



MUAMALAT INVEST i-INSTITUTIONAL MONEY MARKET FUND

Date of Issuance: 12 October 2020

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 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, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

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.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Muamalat Invest Sdn. Bhd. responsible for the Muamalat Invest i-Institutional Money Market Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

PRODUCT HIGHLIGHTS SHEET

This Product Highlights Sheet (“PHS”) only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

MUAMALAT INVEST SDN BHD

Product:
Muamalat Invest i-Institutional Money Market Fund

Date:
12 October 2020

Name of Fund	Muamalat Invest i-Institutional Money Market Fund
Fund Category	Islamic Money Market Fund
Fund Type	Income
Commencement 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 Investment 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 Investment 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).

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.*

TRANSACTION INFORMATION

- Minimum Initial Investment : RM100,000.00 or such other lower amount as the Manager may decide from time to time.
- Minimum Additional Investment : RM100,000.00 or such other lower amount as the Manager may decide from time to time.
- Minimum Holding : None. However, the Manager in its sole discretion can impose any minimum holdings from time to time.
- 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 units 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.

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

PRINCIPAL RISKS OF INVESTING IN THE FUND

Specific Risks

- (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) Interest Rate Risk** – 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 interest rates may affect the Fund. If 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 interest rate has an inverse relationship with the price of the instruments. Hence, when the interest rate increases, the price of the instruments in the Fund's portfolio may decrease and vice versa.

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

MODE OF INCOME DISTRIBUTION

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.

DISTRIBUTION POLICY

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

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

VALUATIONS AND EXITING FROM THE FUND

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.

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.

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.

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
4th Floor, Menara Bumiputra
No. 21 Jalan Melaka
50100 Kuala Lumpur

Tel. No. : 03-2615 8400
Fax No. : 03-2070 0157
Email : misb@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 Corporation (SIDREC):

Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

Tel. No. : 03-2282 2280
Fax No. : 03-2282 3855
Email : info@sidrec.com.my

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
Securities Commission Malaysia
3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

Tel. No. : 03-6204 8999
Fax No. : 03-6204 8991
Email : aduan@seccom.com.my

4. Federation of Investment Managers Malaysia's (FIMM) Complaints Bureau:

Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-1, 6th Floor, Wisma Tune
No. 19, Lorong Dungun
Damansara Heights,
50490 Kuala Lumpur

Tel. No. : 03-2092 3800

Fax No. : 03-2093 2700

Email : complaints@fimm.com.my