

PRODUCT HIGHLIGHTS SHEET

MUAMALAT INVEST ISLAMIC MONEY MARKET FUND

DATE OF ISSUANCE
29 FEBRUARY 2024

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 accepted 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 relevant information and document in relation to Muamalat Invest Islamic Money Market Fund (“Fund”), including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of this Product Highlights Sheet has not been registered with the Securities Commission Malaysia. The lodgement of this Product Highlights Sheet should not be taken to indicate that the Securities Commission Malaysia recommends the said Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Muamalat Invest Sdn. Bhd. who is responsible for the said Fund and takes no responsibility for the contents in 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.

This Product Highlights Sheet (“PHS”) 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 Second Supplementary Information Memorandum dated 29 February 2024, the First Supplementary Information Memorandum dated 20 December 2019 and the Replacement Information Memorandum dated 20 September 2017. Investors are advised to request, read and understand the Second Supplementary Information Memorandum, the First Supplementary Information Memorandum and the Replacement Information Memorandum before deciding to invest.

FUND INFORMATION

Name of Fund	Muamalat Invest Islamic Money Market Fund
Fund Category	Wholesale Islamic Money Market Fund
Fund Type	Income
Launch Date	19 January 2017
Financial Year End	31 December

PRODUCT SUITABILITY

The Fund is suitable for Sophisticated Investors who:

- want a portfolio of investments that adhere to Shariah principles;
- have short-term investment horizon; and
- have low risk tolerance.

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 Islamic money market instruments issued by financial institutions.

The Fund may also invest all of its NAV in Islamic money market instruments issued by a single financial institution, if, in the opinion of the fund manager, it would provide better returns for the Fund. The minimum credit rating for financial institutions in relation to Islamic money market instruments shall be “A3” by RAM or “A-” by MARC or other equivalent rating by any other similar rating agencies. However, the Fund may also invest in Islamic money market instruments with non-rated financial institutions provided that the financial institutions are either government-backed or government-linked financial institutions in Malaysia.

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) rate.

Note: The risk profile of the Fund is different than the risk profile of the Benchmark.

TRANSACTION INFORMATION	
Minimum Initial Investment	RM100,000.00
Minimum Additional Investment	RM100,000.00
Minimum Holding	Not applicable.
Switching Facility	Switching may be done by submitting the completed form of request by 12.00 p.m. on a Business Day or such other time as the Manager may deem fit in its discretion (cut-off time). Any switching application 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 to be received on the next Business Day. There are no restrictions as to the number of switches a Unit Holder may perform or the frequency of switching. Following a switch transaction, if the quantity of holdings of a Unit Holder in a Fund falls below its minimum holding, the Manager can withdraw the entire investment and forward the proceeds to the Unit Holder. The Manager, however, reserves the right to vary these terms.
Transfer Facility	Not applicable.

FEES AND CHARGES	
Sales Charge	The Manager does not intend to impose any sales charge.
Repurchase Charge	The Manager does not intend to impose any repurchase charge.
Transfer Fee	Not applicable.
Switching Fee	The Manager does not intend to impose any switching fee.
Annual Management Fee	The Fund pays an annual management fee of up to 0.5% per annum of the NAV of the Fund to the Manager for managing the Fund. The management fee is calculated and accrued on a daily basis, payable monthly to the Manager.
Annual Trustee Fee	The Fund pays an annual trustee fee of up to 0.02% per annum of the NAV of the Fund. The trustee fee is calculated and accrued on a daily basis, payable monthly to the Trustee.
<i>Note: The fees and charges quoted are exclusive of tax and duties.</i>	

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GENERAL RISKS OF INVESTING IN THE FUND

Market Risk

Market risk is a risk which generally affects all types of investments. The Fund will be affected by the fluctuation in the performance of the financial markets, caused by changing conditions as a result of global, regional or domestic economic conditions, political developments, and/or governmental policies which will in turn affect the value of the Fund.

Financing/Loan Risk

This risk occurs when the Unit Holder obtains financing/loan to invest in the Fund. Unit Holders should be aware of inherent risk by investing using financed/borrowed money such as inability to service the payment/repayment and/or increase in payment/repayment amount, if profit/interest rate increases. In the case of Unit Holders who provides units as collateral, the Unit Holder may be required to provide additional collateral should the Fund's unit price fall beyond certain level.

Risk of Non-Compliance

This risk arises from non-compliance with laws, rules, regulations, prescribed practices and internal policies and procedures by the Manager. This risk may also occur indirectly due to the amendment to the relevant regulatory frameworks, laws, rules and other prescribed practices affecting the Fund. The risk may also occur due to internal factors, for example, the Manager failing to comply with internal control procedures due to the fund manager's oversight, human error and/or system error. The magnitude of such risk and its impact on the Fund and/or Unit Holders are dependent on the nature and severity of the non-compliance. As an example, non-compliance may adversely affect the returns of the Fund especially if the investment of the Fund has to be disposed at an undesirable price to rectify the non-compliance. The Manager has put in place internal controls to ensure that comprehensive and timely compliance monitoring is undertaken.

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.

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SPECIFIC RISKS OF INVESTING IN THE FUND

Credit/Default Risk

Credit or default risk is a concern when the Fund invests in Islamic money market instruments. The risk may arise when the financial institutions are unable to make timely payments on profit and/or principals 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 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. However, the Fund may also invest in Islamic money market instruments with non-rated financial institutions provided that the financial institutions are either government-backed or government-linked financial institutions in Malaysia.

Profit/Interest Rate Risk

Profit/Interest rates offered by the financial institutions will fluctuate according to the Overnight Policy Rate (OPR) determined by Bank Negara Malaysia and this has indirect correlation with the Fund's investments in 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 money market instruments at a lower rate and vice versa.

Meanwhile, 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.

The above-mentioned profit/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.

Liquidity Risk

The ability of the Fund to honour requests for redemption by unit holders in a timely manner is subject to the Fund's holding of adequate liquid assets and/or its ability to source financing on a temporary basis as permitted by the relevant laws. The Fund may seek an Islamic financing facility to meet the above requests. In the event there is insufficient liquid assets, the Manager may have to liquidate the Fund's investments at an unfavorable price.

Concentration Risk

As the Fund is allowed to invest up to 100% of its assets in short-term Islamic money market instruments with a single financial institution, the Fund's value may be affected more by the credit and stability of that financial institution as compared to if the Fund diversifies its investments with various financial institutions.

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DISTRIBUTION POLICY AND MODE OF DISTRIBUTION

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

Distribution, if any, will be automatically reinvested into the Fund based on the Net Asset Value per Unit of the Business Day on which the distribution is declared, unless the Unit Holder specifically requests for physical distribution via cheque.

For the avoidance of doubt, no sales charge will be imposed for the reinvestment.

PARTIES INVOLVED

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

VALUATIONS OF ASSETS OF THE FUND

The value of any investments in Islamic money market instruments shall be determined each day by reference to the principal value of such investments and the income accrued thereon for the relevant period as provided by the financial institutions that issues the instruments and verified by the Manager.

EXITING FROM THE FUND

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

However, there is no repurchase 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.

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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 and 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

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APPENDIX: GLOSSARY

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

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

“CMSA” means Capital Markets & Services Act 2007 as originally enacted and amended or modified from time to time.

“Islamic money market instruments” may include short-term Islamic deposits, short-term Islamic investment accounts, short-term Islamic negotiable instruments (INIs), short-term Islamic repurchase agreement (REPO) and short-term Islamic commercial papers;

“NAV” means the net asset value of the Fund which is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, at the valuation point.

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

“SACSC” means the Shariah Advisory Council of the Securities Commission Malaysia.

“Sophisticated Investors” means any person who:

- (a) is determined to be a sophisticated investor under the Guidelines on Categories of Sophisticated Investors; or
- (b) acquires any capital market product specified under the Guidelines on Categories of Sophisticated Investors where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise ⁽¹⁾.

Note:

⁽¹⁾ *To be read together with the SC’s Technical Note No.1/2024.*

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