

April 2021

OMR: 1.20095 | USD 3.11936



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 3.71% p.a during the month of April 2021. The performance of the fund has been consistent and has continued the trend from 2020. 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. Adding to this, the Fund also provides daily subscription and redemption for investors. 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 ongoing vaccination across regions is expected to reduce the impact of COVID19 outbreak and reduce cases of hospitalization. Also, the US Fed has continued to maintain the US Fed fund rates at 0.0% - 0.25% as a tool to mitigate the downside effect of COVID-19 and to improve the economic growth. With improving economic growth, concern on rising inflation is rising. However, with a recent increase in COVID19 cases across regions, the US Treasury 10-year yield has softened from 1.7% to 1.62%. As a result, the bond markets saw stability in April 2021.

Following the bond markets movement and increase in oil prices, Oman Government US dollar bond maturing in 2029 has seen strong movement. These bonds were trading at a yield of 5.03% at the end of April 2021 as compared to 5.367% seen at the end of March 2021. Central bank of Oman issued 28 days bills in April 2021 at a yield of 0.65211%, which is the same yield as of March 2021. The short term rates continue to remain stable given the stability in US Fed rate. The local market liquidity has been keeping the deposit rates lower. As a result, Oman based banks have retained lower deposit rates.

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	Apr-21	Mar-21	Feb-21	Jan-21	Dec-20	Nov-20	Oct-20	Sept-20	Aug-20	July-20	Jun-20	May-20
Return*	3.71%	3.56%	3.68%	3.74%	3.65%	3.69%	3.58%	3.83%	3.64%	3.49%	3.56%	3.68%
Weighted Average Maturity (Days)	81	90	77	87	105	138	136	151	164	147	104	121

* Annualized Returns

Performance

Name	1 Month	3 Months	6 Months	12 Months
BM Money Market Fund	3.71%	3.69%	3.73%	3.70%

* Annualized Returns

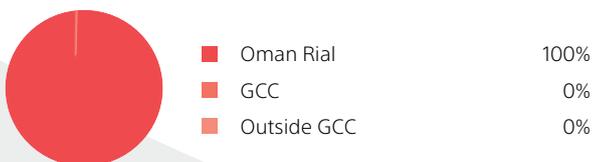
Fund Information

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

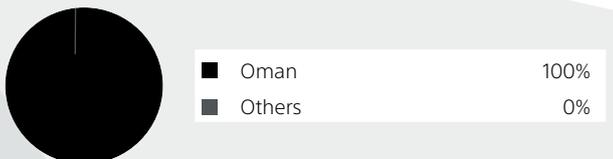
Deposit Profile



Geographic Allocation



Currency Profile



For further information, please contact:

Bank Muscat Private Equity & Asset Management

P.O. Box 134. PC 112. Ruwi. Sultanate of Oman.

Tel: +968 24768620/7983

E-mail: privateequity@bankmuscat.com

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