

Review: How does moomoo Cash Plus work?

Description

Where do you park your warchest cash while waiting for potential market opportunities? For investors looking for relatively low risk options but with fast (or almost instant) liquidity, moomoo Cash Plus is worth checking out. Here's a quick review on how it works and why you might want to consider if it is suitable for you.

What are cash management funds?

If this is your first time seeing this term, you should know that cash management funds are a type of low-risk wealth management product. They are also otherwise known as money market funds (aka MMFs) and typically come with the following features:

- Short-term / no lock-up period
- Low minimum capital
- (usually) higher returns than bank interest rates or fixed deposits

These tend to be more suitable for people who seek a temporary place to park their idle cash in, while waiting for an opportunity to act or deploy their monies.



Why Cash Plus?

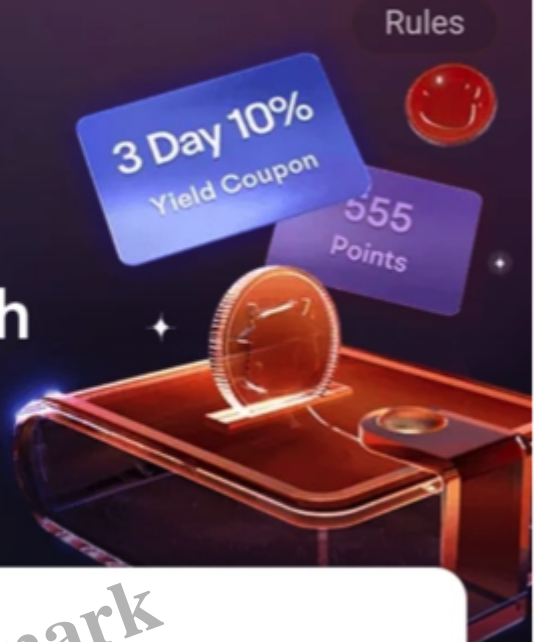
- **Lower Risks**
No negative monthly return to date.
- **Zero Fees**
Subscription and redemption fees are 0.
- **Lower Minimum Investment**
Start investing from as low as S\$0.01 with relatively stable returns.
- **Earn 1.6%[^] p.a. with your idle cash**
Higher than most bank's interest rates (0.25%).
[^]Source: moomoo app

Cash management funds mainly invest in short-term government treasury bills, institutional bonds and other relatively safer assets. This makes them relatively lower in risk compared to stock funds or even various bond funds.

And unlike bonds or fixed deposits, there is usually no minimum capital and redemption is almost instant (or within the next working day). This can be powerful because it gives you the ability to liquidate almost immediately and deploy your funds into any beaten down market opportunities that you've spotted, with no waiting time in between.



The Secret to Enjoying Returns with Your Idle Money



SGD Fullerton Cash Fund

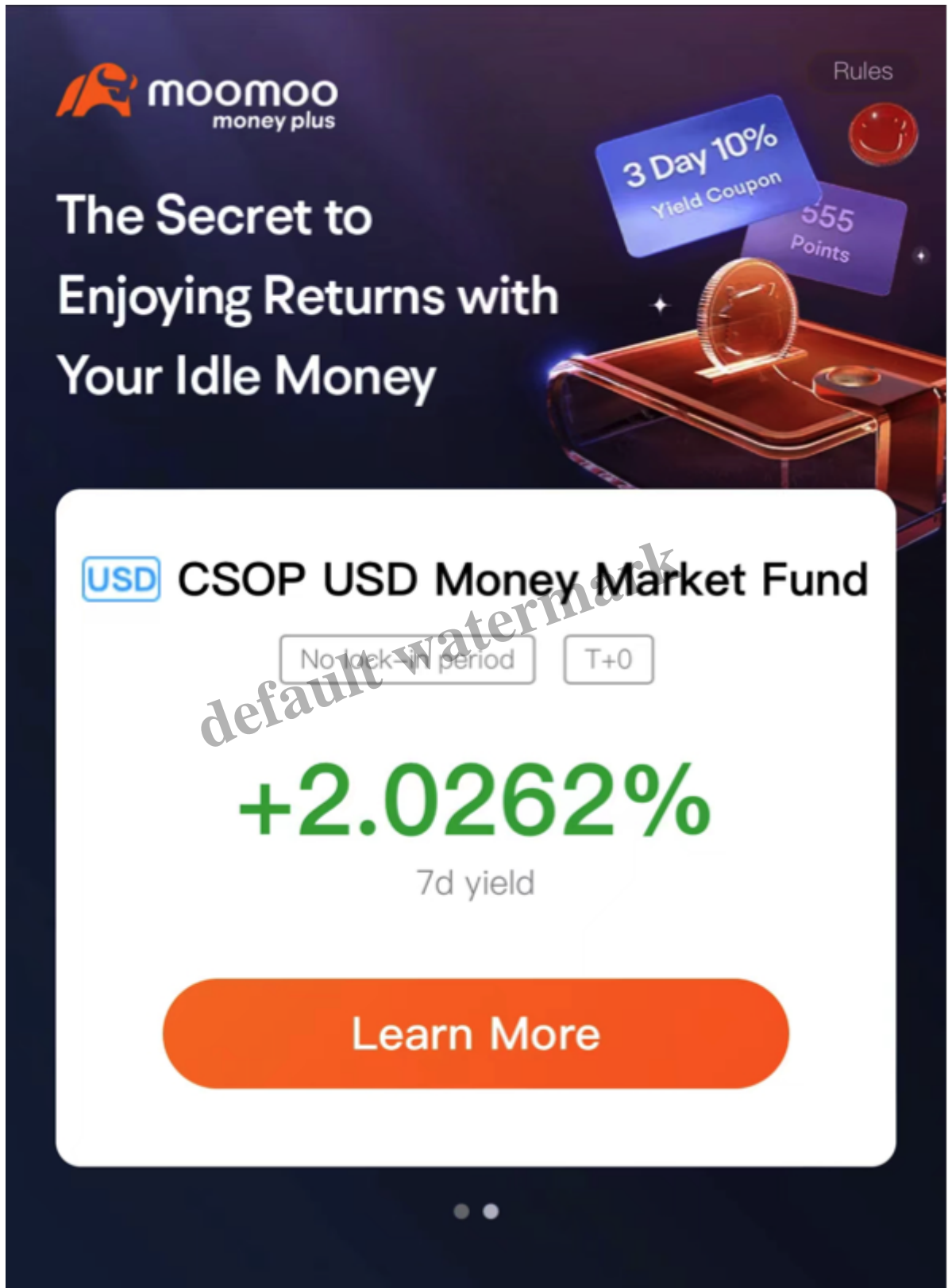
Cash Management

Flexible Redemption

+1.9664%

7d yield

[Learn More](#)



The advertisement features a dark blue background with a glowing orange tray containing a coin and a card. The Moomoo logo is in the top left. The main headline is 'The Secret to Enjoying Returns with Your Idle Money'. A white card in the center displays the fund name 'USD CSOP USD Money Market Fund', 'No lock-in period', 'T+0', and a yield of '+2.0262%' for '7d yield'. An orange 'Learn More' button is at the bottom of the card. A 'Rules' link is in the top right.

moomoo
money plus

Rules

3 Day 10%
Yield Coupon

555
Points

**The Secret to
Enjoying Returns with
Your Idle Money**

USD CSOP USD Money Market Fund

No lock-in period T+0

+2.0262%
7d yield

Learn More



[moomoo Cash Plus](#) – is it safe?

You may have already seen the enticing Cash Plus options if you're an existing user on the app like me. Right now, **moomoo SG** is also giving out a **guaranteed 5% offer** when you invest in **Cash Plus**.

Step 1

The screenshot shows the Funds app interface. At the top, there's a search icon and a menu icon. The main banner is for "Moomoo Cash Plus" with a yellow "UPSIZED" badge. Below the title, it says "GET UP TO \$143* with 5%*p.a. Return Rewards". The banner features a Christmas tree with gold balloons forming the number "5" and a green arrow pointing upwards. A "100% Return Guaranteed" badge is at the bottom left of the banner. Below the banner, there are two call-to-action buttons: "Redeem Anytime, No Lock-in!" and "Absolutely 0 Fee*" on the left, and a large yellow "Claim Now" button on the right. At the bottom of the app, there's a navigation bar with icons for Quote, Trade, Funds (highlighted), Discover, and Me. Above the navigation bar, there's a grid of category icons: Rankings, Cash Plus, Portfolios, RSP(s), Fund Houses, Compare, Equity Funds, Bond Funds, and Balanced Funds.

Go to Funds > Top Banner
> Click "Claim Now"

But before you do anything, you need to first understand how the returns are generated and decide if it is a suitable finance instrument for your needs.

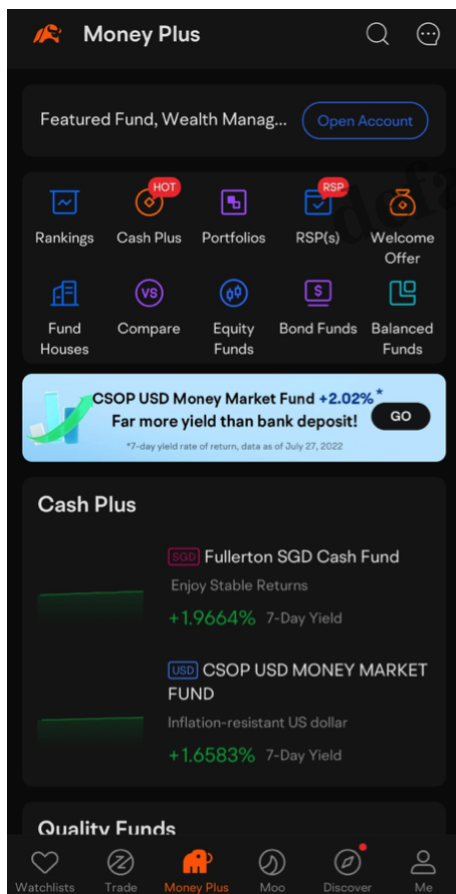
Specifically for moomoo Cash Plus:

- **Instant deposit and withdrawals** – simply use the funds in your moomoo SG account to buy, and redeem it for instant use on stock trading or IPO subscriptions when you need to.

This is the biggest benefit of buying cash management funds via your brokerage platform – you get to withdraw and use the redeemed funds almost instantaneously for your stock trades without incurring any margin interest.

- **Zero additional fees** – the management fees for such cash management funds are deducted from the fund assets, so you do not need to pay any additional fees when you subscribe and/or redeem.

To learn more, simply tap on the “Money Plus” icon in your menu navigation bar where you can then browse through the different funds available on moomoo.



For Cash Plus, investors can choose from 2 Money Market Funds on moomoo i.e. the SGD or USD version.

Step 2



Choose a Fund

For a limited time, we are giving a top up on your choice of fund invested through moomoo Cash Plus. Get your returns boosted to 5%*p.a. Pick your choice of fund to enjoy return rewards on your capital.

+5.0%*

p.a.

Fullerton Cash Fund

[Details](#)

Extra Yield Version

+5.0%*

p.a.

CSOP USD Money Market Fund

[Details](#)

Extra Yield Version

Pick a fund (upsized version) based on your preferred currency

As there's more data on the historical returns for the SGD MMF managed by Fullerton, I've opted to use this as an example instead.



The yield on the Fullerton SGD Cash Fund has been steadily increasing ever since the start of the year. From 0.03% in January, last month's yield came in at 0.13% (almost 4 times higher). This might help explain why the fund assets have almost doubled vs. earlier this year.

Of course, these yields are neither guaranteed nor should we expect them to rise forever. Instead, you can tap to see what the fund invests into, so you have a better idea of where your money is going.



In this case, we can see that the funds are mainly with major financial institutions SGD deposits. This means that the major risk investors are subject to would be the risk of defaults by these financial institutions, which should be a *fairly* unlikely event unless there's major collapse in the global financial system.

Strictly speaking, there is always the chance that the fund may post a negative return on a single day in some *extreme* cases or scenarios. But specifically for the Fullerton SGD Cash Fund, you can track their performance where it has not had a negative monthly return in all the years since its inception date of 3 February 2009.

Investment Focus and Approach

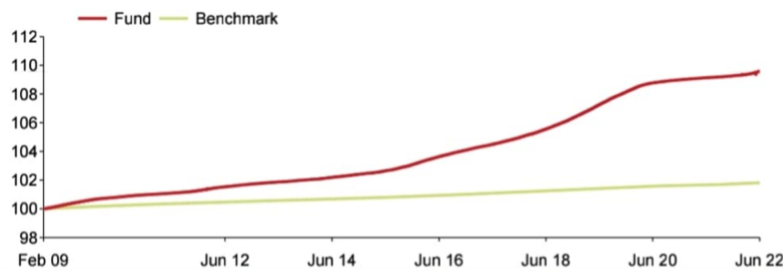
The Managers intend to hold its assets primarily in Singapore Dollar deposits with eligible financial institutions⁽²⁾ with varying terms of maturity of not more than 366 calendar days. The Managers may also place deposits of varying maturity tenures exceeding 366 calendar days but not more than 732 calendar days, subject to a maximum of 10 per cent of the Fund's Net Asset Value.

(1) As quoted in the MAS website.

(2) An eligible financial institution, as defined in Appendix 2 of the Code on Collective Investment Schemes, issued by the MAS is :

- i) a financial institution which has a minimum short-term rating of F-2 by Fitch, P-2 by Moody's or A-2 by Standard and Poor's (including such sub-categories or gradations therein);
- ii) a financial institution rated other than by the credit rating organisations specified in paragraph (i) above for which the manager has satisfied the trustee that its short-term rating is comparable to the ratings in (i) above; or
- iii) a Singapore-incorporated bank licensed under the Banking Act (Cap. 19) which is not rated, but has been approved under the Central Provident Fund Investment Scheme to accept fixed deposits.

Performance (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund	0.09	0.21	0.30	0.42	0.72	0.96	0.77	0.69	0.13
Benchmark	0.01	0.04	0.08	0.14	0.13	0.14	0.13	0.13	0.01

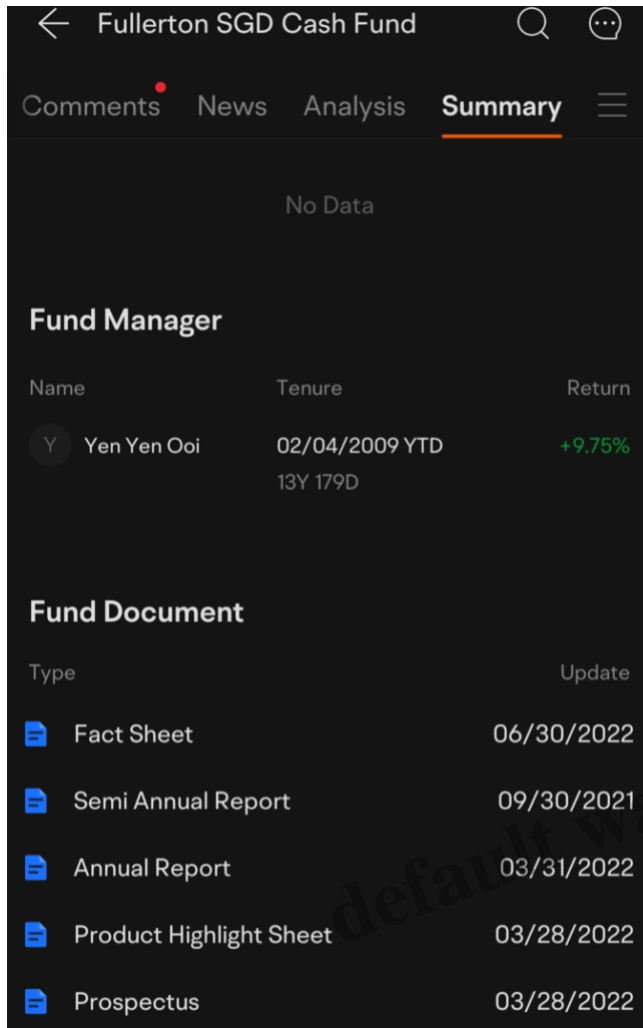
Returns of more than 1 year are annualised. Returns are calculated on a Bid-Bid basis in SGD with net dividends and distributions (if any) reinvested. Preliminary charge is currently waived.

Fund holidays are to be based on the Singapore calendar.

Benchmark: Singapore Dollar Banks Saving Deposits Rate

Source: Fullerton Fund Management Company Ltd and MAS.

You can also tap on “Summary” to view the Fund Prospectus in full, as well as other fund-related documents within your moomoo app itself.



Who is moomoo Cash Plus suitable for?

In general, investors looking to preserve the principal value of their funds + maintain high liquidity + get returns while waiting can consider this as an option.

If you have most of your warchest cash in USD and prefer to avoid FX conversion, there's also a USD Money Market Fund (offered by CSOP) that you can check out.

Who is NOT suitable for [moomoo Cash Plus](#)?

1. If what you seek is a capital-guaranteed instrument, then this will not be suitable for you.

You might then be better off with fixed deposits or the Singapore Savings Bonds (*provided that you're successful in getting your desired allocation*) instead.

2. If you want returns higher than single-digits, then cash management funds are unlikely to get you there.

What can I get if I invest in moomoo Cash Plus?

default watermark



Moomoo Cash Plus

GET UP TO

\$143*

with **5%*** p.a.
Return Rewards



Futu's global assets management scale exceeds S\$3.6 billion, and this is just the start of what they're opening up to Singapore investors.

[Why trade with moomoo? Read my review here.](#)

Disclosure: I'm a current user and am trading on their platform using my own funds.

Message from our Sponsor

Start investing in funds from S\$0.01, with the flexibility to withdraw anytime

With \$0 commission, no fees for fund subscription and redemption and \$0 platform fees, [choose moomoo to help you start your fund investments easily today!](#)

The moomoo app is an award-winning trading platform offered by Moomoo Technologies Inc., a subsidiary of Futu Holdings Inc.

Disclosure: This post is brought to you in conjunction with moomoo SG.

All opinions are that of my own, based on my trading experience with moomoo. Please feel free to [click on my affiliate links](#) if you'll like to sign up for an account!

This advertisement has not been reviewed by the Monetary Authority of Singapore.

Category

1. Investing

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