

PRODUCT HIGHLIGHTS SHEET

MUAMALAT INVEST i-INSTITUTIONAL MONEY MARKET FUND

DATE OF ISSUANCE
15 SEPTEMBER 2023

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors and/or authorised committee and/or persons approved by the Board of Directors of Muamalat Invest Sdn. Bhd. ("MISB") and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in the Product Highlights Sheet false or misleading.

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The Securities Commission Malaysia has authorised/recognised the issuance of Muamalat Invest i-Institutional Money Market Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Muamalat Invest i-Institutional Money Market Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Muamalat Invest i-Institutional Money Market Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A
CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT**

This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. We recommend that you read this Product Highlights Sheet together with the Prospectus for Muamalat Invest i-Institutional Money Market Fund dated 12 October 2020 and its First Supplementary Prospectus dated 15 September 2023. Investors are advised to request, read and understand the Prospectus and the First Supplementary Prospectus before deciding to invest.

FUND INFORMATION

Name of Fund	Muamalat Invest i-Institutional Money Market Fund
Fund Category	Islamic Money Market Fund
Fund Type	Income
Launch Date	12 October 2020
Financial Year End	30 June

PRODUCT SUITABILITY

The Fund may only be sold to Institutional Investors and is suitable for Institutional Investors who:

- want a portfolio of investments that adhere to Shariah principles;
- require a high level of liquidity;
- have a short-term investment horizon of 1-year and below; and
- have a low tolerance for risk.

INVESTMENT OBJECTIVE

The Fund aims to generate regular income* for Unit Holders.

*Note: *Income can be distributed either in the form of cash or Units.*

INVESTMENT POLICY & STRATEGY

The investment policy of the Fund is to invest up to 100% of its NAV in liquid and low risk Ringgit denominated Islamic deposits and Islamic money market instruments issued by financial institutions. The minimum credit rating for financial institutions in relation to Islamic deposits and Islamic money market instruments shall be “A3” by RAM Rating Services Berhad (“RAM”) or “A-” by Malaysian Rating Corporation Berhad (“MARC”) or other equivalent rating by any other similar rating agencies. The minimum credit rating for investments in Islamic money market instruments shall be “P3” by RAM Ratings or “MARC-3” by MARC or other equivalent rating by any other similar rating agencies. Any downgrade in the credit rating of the instruments or financial institution would require a thorough re-evaluation and be tabled to the Oversight Committee for deliberations. The necessary decision on the instruments or financial institution, such as selling of the downgraded instruments etc. would be finalised in the Oversight Committee meeting, taking into consideration the proposed rectification actions from the Manager.

The Islamic money market instruments may include:

- (i) Short term Islamic investment accounts;
- (ii) Short term Islamic negotiable instruments;
- (iii) Short term Islamic repurchase agreement; and
- (iv) Short term Islamic commercial papers.

The Fund will be actively managed to provide liquidity to meet any short-term cash flow requirements.

Note: Please note that the Fund is neither a capital guaranteed nor a capital protected fund.

PERFORMANCE BENCHMARK

The benchmark for the Fund is based on the 1-month Maybank Islamic Fixed Deposit-i (IFD-i).

TRANSACTION INFORMATION

Minimum Initial Investment	RM100,000.00
Minimum Additional Investment	RM100,000.00
Minimum Holding	Nil
Switching Facility	Switching is a facility which enables you to convert units of a particular fund for the units of other funds managed by Muamalat Invest Sdn Bhd (MISB), subject to a minimum unit for switching of 10,000 units or such other amount as MISB may from time to time decide.
Transfer Facility	A transfer involves the change of ownership of Units from one Unit Holder to another person. No transfer is allowed for this Fund.

Note:

Investors can buy unit trusts either through a Unit Trust Consultant (UTC), Institutional Unit Trust Advisers (IUTA) or directly from Unit Trust Management Company (UTMC), but each may have a different sales charge and level of service. Only registered UTCs are allowed to sell unit trust funds. If the UTMC uses a nominee system, ask if your rights as a unit holder will be limited in any way.

FEES AND CHARGES

Sales Charge	Nil
Redemption Charge	Nil
Transfer Fee	No transfer of units is allowed for this Fund.
Switching Fee	RM25.00*
Annual Management Fee	Up to 0.50% p.a. of NAV
Annual Trustee Fee	0.02% p.a. of NAV

Note:

The fees and charges quoted are exclusive of tax and duties.

*Only applicable for a switch between funds that impose a similar or lower sales charge. Unit Holders switching to a fund that imposes a higher sales charge will pay the difference in sales charge which is deductible from the redemption amount of the Units to be switched.

END OF PAGE

GENERAL RISKS OF INVESTING IN THE FUND

- (a) **Fund Management Risk** - This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any noncompliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
- (b) **Market Risk** - Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.
- (c) **Liquidity Risk** - Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid or are difficult to dispose of the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.
- (d) **Performance Risk** - There is no guarantee in relation to the investment returns or on distribution to Unit Holders.
- (e) **Inflation Risk** - This is the risk that investors' investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.
- (f) **Financing/Loan Risk** - This risk occurs when investors take a financing/loan to finance their investment. The inherent risk of investing includes investors being unable to service the financing/loan payments. In the event units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the financing/loan.
- (g) **Non-Compliance Risk** - The risk that a management company and other parties associated with a unit trust fund inadvertently fails to comply with the rules set out in the Fund's deed, or the law that governs the Fund, or act fraudulently or dishonestly. It also includes the risk of a management company failing to comply with internal control procedures due to an oversight. The non-compliance may expose the Fund to higher risks that may result in a fall in the value of the Fund.
- (h) **Shariah Non-Compliance Risk** - This refers to the risk of the Fund not conforming to Shariah Investment Guidelines due to investment in Shariah non-compliant instrument or reclassification of Shariah status. In the event that the Manager is required to rectify any Shariah non-compliance by disposing the related instrument, any losses from disposal due to investment in Shariah non-compliant instrument will be borne by the Manager whereas any losses from disposal due to reclassification of Shariah status will be borne by the Fund. In any circumstances, gain received from disposal shall be channeled to baitulmal and/or charitable bodies as approved by the Shariah Adviser.

END OF PAGE

SPECIFIC RISKS OF INVESTING IN THE FUND

- (a) **Credit/Default Risk** - Credit or default risk is a concern when the Fund makes a placement in Islamic deposits and/or invests in Islamic money market instruments. The risk may arise when the financial institutions are unable to make timely payments on profit and/or principal from realisation of investments upon maturity. This may lead to a default in the payment of principal and/or profit and ultimately affecting the value of the Fund. We intend to mitigate this risk by making placement in Islamic deposits and/or investing in Islamic money market instruments issued by financial institutions having minimum credit rating of "A3" by RAM or "A-" by MARC or other equivalent rating by any other similar rating agencies.
- (b) **Profit/Interest Rate Risk** - Profit/Interest rates offered by the financial institutions will fluctuate according to the Overnight Policy Rate (OPR) determined by BNM and this has a direct correlation with the Fund's investments in Islamic deposits and/or Islamic money market instruments. The movement of profit/interest rates may affect the Fund. If profit/interest rate decreases, the Fund may achieve lower returns as a result of re-investments of Islamic deposits and/or Islamic money market instruments at a lower rate and vice versa.

For investment in Islamic commercial papers, generally the profit/interest rate has an inverse relationship with the price of the instruments. Hence, when the profit/interest rate increases, the price of the instruments in the Fund's portfolio may decrease and vice versa.

The above-mentioned profit/interest rate movement is a general indicator that may have an impact on the management and performance of the Fund. This does not suggest that this Fund will invest in conventional instruments.

- (c) **Liquidity Risk** - Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices. To mitigate this risk, the Fund will be placed in Islamic deposits with financial institutions with a minimum credit rating of "A3" by RAM or "A-" by MARC or other equivalent rating by any other similar rating agencies and/or invested in Islamic money market instruments with a minimum credit rating of "P3" by RAM or "MARC-3" by MARC or other equivalent rating by any other similar rating agencies; invested in Islamic money market instruments issued by various issuers; and manage the maturity of the Islamic money market instruments to meet the liquidity requirements of the Fund.

INVESTMENT IN THE FUND IS NOT THE SAME AS PLACING FUNDS IN AN ISLAMIC DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION. THERE ARE RISKS INVOLVED AND INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS WHEN INVESTING IN THE FUND.

INVESTORS SHOULD TAKE NOTE THAT THE ABOVE LIST OF RISKS MAY NOT BE EXHAUSTIVE AND IF NECESSARY, INVESTORS SHOULD CONSULT THEIR ADVISER(S) FOR A BETTER UNDERSTANDING OF THE RISKS.

END OF PAGE

PERFORMANCE

Average Total Return

1-Year (30/6/22 – 30/6/23)	3-Year	5-Year	10-Year
2.06%	N/A	N/A	N/A

Source: Novagni Analytics and Advisory Sdn Bhd

Annual Total Return

FY2023 (30/6/22 – 30/6/23)	FY2022 (30/6/21 – 30/6/22)	FY2021 (12/10/20 [^] – 30/6/21)
2.06%	1.57%	1.28%

Source: Novagni Analytics and Advisory Sdn Bhd

Commentary: In FY2023, the Fund generated a total return of +2.06% compared to the benchmark return of +2.34%. Hence, the Fund underperformed the benchmark by -0.28%.

Basis and Assumption

The performance figures are measured based on the Fund's NAV growth or decline for the stipulated period, inclusive of all distribution payable (if any).

Income Distribution

Distribution	FY2023 (30/6/22 – 30/6/23)	FY2022 (30/6/21 – 30/6/22)	FY2021 (12/10/20 [^] – 30/6/21)
Gross Distribution per Unit (sen)	2.7329	1.7813	1.2716
Net Distribution per Unit (sen)	2.0596	1.5598	1.2716

Source: Muamalat Invest Sdn Bhd

Commentary: For FY23, total distribution of the Fund amounted to RM383,788. Distributions were automatically reinvested into the Fund (by issuing additional units) based on the NAV per unit on the distribution date, unless the unitholders specifically request for cash distribution.

Portfolio Turnover Ratio

FY2023 (30/6/21 – 30/6/22)	FY2022 (30/6/21 – 30/6/22)	FY2021 (12/10/20 [^] – 30/6/21)
51.87	25.57	15.15

Source: Muamalat Invest Sdn Bhd

Commentary: The Fund's portfolio turnover ratio for the FY2023 was higher compared with previous financial period due to higher volume of placement and maturity transactions.

Note:

FY – Financial Year

[^]Date of inception

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

END OF PAGE

DISTRIBUTION POLICY AND MODE OF DISTRIBUTION

Subject to the availability of realised income received from the investment, the Fund will distribute income at least once a month.

All income distribution proceeds will be automatically reinvested as additional Units at the NAV per Unit of the Business Day on which the income distribution is declared at no charge, unless otherwise requested by Unit Holders.

PARTIES INVOLVED

Manager	Muamalat Invest Sdn Bhd
Trustee	Maybank Trustees Berhad
Shariah Adviser	Bank Muamalat Malaysia Bhd
Tax Adviser	PricewaterhouseCoopers Taxation Services Sdn Bhd
Auditor	PricewaterhouseCoopers
Principal Banker	Bank Muamalat Malaysia Bhd

VALUATION OF ASSETS OF THE FUND

The Manager will ensure that all the Shariah-compliant investments of the Fund will be valued at fair value and at all times be in compliance with the Guidelines and all relevant laws.

The valuation point for the Fund is at 12.00 pm of every Business Day. The unit prices are published on www.muamalat.com.my on a daily basis.

Cash/Islamic Deposits - the valuation of such investments which are Islamic deposits placed with licensed financial institutions and bank bills shall be determined each day by reference to their nominal values and the accrued profit thereon for the relevant period.

Islamic money market instruments – valuation will be performed on daily basis by reference to the value of such investment as provided by the bank or the financial institution that issues the investment.

Local Islamic Commercial Paper – valuation will be performed on a daily basis using fair value prices quoted by a bond pricing agency registered with the SC. If the Manager is of the view that the price quoted by the bond pricing agency differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager record the basis for not using the bond pricing agency price, obtain the necessary internal approvals for not using the bond pricing agency price and keep an audit trail of all the decisions and basis for adopting the market yield.

END OF PAGE

EXITING FROM THE FUND

Unit Holders may redeem their investments in the Fund at any point in time by completing the prescribed redemption request form and returning it to the Manager on any Business Day. Redemption can be made either in terms of Units or in Ringgit Malaysia (RM) values. The amount to be received by the Unit Holder for redemption of Units will be calculated by either multiplying the number of Units redeemed by the Manager's Redemption Price or dividing the Ringgit Malaysia (RM) amount with the prevailing NAV per Unit to determine the total Units to redeem.

However, there is no redemption charge payable for this Fund.

The cut-off time for a repurchase transaction is 12.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time) on a Business Day. Any repurchase request received after 12.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time) will be considered as received on the next Business Day. Such repurchase requests are deemed received and shall be irrevocable only if all documents and forms received by the Manager are duly and correctly completed.

END OF PAGE

ASSISTANCE AND DISPUTE

Muamalat Invest Sdn Bhd strives to provide investors with high quality information services to assist investors to make well-informed investment decisions in relation to the Fund. Muamalat Invest Sdn Bhd's personnel are available to investors at 03-2615 8400 during normal office hours Monday – Friday from 9.00 a.m. – 5.00 p.m. to provide assistance for enquiries on their investments.

Dispute Resolution

1. For internal dispute resolution, you may contact us at:

Muamalat Invest Sdn Bhd	Tel. No. : 03-2615 8400
4 th Floor, Menara Bumiputra	Fax No. : 03-2070 0157
No. 21 Jalan Melaka	Email : misb@muamalat.com.my
50100 Kuala Lumpur	Website : www.muamalat.com.my

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):

Securities Industry Dispute Resolution Center (SIDREC)	Tel. No. : 03-2282 2280
Unit A-9-1, Level 9, Tower A	Fax No. : 03-2282 3855
Menara UOA Bangsar	Email : info@sidrec.com.my
No. 5, Jalan Bangsar Utama 1	
59000 Kuala Lumpur	

3. You can also direct your complaint to the Securities Commission Malaysia ("SC") even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

Consumer & Investor Office	Tel. No. : 03-6204 8999
Securities Commission Malaysia	Fax No. : 03-6204 8991
No. 3 Persiaran Bukit Kiara	Email : aduan@seccom.com.my
Bukit Kiara	Online complaint form is available at:
50490 Kuala Lumpur	www.sc.com.my

4. Or alternatively to Federation of Investment Managers Malaysia's Complaints Bureau:

Legal, Secretarial & Regulatory Affairs	Tel. No. : 03-2092 3800
Federation of Investment Managers Malaysia	Fax No. : 03-2093 2700
19-06-1, 6 th Floor, Wisma Tune	Email : complaints@fimm.com.my
No. 19, Lorong Dungun Damansara Heights	Online complaint form is available at:
50490 Kuala Lumpur	www.fimm.com.my

END OF PAGE

APPENDIX: GLOSSARY

“BNM” refers to Bank Negara Malaysia.

“Bursa Malaysia” means the stock exchange managed or operated by Bursa Malaysia Securities Berhad.

“Business Day” means a day on which Bursa Malaysia is open for trading and/or banks in Kuala Lumpur are open.

“Manager” refers to Muamalat Invest Sdn Bhd (Registration No. 199601012286 (384635-P)), the management company of the Fund and includes its permitted assigns and successors in title and any new or replacement management company of the Fund.

“Net Asset Value (NAV)” means the value of all assets of the Fund less the value of all the liabilities of the Fund at the valuation point; solely for the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and the trustee fee for the relevant day.

“NAV per Unit” means the NAV of the Fund at a particular valuation point divided by the number of Units in circulation at the same valuation point.

“SC” means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.

END OF PAGE