

October 2020

OMR: 1.17948 | USD 3.06360



# Bank Muscat Money Market Fund

## Objective

The Fund's objective is to maximize returns with preservation of capital and daily liquidity. The Fund seeks to achieve this by investing in liquid, high quality money market instruments including deposits issued by entities primarily in Oman and the GCC.

## Fund Highlights

- 1) The Fund is designed as an alternative to traditional bank accounts.
- 2) The Fund aims to protect capital, provide liquidity & generate attractive yield

## Commentary

Bank Muscat Money market fund has achieved an annualized return of 3.58% p.a during the month of October 2020. The performance of the fund has seen an improvement despite the impact of COVID-19 pandemic. The fund continues to be attractive to investors as a result of its superior performance that has been maintained since the inception of the fund with added benefit of no entry or exit load and daily liquidity. The returns provided by the fund are much higher than the typical call rate of 0.5%-2.0% p.a. offered by banks in Oman.

The US Fed continued to maintain the Fed fund rates at 0.0% - 0.25%. As a result, the yields have compressed in the fixed income markets. Investors looking for higher yield either have to go longer on tenure or lower in credit quality. Given this scenario, the money market fund has provided attractive returns during the last month. Oman Government US dollar bonds maturing in 2029 saw weakness during the month of October 2020 due to negative sentiment on oil. These bonds are trading at a yield of 7.26% at the end of October 2020 as compared to 7.16% seen at the end of September 2020. The bonds maturing in 2025 have also seen similar weakness in October and are trading at a yield of 5.74% at the end of October 2020 as compared to a yield of 5.75% seen in September 2020. Central bank of Oman issued 28 days bills in October 2020 at a yield of 0.65211% as compared to 0.64709% yield of treasury bills issued in September 2020.

The Bank Muscat Money Market Fund has a strong track record in terms of providing liquidity and attractive returns for short term cash management for the investors. The Fund has registered an uninterrupted track record of positive weekly return since inception in 2012. The monthly performance for the past 12 months is given below:

| Particular                       | Oct-20 | Sept-20 | Aug-20 | July-20 | June-20 | May-20 | April-20 | Mar-20 | Feb-20 | Jan-20 | Dec-19 | Nov-19 |
|----------------------------------|--------|---------|--------|---------|---------|--------|----------|--------|--------|--------|--------|--------|
| Return*                          | 3.58%  | 3.83%   | 3.64%  | 3.49%   | 3.56%   | 3.68%  | 3.57%    | 3.43%  | 3.50%  | 3.62%  | 3.52%  | 3.43%  |
| Weighted Average Maturity (Days) | 136    | 151     | 164    | 147     | 104     | 121    | 125      | 106    | 93     | 106    | 147    | 109    |

\* Annualized Returns

## Performance

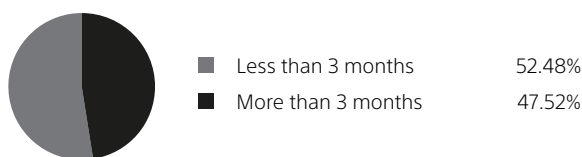
| Name                 | 1 Month | 3 Months | 6 Months | 12 Months |
|----------------------|---------|----------|----------|-----------|
| BM Money Market Fund | 3.58%   | 3.69%    | 3.66%    | 3.64%     |

\* Annualized Returns

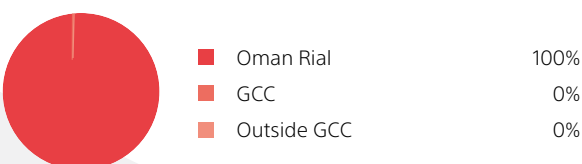
## Fund Information

|              |                  |
|--------------|------------------|
| Fund Manager | Sachin Sawrikar  |
| Custodian    | Bank Muscat SAOG |
| Domicile     | Oman             |
| Risk Profile | Low              |

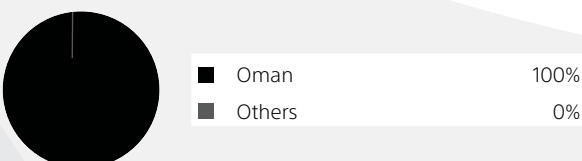
## Deposit Profile



## Geographic Allocation



## Currency Profile



For further information, please contact:

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