

TA DYNAMIC ABSOLUTE MANDATE

Date of issuance: 19 February 2019

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of TA Investment Management Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that 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.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of **TA Dynamic Absolute Mandate** and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of **TA Dynamic Absolute Mandate** and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the **TA Dynamic Absolute Mandate** or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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This Product Highlights Sheet is an important document:

- It is a summary of the **salient information about the Fund**.
- You **MUST NOT invest in the Fund based on this Product Highlights Sheet alone**. Please read the Information Memorandum dated 19 February 2019 ("Information Memorandum") before deciding to make an investment. If you do not have a copy, please contact us to ask for one.
- You should not invest in the Fund if you do not understand it or are not comfortable with the accompanying risks.

This Product Highlights Sheet only highlights the key features and risks of the TA Dynamic Absolute Mandate. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

TA DYNAMIC ABSOLUTE MANDATE

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

TA Dynamic Absolute Mandate (the "Fund") aims to achieve steady income and capital growth over medium to long term period.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for Sophisticated Investors who:-

- have a moderate risk tolerance;
- have Medium to Long Term investment horizon; and
- seek capital appreciation.

KEY PRODUCT FEATURES

3. What am I investing in?

Fund Category	Mixed asset (wholesale)
Fund Type	Growth
Base Currency	MYR
Launch Date	19 February 2019
Initial Offer Price	RM1.0000
Initial Offer Period	21 calendar days from the Launch Date of the Fund offered in this Information Memorandum. The Initial Offer Period may be shortened as and when we deem appropriate.
Commencement Date	The next Business Day immediately following the end of the Initial Offer Period.
Minimum Initial Investment	RM1.0mil or such other lower amount as we may decide from time to time.
Minimum Additional Investment	RM1,000 or such other lower amount as we may decide from time to time.
Asset Allocation	<ul style="list-style-type: none"> • 0% - 100% of the Fund's NAV in equities and equity-related securities; • 0% - 100% of the Fund's NAV in fixed income instruments; • 0% - 20% of the Fund's NAV in derivatives; • 0% - 100% of the Fund's NAV in Liquid Assets.
Performance Benchmark	The performance of this Fund is benchmarked against a target return of 8% per annum <i>The benchmark of a target return of 8% per annum is to measure the performance of the Fund and there is no guarantee that it will be achieved.</i>

Investment Policy & Strategy	<p>The Fund aims to achieve a positive absolute return over the Medium to Long Term regardless of market conditions. Typically, the Fund may invest up to 100% of the Fund's NAV in equities, equity-related securities, fixed income instruments, and Liquid Assets. At any one time, the Fund may also comprise all asset classes. The Fund may invest up to 30% of its NAV in foreign securities should the Manager feel it appropriate. To improve market efficiencies, the Fund may invest up to 20% of the Fund's NAV in derivatives for investment and hedging purposes. These derivatives may include, but are not limited to options, futures contracts, forward contracts and swaps. Accordingly, a flexible and opportunistic approach to asset allocation allows the Fund to adapt to different phases of the economic cycle and aims to benefit Unit Holders when market rally and to protect wealth when markets fall.</p> <p>The Fund is actively managed and the Manager employ fundamental, technical and bottom-up analysis as an integral strategy of its investment process. This approach emphasizes the analysis of individual companies including but not limited to earnings, valuations, strong balance sheet and credible management.</p> <p>The risk management strategies and techniques employed by the Manager include diversification of investment into different business sectors and less correlation of each companies where there are diverse classes of companies of different business cycle.</p>
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

4. Who am I investing with?

Manager	TA Investment Management Berhad (Company No. 340588-T)
Trustee	Universal Trustee (Malaysia) Berhad (Company No. 17540-D)

5. What are the possible outcomes of my investment?

The Fund is a wholesale mixed asset fund that invests in equities, equity-related securities, fixed income instruments, derivatives or Liquid Assets. The performance of the Fund would be dependent on the asset classes that are investable by the Fund and reliant on the Manager's expertise in managing the Fund to meet its investment objective.

The investor may gain from the appreciation of unit price as a result of the increase in value of the underlying and/or accrual of profit earned. However, investment involves risk. The value of the Fund may rise or fall. The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate. These risk factors, among others, may cause you to lose part or all of your investment.

KEY RISKS

6. What are the key risks associated with this product?

Specific risks related to the Fund:	
Equity Investment Risk	The value of equities and equity-related investments may vary according to company profits and future prospects as well as more general market factors. The prices of the equities and equity-related investments may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such equities or equity-related investment will adversely affect the Fund's NAV.
Currency Risk	The NAV of the Fund may be affected favourably or unfavourably by exchange control regulations or changes in exchange rates between Ringgit and the relevant foreign currencies if the Fund invests in foreign currencies or securities denominated in a foreign currency, the Fund is exposed to foreign currencies risks. Fluctuations in exchange rates will affect the value of the Fund's foreign investments when converted into the local currency and subsequently the value of Unit Holders' investments.
Country Risk	Investments of the Fund in foreign markets may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. This may impact on the prices of the Fund's investment in those countries and consequently may also adversely affect the Fund's NAV.
Derivative Risk	The use of derivatives may lead to large changes in the value of the Fund and includes the potential for large financial loss. The risk is managed with maximum 20% of the Fund's NAV in derivatives for investment purposes.

Liquidity Risk	The Fund may have insufficient cash to meet redemption requirements, hence the Manager may be required to prematurely unwind positions in longer term placements resulting in foregone interest or unwind positions in equities which are not in the favours position resulting in loss of capital.
Economic Risk	Unit Holders should be aware that the price of the investments may go down or up in response to changes in interest rates, foreign exchange, economic and political condition and the earnings of corporations making up in the portfolio of the Fund. Economic risk is managed through portfolio diversification and dynamic asset allocation and monitoring of investment portfolio by the Manager with the aim to minimize securities exposure in the event of anticipated market weaknesses.
Interest Rate Risk	Interest rate risk refers to the impact of interest rate changes on the valuation of bonds. When interest rates rise, bond prices generally decline and this may lower the value of the Fund's investment in bonds. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, the Manager will need to manage the bond portfolio taking into account the coupon rate, credit ratings and time to maturity of the bonds.
Credit & Default Risk	Credit risk relates to the creditworthiness of the issuers of the fixed income instruments and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the fixed income instruments. In the case of rated bonds, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of the fixed income instruments either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income instruments. This could adversely affect the NAV of the Fund. To mitigate the risk, the selection will be based on stringent credit research and analysis and the Manager will invest in fixed income instruments that rated at least "AA" by RAM Rating Services Berhad ("RAM") or equivalent.
Counterparty Risk	Any default by the counterparty of the derivative would affect the NAV of the Fund. In mitigating this risk, the Manager will carry out a stringent selection process on the counterparty prior to undertaking the investment in derivatives.

Note:

Please refer to chapter 2 of the Information Memorandum for further information.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not possible to protect investments against all risks. The various assets classes generally exhibit different levels of risk.

You are recommended to read the whole Information Memorandum to assess the risks associated to the Fund. If necessary, you should consult your adviser(s) for a better understanding of the risks.

FEE & CHARGES

7. What are the fees and charges involved?

Fees and charges related to the Fund:

Sales Charge¹	Up to 2.00% of the NAV per Unit of the Fund.
Redemption Charge²	Up to 1.00% of the NAV per Unit of the Fund if redemption request is made within six (6) months from the Investment Date of the Fund. The redemption charge will be credited back into the Fund's account for the benefit of the Unit Holders of the Fund.
Switching Fee	No applicable.
Transfer Fee	No applicable.
Annual Management Fee	Up to 1.00% per annum of the NAV of the Fund.
Performance Fee³	20% of the NAV per Unit over and above the Hurdle Value. The Manager will earn a 20% performance fee on the appreciation in the NAV per Unit over and above the Hurdle Value during a Performance Period. In the interest of Unit Holders, the Manager imposes a Hurdle Value which is the High Water Mark plus 8%, in which the Fund's performance have to exceed before the Manager is eligible for a performance fee.
Annual Trustee Fee⁴	Up to 0.043% per annum of the NAV of the Fund subject to a minimum of RM12,000.00 per annum.

Notes:

¹ All sales charge is to be rounded up to two (2) decimal points. The Manager reserves the right to waive and/ or reduce the sales charge from time to time at its absolute discretion.

² The Manager reserve the right to waive/reduce the redemption charge from time to time at its absolute discretion.

³ Please refer to Section 3.5 of the Information Memorandum for information on performance fee.

⁴ Actual rate excluding foreign custodian fee and charges.

Please refer to chapter 1 of the Information Memorandum for further information.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT

VALUATIONS AND EXITING FROM INVESTMENT

8. How often are valuations available?

The Fund will be valued on a daily basis, which is on the Valuation Day.

As the Fund may invest in foreign markets, the valuation of the Units in respect of a particular Valuation Day can only be carried out on the following Business Day at the close of business of the last relevant foreign market in which the Fund invests in.

9. How can I exit from this investment and what are the risks and costs involved?

Redemption

- Redemption must be submitted by completing the transaction form to the respective servicing agent or direct to Manager's office. The transaction form is available to any Manager's head office or at authorised business centres.
- Redemption proceed will be paid within ten (10) Business Days, provided the completed documents is received by Manager's head office.

Note:

Please refer to chapter 3 of the Information Memorandum for detailed information.

CONTACT INFORMATION

10. Who should I contact for further information or to lodge a complaint?

1. For internal dispute resolution, you may contact:

Our authorised distributors or our customer service officers on toll free 1-800-38-7147 between 9.00 a.m. and 6.00 p.m. (Malaysia time), from Monday to Friday (except public holidays), or you can email us at investor.taim@ta.com.my.

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation ("SIDREC"):

- (a) via phone to : 03-2282 2280
- (b) via fax to : 02-2282 3855
- (c) via email to : info@sidrec.com.my
- (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

3. You can also direct your complaint to SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

- (a) via phone to the Aduan Hotline at : 03-6204 8999
- (b) via fax to : 03-6204 8991
- (c) via email to : aduan@seccom.com.my
- (d) via online complaint form available at : www.sc.com.my
- (e) via letter to : Consumer & Investor Office
Securities Commission Malaysia
No. 3, Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

- (a) via phone to : 03-2092 3800
- (b) via fax to : 03-2093 2700

- (c) via email to : complaints@fimm.com.my
 (d) via online complaint form available at : www.fimm.com.my
 (e) via letter to : Legal, Secretarial & Regulatory Affairs
 Federation of Investment Managers Malaysia
 19-06-1, 6th Floor Wisma Tune
 No.19 Lorong Dungun
 Damansara Heights
 50490 Kuala Lumpur

APPENDIX: GLOSSARY

Business Day	A day on which Bursa Malaysia is open for trading or banks in Kuala Lumpur are open for business. The Manager may declare certain business days to be a non business day although Bursa Malaysia and/or the banks is open for business, if some foreign markets in which the relevant Fund is invested in are closed for business and/or in such other circumstances as provided in the Information Memorandum
Bursa Malaysia	The stock exchange managed and operated by Bursa Malaysia Securities Berhad and includes any changes to the name or the operator of the Malaysian stock exchange
Commencement Date	The next Business Day immediately following the end of the Initial Offer Period
Fund	TA Dynamic Absolute Mandate
High Water Mark / (HWM)	Means the NAV per Unit on the last Valuation Day of the previous Performance Period or the HWM for the previous Performance Period, whichever is higher. For the avoidance of doubt, the HWM at launch will be the Initial Offer Price of the Fund
Hurdle Value	Means the minimum return that the Fund must achieve before the Manager is entitled to charge a performance fee. For avoidance of doubt, Hurdle Value is the HWM plus 8% set at the beginning of each Performance Period
Initial Offer Period	21 calendar days from the Launch Date of the Fund offered in this Information Memorandum. The Initial Offer Period may be shortened when we deem appropriate to enter into the market to capitalise on the prevailing yields and/or market condition
Initial Offer Price	The price payable by an applicant for a Unit during the Initial Offer Period
Investment Date	The day when the Manager received and processed based on the NAV per Unit calculated at the end of the Business Day
IUTA	Institutional Unit Trust Adviser registered with the Federation of Investment Managers Malaysia to market and distribute unit trust funds
Launch Date	The date on which sale of Units of the Fund may first be made and is the date of this Information Memorandum.
Liquid Assets	Refers to money market instruments and deposits
Medium to Long Term	Means a period of at least three (3) years
NAV	Net Asset Value
NAV of the Fund	The NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation
NAV per Unit	NAV of the Fund divided by the number of Units in circulation of that Fund at that valuation point
Performance Period	means a period of 12 months beginning from 1 April to 31 March every year to coincide with the Fund's financial year. However, the Fund's first financial year may be more or less than 12 months, depending on when the Fund is launched. The Performance Period is used to calculate and determine the performance fee which will be calculated on every Valuation Day but payable only once every Performance Period
RM / MYR	Ringgit Malaysia
SC / Securities Commission	Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993

Sophisticated Investor(s)	<p>Refers to:</p> <ul style="list-style-type: none"> • An individual whose total net personal assets, or total net joint assets with his or her spouse, exceed three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence; or • An individual who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months; or • An individual who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months; or • A corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts; or • A partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies; or • A unit trust scheme or prescribed investment scheme; or • A private retirement scheme; or • A closed-end fund approved by the Securities Commission; or • A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding ten million ringgit or its equivalent in foreign currencies; or • A corporation that is a public company under the Companies Act 2016 which is approved by the Securities Commission to be a trustee under the CMSA and has assets under management exceeding ten million ringgit or its equivalent in foreign currencies; or • A statutory body established by an Act of Parliament or an enactment of any state in Malaysia; or • A pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967; or • Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009; or • A holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence; or • A licensed person as defined in the Financial Services Act 2013; or • An Islamic bank as defined in the Islamic Financial Services Act 2013; or • An insurance company registered under the Financial Services Act 2013; or • A takaful operator registered under the Islamic Financial Services Act 2013; or • A bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010; or • An Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010; or • Any other investor as may be permitted by the Securities Commission from time to time and/or under the relevant guidelines
Unit or Units	An undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund
Unit Holder(s) / investor(s) / you	The Sophisticated Investor(s) registered for the time being as the holder or holders of Units of the Fund including persons jointly registered
Valuation Day	A day on which the price of the Fund is calculated, and shall be every Business Day for the Fund
We / our / us / the Manager / TAIM	TA Investment Management Berhad (Company No. 340588-T)