly back to near its year highs. The release of the 10<sup>th</sup> Malaysia Plan on June 10 and the higher-than-expected development expenditure, particularly for construction jobs, helped lift market sentiment despite distraction from the World Cup competition. Global market volatility remained high during the month, however as recurring fears about the global recovery weighed down on markets towards the end of June. For the month, the KLCI gained 29 points or 2.3% to close at 1,314 points. The broader market's performance was stronger than the KLCI with the FBM Emas rising 2.5% to 8,863. Smaller caps underperformed as seen by the FBM Small Cap which gained 2.2% to 10,759 points and FBM ACE which appreciated only 1.1% to 3,801 points.

##### Investment Outlook & Strategy

GDP growth is projected to increase by 6% p.a in the 10MP, driven mainly by the foreign FDI and private consumption which will be challenging. BNM is likely to increase OPR rates in the upcoming meeting as it seeks to normalize the local interest rate environment to pre-empt future inflationary pressures from subsidy reduction. Inflationary expectations will increase with the gradual abolishment of subsidies and also the introduction of the pending GST. The latest Tenth Malaysia Plan is commendable but it will not be easy to shunt the economy up the path of higher value-added and thus, higher income economy. The gradual reduction in budget deficit to 2.8% of GDP from 5% estimated for this year will also reduce government's debt level to 49.9% in 2015 and this can help to increase investors' confidence towards government's fiscal discipline. External development from the European debt crisis, US mixed economic signal and also China's policy tightening will continue to dominate the direction of the local equity market. Market volatility is expected to pick up in H2 given negative sovereign debt developments in Europe, but underpinned by liquidity-driven domestic themes. The earnings momentum has peaked with the recent reported 1Q2010 earnings produced more in-line expectations and quarterly growth has declined from 10% in 4Q2009 to 4% in 1Q2010. Further government policies announcement will build hope and keep the market excited, especially towards year end. Market is currently trading fairly with the backdrop of volatile development from Europe, US and policy tightening in China.

The investment landscape has become more volatile, but opportunity still presents. Further market strength, will warrant profit taking while any sharp correction will be present a good opportunity to accumulate stocks with strong fundamentals, proven track record, healthy balance sheet and attractively valued for long term growth.

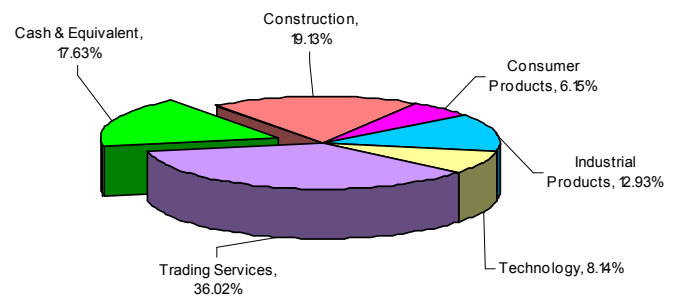
#### FUND DETAILS (as at June 30, 2010)

Fund size	RM 41.10 million
Unit NAV	RM 0.8929
Fund Inception	1 June 1970
Financial Year End	15th day of January
Management Fee	1.5% p.a. of NAV
Trustee Fee	0.1% p.a. of NAV
Initial Service Charge	Up to 5.00% of NAV
Redemption Payment Period	Within 10 calendar days
Investment Manager	MIDF Amanah Asset Management Bhd

#### LARGEST HOLDINGS (as at June 30, 2010)

COMPANY	%
MBM RESOURCES BHD	9.82%
NOTION VTEC BERHAD	8.14%
DIALOG GROUP BERHAD	8.17%
WCT ENGINEERING BERHAD	7.08%
QL RESOURCES BHD	6.15%

#### SECTOR ALLOCATION (as at June 30, 2010)\*



\*as percentage of NAV. Please note that asset exposures for the funds are subject to frequent change on a daily basis.

#### CALENDAR YEAR RETURN % (as at June 30, 2010)

	3M	6M	1 YR	3YRS	5YRS
<b>FUND</b>	<b>-2.26</b>	<b>-1.01</b>	<b>4.26</b>	<b>-9.85</b>	<b>24.52</b>
<b>FBMSC*</b>	<b>-6.16</b>	<b>3.22</b>	<b>21.54</b>	<b>-3.74</b>	<b>82.81</b>

\*FBM SmallCap Index (FBMSC + gross dividend yield)

Source: Lipper Fund Table

(Published in The Edge dated July 12, 2010)

(1) Based on the fund's portfolio returns as at June 15, 2010, the volatility Factor (VF) for this fund is 11.6 and is classified as "moderate" (source:Lipper).