

June 2018

## bank muscat Money Market Fund

NAV: OMR 1.0920587

USD 2.8365161

### Objective

The Fund's objective is to generate maximum 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 Highlight

- 1) The Fund is designed for temporary or short term investment of surplus cash & liquidity.
- 2) The Fund aims to protect capital, provide liquidity & produce attractive yield.

### Commentary

The average daily annualized fund return over the last three months was 2.45% p.a., higher than the typical call rate of 0.5% p.a offered by banks in Oman. The return of the Fund remained higher as compared to 3 month average deposit rate of around 1.65% p.a based on the quotes received by the Fund from local major banks in Oman. However, the bank deposit rates do not offer daily liquidity while MMF offers daily liquidity with attractive returns.

The interbank rate increased to 1.714% p.a from 0.438% a year ago. The weighted average interest rate on RO deposits of all commercial banks in Oman increased to 1.671% p.a from 1.600% p.a at the same time last year. (Source: CBO- April 2018 bulletin). The interbank rates across tenures saw increase during June 2018. During the end of the month, Oman treasury bills were tendered at yield of 1.616% for tenor of 28 days, which was higher as compared to May by 40 bps.

In June 2018, the Oman Government bonds listed in international exchanges saw the yields increase in the 5-year Government bonds to 5.32% from 4.94%. Similarly, the 10-years Oman Government bonds saw the yields increase from 6.00% to 6.40%. The increase in yields mirrors volatility in the bond market and also with respect to GCC sovereign markets. In the domestic market, Central Bank of Oman completed the 57th GDB issue to raise RO 100 mn. The issue was placed at 4.85% yield for 5-year maturity papers and the issue saw strong response from investors.

The Fund has seen a strong track record in terms of providing liquidity and attractive returns for short term cash management for the investors. The Fund continued to generate good and consistent performance as shown in returns below:

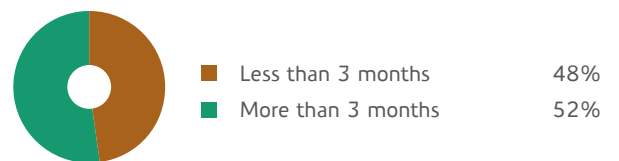
| Particular                       | Jun-18 | May-18 | Apr-18 | Mar-18 | Feb-18 | Jan-18 | Dec-17 | Nov-17 | Oct-17 | Sep-17 | Aug-17 | July-17 | June-17 |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Return*                          | 2.44%  | 2.40%  | 2.40%  | 2.15%  | 2.04%  | 2.01%  | 2.26%  | 1.79%  | 1.43%  | 1.65%  | 1.55%  | 1.86%   | 1.80%   |
| Weighted Average Maturity (Days) | 139    | 126    | 131    | 149    | 143    | 150    | 211    | 203    | 170    | 246    | 274    | 9       | 32      |

\* Annualized Returns

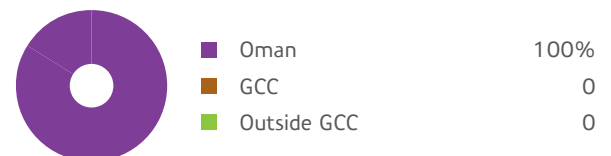
### Fund Information

|                            |                  |
|----------------------------|------------------|
| Fund Manager               | Sachin Sawrikar  |
| Custodian bank muscat SAOG | bank muscat SAOG |
| Domicile Oman              | Oman             |
| Risk Profile               | Low              |

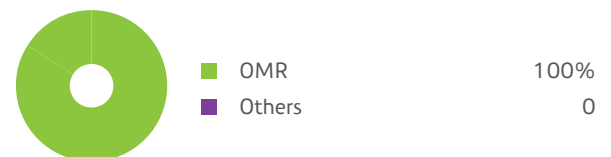
### Deposit Profile



### Geographic Allocation



### Currency Profile



### Performance

| Name                 | 1 Month | 3 Months | 6 Months | 1 year | 3 year | Since Inception |
|----------------------|---------|----------|----------|--------|--------|-----------------|
| bm Money Market Fund | 2.4%    | 2.4%     | 2.3%     | 2.0%   | 1.8%   | 1.5%            |

Annualized Returns

For further information, please contact:

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